

## **PART 9:**

### Appendices and Tools

## Part 9: Appendices and Tools

### Appendix A: ESG Checklist

The ESG Checklist is a practical self-assessment tool for Malaysian rubber processors and manufacturers. It helps companies assess the applicability, implementation status, maturity level, evidence availability, and improvement needs for each ESG topic in these Guidelines.

The checklist should be used together with:

- a. the ESG Management System described in Part 2;
- b. the ESG topic guidance in Parts 4, 5, and 6;
- c. the ESG reporting guidance in Part 7;
- d. the self-assessment and improvement planning process in Part 8; and
- e. the company's legal compliance register, supplier due diligence files, ESG Risk Register, evidence register, and ESG Action Plan.

The checklist may be used for:

- a. internal ESG self-assessment;
- b. ESG gap analysis;
- c. customer questionnaire preparation;
- d. supplier audit readiness;
- e. management review;
- f. ESG report preparation;
- g. certification or verification preparation;
- h. financing or lender ESG requests;
- i. annual ESG action planning; and
- j. continuous improvement tracking.

The checklist is not intended to replace legal compliance obligations, customer-specific requirements, certification requirements, or technical assessments. Companies should adapt it based on their size, operations, workforce, supplier exposure, reporting boundary, customer expectations, and regulatory requirements.

## How to Use the ESG Checklist

Companies should complete the checklist at least annually. It may also be updated after major changes, such as new customers, new suppliers, new products, new facilities, new equipment, regulatory changes, incidents, audit findings, or changes in reporting requirements.

For each checklist item, companies should record:

Field	Description
ESG Topic	The relevant Environmental, Social, or Governance topic.
Requirement / Good Practice	The expected control, process, record, or practice.
Applicability	Direct, Indirect, Partial, Customer-triggered, Regulatory-triggered, Not Applicable, or Under Review.
Current Status	Not Started, Initial, Basic, Implemented, Managed, Advanced, or Not Applicable.
Evidence Available	Yes, Partial, No, Not Applicable, or Confidential.
Evidence / Verifier	Documents, records, data, registers, reports, approvals, or other evidence.
Gap Identified	Description of missing or weak area.
Priority	Critical, High, Medium, Low, or Monitor.
Action Required	Corrective or improvement action.
Owner	Responsible department or person.
Due Date	Target completion date.
Status / Remarks	Open, In Progress, Completed, Verified, Delayed, or Under Review.

### *Suggested Maturity Rating*

The following maturity levels may be used when completing the checklist.

Score	Maturity Level	Description
<b>0</b>	Not Started	Topic is applicable, but no formal action, records, or evidence are available.
<b>1</b>	Initial Awareness	Topic is recognised, but controls are informal, incomplete, or not consistently documented.
<b>2</b>	Basic Implementation	Basic policy, procedure, data, or evidence exists, but coverage is limited.
<b>3</b>	Implemented and Documented	Controls are implemented, records are maintained, and evidence is available for most requirements.
<b>4</b>	Managed and Monitored	KPIs, risks, corrective actions, and management review are in place.
<b>5</b>	Advanced / Verification-Ready	Practices are mature, evidence is complete, targets are monitored, and the topic is ready for customer verification or assurance.
<b>N.A.</b>	Not Applicable	Topic does not apply based on documented screening.
<b>U.R.</b>	Under Review	Applicability or data is not yet confirmed.

## A1. Environmental Checklist

The Environmental Checklist covers the ten Environmental topics in these Guidelines. Companies should apply the checklist based on their operations, environmental risks, legal obligations, customer requirements, and supply chain exposure.

### A1.1 Environmental Management Overview

Checklist Item	Suggested Evidence / Verifier
Environmental policy or commitment is approved and communicated.	Environmental Policy, ESG Policy, management approval, worker briefing records.
Environmental legal requirements are identified and tracked.	Legal register, permit register, compliance tracker, renewal records.
Environmental risks are assessed for operations and suppliers where relevant.	Environmental risk assessment, ESG Risk Register, supplier risk assessment.
Environmental data owners are assigned.	ESG data ownership matrix, department responsibility matrix.
Environmental incidents and complaints are recorded and investigated.	Incident register, complaint log, investigation reports, corrective action tracker.
Environmental performance is reviewed by management.	Management review minutes, ESG Committee minutes, KPI dashboard.
Environmental evidence is retained for reporting and audits.	ESG Evidence Register, environmental evidence file, document control record.

### A1.2 Environmental Topic 1: Deforestation

Checklist Item	Suggested Evidence / Verifier
No-deforestation commitment is established where natural rubber or forest-linked materials are used.	ESG Policy, Responsible Sourcing Policy, Supplier Code of Conduct.
Natural rubber suppliers are identified and mapped.	Supplier master list, natural rubber supplier register, purchase records.
Sourcing area, origin, or geolocation information is collected where required.	Supplier declaration, sourcing map, geolocation records, customer data forms.
Supplier legality and land use evidence is requested where relevant.	Supplier declaration, land legality records, certification evidence.
EUDR-oriented evidence is prepared where relevant to customer or market exposure.	EUDR evidence file, origin records, legality evidence, risk assessment.
Deforestation risk is assessed for relevant sourcing areas.	Supplier risk assessment, no-deforestation risk review, satellite or third-party evidence where available.

Checklist Item	Suggested Evidence / Verifier
Traceability gaps are recorded and improvement actions are assigned.	Gap register, supplier corrective action tracker, ESG Action Plan.

### A1.3 Environmental Topic 2: Sustainable Land Use and Natural Ecosystem Conservation

Checklist Item	Suggested Evidence / Verifier
Land use legality is confirmed for company sites.	Land title, lease, site approval, local authority licence, land use permit.
Site expansion or land disturbance is assessed for environmental and social risks.	Project risk assessment, approval records, environmental review, site plans.
Supplier land use risks are screened where natural rubber sourcing is relevant.	Supplier questionnaire, supplier declaration, sourcing area map.
Sensitive areas, buffer zones, waterways, or protected areas are identified where relevant.	Site map, environmental risk assessment, supplier screening records.
Controls are implemented to avoid harm to natural ecosystems.	SOPs, site inspections, drainage controls, supplier requirements.
Land-related grievances or disputes are recorded and addressed.	Grievance register, community complaint records, supplier corrective actions.

### A1.4 Environmental Topic 3: Biodiversity

Checklist Item	Suggested Evidence / Verifier
Biodiversity risks are screened for own sites and relevant sourcing areas.	Biodiversity screening, site map, supplier risk assessment.
Nearby sensitive habitats, rivers, wetlands, forests, or protected areas are identified where relevant.	Environmental risk assessment, maps, local authority records.
Operational controls prevent pollution affecting biodiversity.	Waste records, effluent reports, spill controls, chemical storage inspection.
Supplier biodiversity risks are assessed where natural rubber or land-linked sourcing is material.	Supplier questionnaire, sourcing area records, certification evidence.
Biodiversity-related incidents, complaints, or findings are recorded.	Incident log, complaint register, corrective action tracker.
Biodiversity protection or mitigation actions are reviewed.	Management review minutes, ESG Action Plan, monitoring records.

## A1.5 Environmental Topic 4: Emissions

Checklist Item	Suggested Evidence / Verifier
Scope 1 emissions sources are identified.	Fuel records, generator logs, boiler records, vehicle records, refrigerant logs.
Scope 2 electricity consumption is collected.	Electricity bills, meter readings, utility statements.
Relevant Scope 3 categories are screened where material.	Scope 3 screening worksheet, supplier data, logistics data, waste records.
GHG calculation methodology is documented.	GHG workbook, emission factor register, methodology note.
Emissions data is reviewed before disclosure.	Data review checklist, management approval, ESG evidence pack.
Emissions intensity is calculated where useful.	Production records, emissions intensity calculation.
Emissions reduction initiatives are identified.	Energy efficiency project register, maintenance records, renewable energy assessment.
Climate-related risks and transition considerations are reviewed.	ESG Risk Register, climate risk screening, management review minutes.

## A1.6 Environmental Topic 5: Material Use and Circularity

Checklist Item	Suggested Evidence / Verifier
Major raw materials and packaging materials are identified.	Material register, purchase records, inventory records.
Material consumption is tracked where material.	Material usage records, production records, yield reports.
Scrap, rejects, offcuts, and residues are monitored.	Scrap records, rejection reports, waste register, production records.
Material efficiency or yield improvement actions are implemented.	Process improvement records, quality reports, corrective actions.
Reuse, recycling, recovery, or circularity opportunities are assessed.	Recycling records, recovery records, circularity assessment, supplier engagement.
Claims relating to recycled content or circularity are evidence-backed.	Supplier declarations, customer approvals, product specifications, test reports.
Packaging reduction or reusable packaging options are reviewed where relevant.	Packaging records, supplier communication, procurement review.

## A1.7 Environmental Topic 6: Hazardous Substances

Checklist Item	Suggested Evidence / Verifier
Hazardous substance or chemical register is maintained.	Chemical register, inventory list, purchase records.
Current SDS are available and accessible.	SDS file, SDS review record, supplier submissions.
Chemical containers are labelled properly.	Inspection checklist, photos, storage audit records.
Chemicals are stored with segregation, containment, and access control where required.	Chemical storage inspection, bunding records, site photos.
New chemicals are reviewed before purchase or use.	Chemical approval form, SDS review, restricted substance screening.
Restricted or prohibited substances are identified where relevant.	Restricted substance list, supplier declarations, customer requirement matrix.
Spill prevention and response procedures are available.	Spill response SOP, spill kit inspection, drill records.
Chemical spills or incidents are recorded and investigated.	Spill log, incident reports, corrective action tracker.
Chemical waste and scheduled waste are properly managed.	Waste register, consignment notes, contractor evidence.
Workers handling chemicals are trained.	Training records, toolbox talks, competency records.

## A1.8 Environmental Topic 7: Energy

Checklist Item	Suggested Evidence / Verifier
Energy sources are identified.	Energy source register, electricity bills, fuel invoices.
Electricity consumption is tracked.	Utility bills, meter readings, energy tracker.
Fuel consumption is tracked by type.	Fuel invoices, generator logs, boiler logs, vehicle logs.
Energy data boundary is defined.	Boundary statement, site list, meter list.
Energy intensity is calculated where relevant.	Production records, energy intensity calculation.
Major energy-consuming equipment or processes are identified.	Equipment list, maintenance records, energy audit.
Energy efficiency opportunities are assessed.	Energy assessment, opportunity register, maintenance records.
Energy-saving actions are implemented and tracked.	Project register, before-after data, invoices, savings calculation.



Checklist Item	Suggested Evidence / Verifier
Renewable energy opportunities are assessed where feasible.	Solar feasibility study, renewable energy records, contracts.
Energy data is reviewed by management.	KPI dashboard, management review minutes.

## A1.9 Environmental Topic 8: Soil Health

Checklist Item	Suggested Evidence / Verifier
Soil contamination and degradation risks are screened.	Soil risk screening checklist, environmental risk assessment.
High-risk soil areas are identified.	Site map, chemical storage map, waste storage map, drainage map.
Chemical, fuel, and waste storage prevents soil contamination.	Storage inspection records, bunding records, spill records.
Drainage, stormwater, and erosion risks are monitored where relevant.	Drain inspection records, erosion control records, photos.
Soil-related incidents, leaks, staining, or complaints are recorded.	Incident log, complaint register, corrective action records.
Soil testing or professional assessment is conducted where required.	Soil test reports, consultant reports, authority correspondence.
Supplier soil and land degradation risks are screened where relevant.	Supplier questionnaire, sourcing area map, supplier declaration.

## A1.10 Environmental Topic 9: Water

Checklist Item	Suggested Evidence / Verifier
Water sources are identified.	Water source register, water bills, permits where applicable.
Water withdrawal is tracked.	Water bills, meter readings, water tracker.
Water consumption or discharge is calculated where applicable.	Water balance, discharge records, methodology note.
Water intensity is calculated where relevant.	Production records, water intensity calculation.
Water stress assessment is conducted for relevant sites.	Water stress assessment, WRI Aqueduct output where used, local water data.
Wastewater and effluent sources are mapped.	Drain map, wastewater source map, discharge point map.
Effluent treatment system is operated and monitored.	WWTP logs, maintenance records, treatment records.

Checklist Item	Suggested Evidence / Verifier
Effluent quality is tested according to requirements.	Laboratory test reports, sampling records, compliance register.
Effluent exceedances or abnormal discharges are recorded and addressed.	Exceedance report, incident record, corrective action tracker.
Water reduction, reuse, or recycling opportunities are assessed.	Water optimisation project register, reuse records, action plan.

### A1.11 Environmental Topic 10: Waste

Checklist Item	Suggested Evidence / Verifier
All waste streams are identified and classified.	Waste inventory, waste classification register.
Scheduled waste is classified using applicable codes.	Scheduled waste register, classification record, SDS, process information.
Waste quantities are tracked by type and destination.	Waste tracker, weighing records, invoices, consignment notes.
Waste is segregated at source where practical.	Bin labels, photos, inspection checklist, training records.
Waste storage areas are labelled, contained, and inspected.	Waste storage inspections, site layout, photos.
Scheduled waste storage is controlled.	Scheduled waste inventory, storage checklist, labels, eSWIS records where applicable.
Waste contractors are screened and approved.	Contractor licence, approval records, vendor assessment.
Waste treatment, recycling, recovery, or disposal evidence is retained.	Disposal certificates, recycling records, consignment notes, invoices.
Waste reduction and recovery initiatives are implemented.	Waste reduction project register, scrap reduction records.
Waste-related incidents or complaints are recorded and addressed.	Incident register, complaint log, corrective action tracker.

## A2. Social Checklist

The Social Checklist covers the eleven Social topics in these Guidelines. Companies should apply it to employees, migrant workers, contract workers, temporary workers, outsourced workers, contractors, suppliers, and communities where relevant.

### A2.1 Social Management Overview

Checklist Item	Suggested Evidence / Verifier
Human rights commitment is approved and communicated.	Human Rights Policy, ESG Policy, Code of Conduct, management approval.
Labour standards are documented and implemented.	Labour Standards Procedure, Employee Handbook, HR SOPs.
Workforce profile is maintained.	Worker master list, HR system, payroll records.
Grievance channels are available and communicated.	Grievance procedure, posters, briefing records, grievance register.
Social compliance data is collected and reviewed.	HR records, payroll records, training records, grievance dashboard.
Social risks are reviewed by management.	Human rights risk register, management review minutes.
Social evidence is retained securely.	HR evidence file, confidential records control procedure.

### A2.2 Social Topic 1: Human Rights and Social Impact

Checklist Item	Suggested Evidence / Verifier
Human rights policy or commitment is in place.	Human Rights Policy, ESG Policy, Supplier Code of Conduct.
Human rights risk assessment is conducted.	Human rights risk register, assessment worksheet.
Rights-holders and vulnerable groups are identified.	Stakeholder map, workforce profile, supplier risk assessment.
Social impacts on workers, suppliers, and communities are identified.	Social impact assessment, grievance records, engagement records.
Prevention and mitigation measures are implemented.	HR SOPs, supplier controls, training records, OHS records.
Remedy process is available where harm occurs.	Remediation procedure, corrective action tracker, case records.
Supplier and contractor human rights risks are screened where relevant.	Supplier questionnaire, Supplier Code acknowledgement, audit reports.
Human rights grievances are recorded and addressed.	Grievance register, investigation records, remedy records.

## A2.3 Social Topic 2: Diversity, Equity, and Inclusion

Checklist Item	Suggested Evidence / Verifier
DEI or non-discrimination policy is established.	DEI Policy, Human Rights Policy, Employee Handbook.
Equal opportunity is applied in recruitment, training, promotion, and work allocation.	Recruitment records, training records, promotion records, shift rosters.
Non-discrimination and anti-harassment controls are implemented.	Code of Conduct, anti-harassment procedure, grievance records.
Gender equality is monitored where relevant.	Workforce data, training participation, promotion records, payroll review.
Inclusive communication is provided to relevant worker groups.	Translated materials, posters, worker briefings.
Facilities and welfare arrangements support worker dignity and inclusion.	Facility inspections, accommodation records, worker feedback.
DEI-related grievances are recorded and addressed.	Grievance register, investigation records, corrective action tracker.
Supervisors are trained on respectful workplace conduct.	Supervisor training records, toolbox talks.

## A2.4 Social Topic 3: Workers' Rights

Checklist Item	Suggested Evidence / Verifier
Employment terms and conditions are documented.	Employment contracts, appointment letters, worker acknowledgements.
Workers receive onboarding and explanation of key rights.	Onboarding checklist, worker handbook, briefing records.
Working hours are recorded accurately.	Attendance records, timecards, shift rosters.
Overtime is approved, recorded, and paid.	Overtime approval forms, payroll records, payslips.
Rest days, public holidays, and leave are tracked.	Leave records, rest day schedule, public holiday records.
Wages and benefits are paid accurately and on time.	Payroll register, bank transfer records, payslips.
Deductions are lawful, transparent, and documented.	Deduction register, worker authorisations, payslips.
Workers can raise wage, working hour, and employment concerns.	Payroll query log, grievance register.
Contract and outsourced worker rights are monitored where relevant.	Contractor agreements, contractor worker records, supplier declarations.

## A2.5 Social Topic 4: Occupational Health and Safety

Checklist Item	Suggested Evidence / Verifier
OHS policy is approved and communicated.	OHS Policy, worker briefing records, management approval.
OHS roles and responsibilities are assigned.	OHS responsibility matrix, appointment records.
HIRARC is conducted for relevant tasks and areas.	HIRARC register, risk assessment worksheets.
Safe work procedures are available for high-risk tasks.	SOPs, work instructions, operator acknowledgements.
PPE requirements are defined and implemented.	PPE matrix, PPE issuance records, inspection records.
Machine safety controls are implemented.	Machine inspection records, guarding records, maintenance logs.
Chemical safety controls are implemented.	SDS, chemical register, chemical storage inspection, training records.
OHS training is provided.	OHS training matrix, attendance records, certificates.
Incidents and near misses are reported and investigated.	Incident register, investigation reports, corrective action tracker.
Emergency preparedness is maintained.	Emergency response plan, drill records, first aid records.
Contractor OHS is controlled.	Contractor induction, permit-to-work, contractor incident records.

## A2.6 Social Topic 5: Child Labour

Checklist Item	Suggested Evidence / Verifier
Child labour prohibition is documented.	Human Rights Policy, Labour Standards Policy, Supplier Code of Conduct.
Minimum age requirement is defined.	Recruitment procedure, age verification SOP.
Age verification is conducted before hiring.	Identity documents, age verification checklist, worker master list.
Young workers, apprentices, trainees, or interns are controlled where applicable.	Young worker register, training agreement, approved task list.
Persons under 18 are prohibited from hazardous work.	Restricted task list, HIRARC, supervisor briefing records.
Recruitment agents and contractors are required to prevent child labour.	Agent contracts, contractor declarations, supplier clauses.
Suppliers are screened for child labour controls where relevant.	Supplier questionnaire, supplier declaration, audit reports.

Checklist Item	Suggested Evidence / Verifier
Child labour remediation procedure is available.	Remediation procedure, case template, escalation process.
Suspected or confirmed cases are investigated and remediated.	Confidential case records, corrective action tracker, remedy evidence.

## A2.7 Social Topic 6: Forced or Compulsory Labour

Checklist Item	Suggested Evidence / Verifier
Forced labour prohibition is documented.	Human Rights Policy, Forced Labour Policy, Supplier Code of Conduct.
Forced labour risk assessment is conducted.	Forced labour risk register, worker interviews, grievance review.
Recruitment channels are mapped.	Recruitment agent list, labour supplier list, contractor list.
Recruitment fees and related costs are prohibited and checked.	Ethical Recruitment Policy, worker-paid fee declaration, interview records.
Recruitment agents are screened and controlled.	Agent due diligence file, agent contracts, corrective actions.
Workers have freedom of movement.	Accommodation rules, worker interviews, security instructions.
Workers retain possession or free access to passports and identity documents.	Passport policy, document access log, safekeeping consent where applicable.
Wages are not withheld and deductions do not create debt bondage.	Payroll records, deduction register, payslips.
Migrant workers receive orientation in understandable format.	Orientation materials, translated documents, attendance records.
Forced labour-related grievances are recorded and addressed.	Grievance register, investigation records, remediation records.
Suppliers and contractors are screened for forced labour risks.	Supplier questionnaire, contractor agreement, audit reports.

## A2.8 Social Topic 7: Rights of Indigenous Peoples

Checklist Item	Suggested Evidence / Verifier
Indigenous Peoples' rights commitment is included where relevant.	Human Rights Policy, Responsible Sourcing Policy, Supplier Code.
Applicability screening is conducted.	Indigenous Peoples screening checklist, site map, sourcing area map.

Checklist Item	Suggested Evidence / Verifier
Customary land, local rights, or cultural sensitivities are identified where relevant.	Stakeholder map, land due diligence file, cultural sensitivity register.
FPIC relevance is assessed where activities may affect Indigenous Peoples.	FPIC screening form, engagement plan, management review.
Engagement is culturally appropriate where relevant.	Meeting minutes, community records, translated materials.
Supplier Indigenous rights and land risks are screened where natural rubber sourcing is relevant.	Supplier questionnaire, supplier declaration, sourcing area records.
Land or cultural grievances are recorded and addressed.	Grievance register, corrective action records, remedy evidence.
Sensitive cultural and land information is protected.	Confidential records control procedure, restricted files.

## A2.9 Social Topic 8: Local Communities

Checklist Item	Suggested Evidence / Verifier
Community stakeholders are identified where relevant.	Community stakeholder map, site map, engagement register.
Community impacts are screened.	Community impact assessment, environmental risk assessment.
Community engagement is planned where material.	Community Engagement Plan, engagement calendar.
Complaint and feedback channels are available.	Complaint procedure, community contact notice, complaint register.
Community complaints are recorded, investigated, and closed.	Complaint log, investigation records, corrective action tracker.
Environmental impacts affecting communities are monitored.	Effluent reports, waste records, odour or noise records, incident reports.
Traffic, drainage, waste, odour, or accommodation concerns are addressed where relevant.	Inspection records, action plans, community feedback records.
Community benefit activities are documented where implemented.	Community benefit plan, approval records, activity records.

## A2.10 Social Topic 9: Freedom of Association and Collective Bargaining

Checklist Item	Suggested Evidence / Verifier
Freedom of association commitment is documented.	Human Rights Policy, Labour Standards Policy, Employee Handbook.



Checklist Item	Suggested Evidence / Verifier
Worker representation channels are identified.	Worker representation register, committee records, union correspondence where applicable.
Collective bargaining rights are respected where applicable.	Collective agreement, bargaining records, industrial relations records.
Worker consultation mechanisms are available.	Worker meetings, safety committee minutes, welfare committee records.
Workers are protected from retaliation.	Non-retaliation policy, grievance records, investigation records.
Supervisors are trained not to interfere with lawful worker representation.	Supervisor training records, HR briefing records.
Representation-related grievances are recorded and addressed.	Grievance register, corrective action tracker.
Migrant, contract, or outsourced workers can access communication channels where relevant.	Translated materials, contractor worker briefings, grievance records.

## A2.11 Social Topic 10: Training and Development

Checklist Item	Suggested Evidence / Verifier
Training and development policy or commitment is established.	HR Policy, Training Policy, ESG Policy.
Training needs assessment is conducted.	TNA worksheet, training needs matrix, department input.
Annual training plan is prepared.	Training plan, training calendar, training budget.
Training matrix is maintained by role and department.	Training matrix, refresher tracker.
New worker induction is conducted.	Induction checklist, attendance records, worker handbook.
ESG, OHS, labour, environmental, and governance training are provided where relevant.	Training materials, attendance records, toolbox talks.
Technical and job-specific skills training is provided.	Competency assessments, supervisor sign-off, certificates.
Training hours are tracked.	Training register, attendance records, training hours calculation.
Training effectiveness is assessed for high-risk topics.	Quiz results, competency checks, supervisor observation.
Career development reviews are conducted where applicable.	Performance review records, development plans, skills matrix.



## A2.12 Social Topic 11: Pay and Equal Remuneration

Checklist Item	Suggested Evidence / Verifier
Pay and remuneration policy is established.	HR Policy, Pay Policy, Employee Handbook.
Minimum wage compliance is monitored.	Wage register, payroll records, legal review.
Wages are paid on time.	Payroll calendar, bank transfer records, payslips.
Payroll calculations are supported by attendance and overtime records.	Attendance records, overtime approvals, payroll register.
Payslips are provided and understandable.	Payslip records, worker briefings.
Deductions are lawful and documented.	Deduction register, authorisations, payroll review.
Benefits and allowances are documented.	Benefits and Allowances Register, employment contracts, payroll records.
Equal pay principles are applied.	Job descriptions, wage structure, pay review worksheet.
Pay differences are based on objective criteria.	Job grades, performance records, competency records, approval records.
Wage grievances and payroll corrections are tracked.	Payroll correction log, grievance register, closure evidence.
Contractor or outsourced worker wage controls are monitored where relevant.	Contractor agreements, wage declarations, audit reports.

## A3. Governance Checklist

The Governance Checklist covers the eight Governance topics in these Guidelines. Companies should apply it to governance structures, management oversight, supplier due diligence, business ethics, risk management, tax, anti-corruption, stakeholder engagement, and regulatory compliance.

### A3.1 Governance Management Overview

Checklist Item	Suggested Evidence / Verifier
ESG governance structure is defined.	Governance chart, ESG Committee Terms of Reference, organisation chart.
ESG roles and responsibilities are assigned.	ESG RACI matrix, data ownership matrix, appointment records.
Legal compliance register is maintained.	Legal register, licence tracker, compliance calendar.
ESG risks are identified and reviewed.	ESG Risk Register, management review minutes.
Policies and procedures are controlled.	Policy register, document control procedure, approval records.
Ethical conduct expectations are communicated.	Code of Conduct, ABAC Policy, training records.
Grievance and whistleblowing channels are available.	Grievance procedure, whistleblowing procedure, case register.
ESG performance is reviewed by management.	Management review minutes, KPI dashboard, action tracker.

### A3.2 Governance Topic 1: Supply Chain Traceability and Due Diligence

Checklist Item	Suggested Evidence / Verifier
Responsible sourcing commitment is established.	Responsible Sourcing Policy, ESG Policy, Supplier Code of Conduct.
Supplier master list is maintained.	Supplier register, vendor list, procurement records.
Suppliers are categorised by material, service, criticality, and ESG risk.	Supplier categorisation matrix, spend analysis, supplier risk rating.
Natural rubber suppliers are mapped where relevant.	Natural rubber supplier list, purchase records, origin data.
Traceability records link supplier, purchase, batch, production, and shipment where required.	Purchase orders, delivery orders, batch records, inventory records, shipment records.

Checklist Item	Suggested Evidence / Verifier
Chain-of-custody controls are implemented where claims or certifications apply.	Chain-of-custody SOP, segregation records, mass balance records.
Supplier ESG assessments are conducted.	Supplier questionnaire, supplier declaration, audit reports.
Supplier legal compliance documents are collected where relevant.	Supplier licences, permits, certifications, approvals.
High-risk suppliers are subject to enhanced due diligence.	Supplier risk matrix, audit report, site visit records.
Supplier corrective actions are tracked.	Supplier CAP tracker, closure evidence, management review.
Supplier data confidentiality is controlled.	Confidentiality procedure, access control records.

### A3.3 Governance Topic 2: Corporate Governance

Checklist Item	Suggested Evidence / Verifier
ESG oversight is assigned to Board, owner, or senior management.	Board minutes, owner approval, management review records.
ESG Committee or equivalent management review mechanism exists.	ESG Committee Terms of Reference, meeting minutes.
ESG lead or coordinator is appointed.	Appointment record, job description, responsibility matrix.
Department-level ESG roles are assigned.	ESG RACI matrix, data ownership matrix.
ESG policies are reviewed and approved.	Approved policies, version control records.
Material ESG topics are reviewed and approved.	Materiality assessment, approval record.
ESG targets and action plans are approved.	ESG Action Plan, target register, management sign-off.
ESG disclosures are reviewed before external release.	Disclosure checklist, approval records, evidence pack.
Governance-related training is provided.	ESG governance training records, data owner training records.
Governance effectiveness is reviewed annually.	Annual governance review record, management minutes.

### A3.4 Governance Topic 3: Business Ethics

Checklist Item	Suggested Evidence / Verifier
Code of Conduct is established and approved.	Code of Conduct, management approval, version control.
Code applies to employees, directors, suppliers, contractors, and business partners where relevant.	Code wording, Supplier Code, contractor clauses.
Code is communicated and acknowledged.	Employee acknowledgements, supplier acknowledgements, training records.
Conflict of Interest Policy is implemented.	Conflict policy, declaration forms, conflict register.
Gifts, hospitality, donations, and sponsorships are controlled.	Gifts register, donation register, approval records.
Ethical procurement controls are implemented.	Procurement SOP, quotation comparison, approval records.
Accurate records and truthful reporting are required.	Code of Conduct, disclosure review checklist, internal audit records.
Confidential information is protected.	Confidentiality procedure, access control records.
Ethics concerns can be reported safely.	Whistleblowing procedure, grievance channels, case register.
Ethics cases are investigated and corrected.	Investigation records, corrective action tracker, disciplinary records.

### A3.5 Governance Topic 4: Transparency and Risk Management

Checklist Item	Suggested Evidence / Verifier
ESG Risk Register is maintained.	ESG Risk Register, risk scoring matrix.
ESG risks are assigned to owners.	Risk register, responsibility matrix.
High and critical risks are escalated to management.	Escalation records, management review minutes.
Internal controls are defined for ESG data and processes.	Internal control matrix, SOPs, approval matrix.
ESG data owners, reviewers, and approvers are identified.	Data ownership matrix, disclosure approval matrix.
Data quality checks are conducted before disclosure.	Data review checklist, calculation review records.
ESG claims are substantiated before external use.	Claim review checklist, evidence pack.
Omissions, estimates, and assumptions are documented.	Omission register, assumptions register.
Evidence is organised and retrievable.	ESG Evidence Register, evidence files.

Checklist Item	Suggested Evidence / Verifier
Internal audit or self-assessment is conducted where applicable.	Internal audit report, self-assessment checklist.

### A3.6 Governance Topic 5: Tax Practices

Checklist Item	Suggested Evidence / Verifier
Tax commitment or policy is documented.	Tax Policy, Finance Policy, ESG Policy.
Tax responsibilities are assigned.	Tax responsibility matrix, finance roles, external advisor engagement.
Tax Compliance Register or tax calendar is maintained.	Tax register, filing tracker, payment tracker.
Corporate tax filings and payments are completed and retained.	Tax computation, submission receipts, payment records.
Employer tax obligations are managed.	MTD records, Form E, C.P.8D, EA / EC statements, payroll tax records.
e-Invoice applicability and readiness are assessed.	e-Invoice assessment, implementation plan, system records.
Related-party transactions and transfer pricing are assessed where applicable.	Related-party register, transfer pricing documentation.
Tax records are retained securely.	Tax evidence file, record retention register.
Tax risks are reviewed by management.	Tax Risk Register, management review minutes.
Tax-related concerns can be reported.	Whistleblowing procedure, ethics case register.

### A3.7 Governance Topic 6: Anti-Corruption

Checklist Item	Suggested Evidence / Verifier
ABAC Policy is established and approved.	ABAC Policy, Code of Conduct, management approval.
Top-level commitment is demonstrated.	Signed statement, Board minutes, management communication.
Corruption risk assessment is conducted.	Corruption Risk Register, risk assessment worksheet.
Third-party corruption risks are assessed.	Supplier due diligence checklist, agent screening records.
Gifts, hospitality, donations, and sponsorships are controlled.	Gifts register, approval records.
Conflicts of interest are declared and managed.	Conflict register, declaration forms, recusal records.

Checklist Item	Suggested Evidence / Verifier
Procurement integrity controls are implemented.	Procurement SOP, approval matrix, supplier evaluation.
ABAC training is provided to relevant employees.	Training records, attendance, training materials.
Suppliers and contractors are informed of anti-corruption expectations.	Supplier Code, contract clauses, supplier acknowledgements.
Reporting channels are available.	Whistleblowing procedure, hotline records, posters.
Allegations are investigated and corrective actions are tracked.	Investigation reports, case register, corrective action tracker.

### A3.8 Governance Topic 7: Stakeholder Engagement

Checklist Item	Suggested Evidence / Verifier
Stakeholder engagement commitment is established.	ESG Policy, Stakeholder Engagement Policy.
Stakeholders are identified and mapped.	Stakeholder register, stakeholder map.
Vulnerable or under-represented stakeholders are considered.	Vulnerability screening, worker group mapping, community screening.
Stakeholder Engagement Plan is prepared where relevant.	Engagement plan, engagement calendar.
Worker, customer, supplier, regulator, and community engagement is documented.	Engagement log, meeting minutes, customer tracker, supplier records.
Stakeholder feedback is recorded and assigned to owners.	Feedback log, corrective action tracker.
Feedback is escalated where high-risk or material.	Escalation records, management review minutes.
Stakeholder input informs materiality and risk management.	Materiality assessment, ESG Risk Register updates.
Grievance and complaint channels are linked to engagement.	Grievance registers, complaint records.
Engagement trends are reviewed by management.	KPI dashboard, management review minutes.

### A3.9 Governance Topic 8: Regulatory Risk and Public Policy

Checklist Item	Suggested Evidence / Verifier
Regulatory monitoring procedure is established.	Regulatory Monitoring Procedure, legal register.

Checklist Item	Suggested Evidence / Verifier
Regulatory responsibilities are assigned.	Roles matrix, department responsibility records.
Legal and regulatory compliance register is maintained.	Legal register, compliance tracker.
Regulatory updates are monitored and assessed.	Regulatory update log, applicability assessment.
Licences, permits, approvals, and certificates are tracked.	Licence and Permit Register, renewal calendar.
Permit conditions and submissions are monitored.	Permit condition matrix, monitoring reports, submission records.
Non-compliance is recorded and corrected.	Non-compliance register, corrective action tracker.
Customer and export market requirements are monitored.	Customer requirement matrix, EUDR evidence file where relevant.
Public policy engagement is controlled and recorded where relevant.	Public Policy Engagement Register, meeting minutes, submissions.
Public official interactions follow ABAC controls.	Public official interaction log, gift register, ABAC records.
Political contributions, donations, and sponsorships are controlled.	Donation register, approval records, policy.

## A4. Evidence and Verifier Checklist

The Evidence and Verifier Checklist helps companies confirm whether each ESG disclosure, self-assessment score, customer response, or reported KPI is supported by reliable evidence.

Companies should not mark a checklist item as fully implemented unless appropriate evidence is available.

### A4.1 Evidence Quality Categories

Evidence Quality	Description	Examples
<b>Strong Evidence</b>	Official, complete, traceable, and externally verifiable.	Utility bills, permits, licences, lab reports, consignment notes, payroll records, signed contracts, certificates.
<b>Moderate Evidence</b>	Internal records or supplier documents that are useful but may need review.	Registers, checklists, supplier declarations, meeting minutes, training attendance records.
<b>Supporting Evidence</b>	Helps support the claim but should not normally stand alone for material disclosures.	Photos, emails, screenshots, briefing notes, informal records.
<b>Weak Evidence</b>	Not sufficient on its own for external reporting.	Verbal confirmation, undocumented practice, unsigned forms, incomplete notes.
<b>Confidential Evidence</b>	Evidence exists but cannot be publicly disclosed in detail.	Payroll records, worker identity records, medical records, grievance case files, supplier contracts, geolocation data.

### A4.2 General Evidence Checklist

Evidence Check	Yes / No / Partial / N.A.	Remarks
Is the evidence available for the reporting period?		
Does the evidence cover the correct site, supplier, product, or worker group?		
Is the evidence complete?		
Is the evidence current and valid?		
Is the evidence signed, approved, or traceable where required?		



Evidence Check	Yes / No / Partial / N.A.	Remarks
Does the evidence match the reported data?		
Are units, dates, and quantities consistent?		
Are assumptions and estimates documented?		
Has the data owner reviewed the evidence?		
Has management approved the disclosure where required?		
Is the evidence stored in the ESG Evidence Register?		
Is confidential information protected?		
Can the evidence be retrieved for customer or auditor review?		

### A4.3 Environmental Evidence Checklist

Data / Disclosure Area	Minimum Evidence Expected
Energy consumption	Electricity bills, fuel invoices, meter readings, generator or boiler logs.
Renewable energy	Solar generation records, contracts, certificates, inverter reports, invoices.
Scope 1 emissions	Fuel records, refrigerant logs, emission factor register, GHG workbook.
Scope 2 emissions	Electricity bills, emission factor register, GHG workbook.
Scope 3 screening	Scope 3 category screening, supplier data, logistics records, waste records.
Water withdrawal	Water bills, meter readings, permits where applicable.
Water discharge and effluent	WWTP logs, discharge records, laboratory test reports, permit conditions.
Water stress	Water stress assessment, local water information, risk assessment.
Waste generated	Waste register, weighing records, vendor reports, invoices.
Scheduled waste	Scheduled waste inventory, consignment notes, eSWIS records where applicable, contractor evidence.
Waste recovery or recycling	Recycling records, recovery certificates, vendor reports, invoices.
Chemical management	Chemical register, SDS, storage inspections, training records.
Restricted substances	Supplier declarations, customer requirement matrix, test reports where required.
Spills and incidents	Spill log, incident report, investigation record, corrective action evidence.

Data / Disclosure Area	Minimum Evidence Expected
Deforestation and traceability	Supplier origin records, sourcing area maps, geolocation where required, legality evidence, supplier declarations.
Biodiversity and land use	Site maps, supplier screening, land records, environmental risk assessment.

#### A4.4 Social Evidence Checklist

Data / Disclosure Area	Minimum Evidence Expected
Workforce profile	Worker master list, HR records, payroll records.
Employment terms	Employment contracts, appointment letters, worker acknowledgements.
Working hours	Attendance records, timecards, shift rosters, overtime approvals.
Wages	Payroll register, payslips, bank payment records, wage review records.
Deductions	Deduction register, authorisations, payslips.
Benefits and allowances	Benefits register, payroll records, policy, employment contracts.
Grievances	Grievance procedure, grievance register, investigation records, closure evidence.
OHS risk assessment	HIRARC, risk assessment worksheets, SOPs.
OHS incidents	Incident register, investigation reports, medical or first aid records where relevant, corrective actions.
OHS training	Training matrix, attendance records, certificates, competency checks.
PPE	PPE matrix, issuance records, inspection records.
Machine safety	Machine inspection records, maintenance logs, guarding records.
Child labour prevention	Age verification records, worker master list, young worker register where applicable.
Forced labour prevention	Recruitment agent records, worker-paid fee checks, document access logs, worker interviews.
Migrant worker protection	Orientation records, translated materials, permits, accommodation records.
DEI	Non-discrimination policy, workforce data, training records, grievance records.
Local communities	Community stakeholder map, complaint register, engagement log, corrective actions.
Training and development	Training plan, training attendance, training hours tracker, skills matrix.

## A4.5 Governance Evidence Checklist

Data / Disclosure Area	Minimum Evidence Expected
ESG governance	Governance chart, ESG roles matrix, ESG Committee minutes, management review records.
Corporate governance	Board or owner approvals, management charters, responsibility matrix.
Supplier due diligence	Supplier master list, supplier risk matrix, questionnaires, declarations, supplier CAPs.
Traceability	Purchase records, delivery orders, batch records, origin records, production records, shipment records.
Code of Conduct	Approved Code, employee acknowledgements, training records.
Conflict of interest	Conflict Policy, declaration forms, conflict register, mitigation records.
Gifts and hospitality	Gifts register, approval records, donation or sponsorship register.
ABAC	ABAC Policy, corruption risk assessment, training records, third-party due diligence, case register.
Whistleblowing	Whistleblowing procedure, reporting channel communication, case register.
ESG Risk Register	Risk scoring matrix, risk register, management review.
Disclosure governance	Disclosure checklist, evidence pack, approval records.
Tax practices	Tax compliance register, tax filings, payment records, employer tax records, e-Invoice assessment.
Regulatory compliance	Legal register, licence register, permits, regulatory updates, non-compliance register.
Stakeholder engagement	Stakeholder register, engagement plan, feedback log, management review.
Public policy engagement	Public policy engagement register, meeting records, submissions, ABAC review.

## A4.6 Evidence Gap Tracker

ESG Topic	Evidence Required	Evidence Available	Gap	Action Required	Owner	Due Date	Status
Energy	Electricity bills and fuel records	Partial	Missing fuel logs for generators	Create generator fuel log	Maintenance		

ESG Topic	Evidence Required	Evidence Available	Gap	Action Required	Owner	Due Date	Status
OHS	HIRARC for all high-risk tasks	Partial	HIRARC missing for new line	Conduct HIRARC review	EHS		
Supplier Due Diligence	Supplier ESG questionnaires	Partial	Only top suppliers assessed	Expand to priority suppliers	Procurement		
Anti-Corruption	Gift register	No	Register not created	Establish register and brief staff	Compliance		

## A5. Applicability and Omission Explanation Template

This template helps companies explain whether ESG topics are applicable, partially applicable, under review, or not applicable. It should also be used to explain why certain data or disclosures are omitted.

Companies should avoid leaving items blank or writing only “N.A.” without explanation. Every omission should be clear, honest, and reviewed.

### A5.1 Applicability Classification Template

ESG Topic	Applicability Classification	Reason	Boundary	Evidence	Review Date
Deforestation	Direct / Indirect / Partial / Customer-triggered / Regulatory-triggered / Not Applicable / Under Review		Own operations / Suppliers / Customers / Product / Site		
Water	Direct / Partial / Not Applicable / Under Review		Site / Process / Supplier		
Forced Labour	Direct / Indirect / Partial / Not Applicable / Under Review		Workforce / Recruitment Agents / Contractors / Suppliers		

ESG Topic	Applicability Classification	Reason	Boundary	Evidence	Review Date
Supplier Due Diligence	Direct / Indirect / Partial / Customer-triggered / Under Review		Priority suppliers / All suppliers / Selected categories		

## A5.2 Applicability Categories

Classification	Use When	Example Explanation
<b>Directly Applicable</b>	Topic applies to own operations, workforce, sites, or management system.	“Energy is directly applicable because the company uses electricity and fuel in manufacturing operations.”
<b>Indirectly Applicable</b>	Topic applies through suppliers, contractors, customers, logistics, or waste contractors.	“Deforestation is indirectly applicable through natural rubber suppliers.”
<b>Partially Applicable</b>	Topic applies only to selected sites, products, suppliers, worker groups, or processes.	“Water applies to the main manufacturing site but not to the sales office.”
<b>Customer-triggered</b>	Topic applies because customers request data, evidence, or compliance.	“EUDR-oriented traceability is customer-triggered for selected EU-linked products.”
<b>Regulatory triggered</b>	Topic applies because of law, permit, licence, or compliance obligation.	“Scheduled waste controls are regulatory-triggered because chemical waste is generated.”
<b>Not Currently Applicable</b>	Topic does not apply based on current operations, materials, workforce, suppliers, or customers.	“Migrant worker-specific indicators are not applicable because the company did not employ migrant workers during the reporting period.”
<b>Under Review</b>	Applicability is uncertain because information is incomplete or business conditions are changing.	“Supplier geolocation applicability is under review pending customer scope confirmation.”
<b>Managed Under Another Topic</b>	Topic is covered under a related section to avoid duplication.	“Soil contamination risk is managed under Hazardous Substances, Waste, and Water controls.”

### A5.3 Omission Explanation Template

Field	Description
ESG Topic	Topic affected by omission.
Indicator / Disclosure Item	Specific data point, indicator, or disclosure omitted.
Expected Disclosure	What would normally be reported.
Reason for Omission	Not applicable, unavailable, incomplete, confidential, legal restriction, boundary limitation, under development, or managed elsewhere.
Explanation	Clear explanation of why the item is omitted.
Available Partial Information	Any data or narrative that can still be disclosed.
Risk of Omission	Low, medium, high, or critical.
Improvement Action	Action to address omission.
Responsible Owner	Department or person responsible.
Target Date	Date by which the gap may be resolved.
Management Approval	Name or role of approving person.
Review Date	Date for reassessment.

### A5.4 Example Omission Explanations

Situation	Suggested Explanation
Scope 3 emissions not calculated	“Scope 3 emissions have not yet been calculated because supplier and logistics data is incomplete. The company will conduct Scope 3 screening and prioritise purchased materials, logistics, and waste in the next reporting cycle.”
Supplier geolocation incomplete	“Geolocation data is currently available for selected natural rubber suppliers only. The company will prioritise high-volume and customer-facing suppliers for further data collection where required.”
No renewable energy used	“The company did not consume renewable energy during the reporting period. Renewable energy opportunities will be reviewed as part of future emissions reduction planning.”
No migrant workers	“Migrant worker-specific indicators are not applicable because the company did not employ migrant workers during the reporting period. This will be reassessed if workforce composition changes.”
No worker accommodation	“Accommodation-related indicators are not applicable because the company does not provide, arrange, or manage worker accommodation.”

Situation	Suggested Explanation
Supplier data incomplete	“Supplier ESG data currently covers priority suppliers only. The company will expand supplier assessment coverage in phases based on risk, spend, and customer requirements.”
Wage data confidential	“Detailed wage data is confidential personal information. The company reports aggregated wage compliance and payroll control information while maintaining payroll-level evidence internally.”
No formal ESG report	“The company did not publish a public ESG report during the reporting period. ESG data was prepared for internal review and customer responses.”
Topic managed elsewhere	“Chemical waste is disclosed under Waste and Hazardous Substances. This avoids double-counting and ensures the topic is reported under the most relevant sections.”

### A5.5 Omission Review Checklist

Review Question	Yes / No / Remarks
Is the omission reason clearly stated?	
Is the omission justified based on current operations, data, confidentiality, or applicability?	
Could the omission mislead stakeholders if not explained?	
Is partial information available and disclosed where appropriate?	
Is the omission linked to a data gap or evidence gap?	
Is there an improvement action where the omission relates to missing data?	
Has a responsible owner been assigned?	
Has a target date been set where applicable?	
Has management reviewed or approved the omission?	
Will the omission be reassessed in the next reporting cycle?	

## Minimum Implementation Outputs for Appendix A

At the end of Appendix A, each company should aim to have the following completed tools:

Output	Purpose
Completed Environmental Checklist	Assesses implementation and evidence for all Environmental topics.
Completed Social Checklist	Assesses implementation and evidence for all Social topics.
Completed Governance Checklist	Assesses implementation and evidence for all Governance topics.
Evidence and Verifier Checklist	Confirms whether ESG disclosures and self-assessment scores are supported by records.
Applicability Matrix	Documents which ESG topics are applicable, partially applicable, indirect, customer-triggered, regulatory-triggered, not applicable, or under review.
Omission Explanation Register	Explains missing, unavailable, confidential, not applicable, or partial disclosures.
Evidence Gap Tracker	Identifies missing or weak evidence and assigns corrective actions.
Self-Assessment Scorecard	Records maturity scores, evidence status, gaps, and priorities.
Gap Analysis Register	Converts checklist findings into prioritised improvement items.
ESG Action Plan	Assigns owners, timelines, resources, and evidence requirements for improvement actions.
Management Sign-Off Record	Confirms management review and approval of checklist results, omissions, gaps, and action plans.

Used properly, Appendix A helps companies turn the Guidelines into a practical implementation and reporting tool. It allows rubber processors and manufacturers to assess ESG readiness, identify evidence gaps, explain omissions, prioritise improvements, and build a stronger foundation for credible ESG reporting and customer assurance.



## Appendix B: Framework Alignment Matrix

Appendix B provides a practical alignment matrix showing how the MRC ESG Guidelines support relevant Malaysian, regional, and international ESG frameworks, regulations, standards, certification schemes, and reporting expectations. The purpose is to help Malaysian rubber processors and manufacturers understand how the 29 ESG topics in these Guidelines can be used to organise evidence for customer requests, ESG reports, certification reviews, supplier due diligence, financing submissions, and regulatory readiness.

This appendix is an **alignment tool**, not a legal opinion, certification guarantee, or substitute for formal compliance assessment. Companies should verify the latest requirements that apply to their products, customers, markets, suppliers, and reporting obligations before making formal claims.

The alignment matrix may be used to:

- a. map ESG topics to framework requirements;
- b. identify evidence needed for customer or audit requests;
- c. avoid duplicating ESG data collection;
- d. strengthen traceability, due diligence, and reporting readiness;
- e. prepare framework-specific evidence packs;
- f. explain why certain topics are material;
- g. support ESG report framework mapping; and
- h. identify gaps for continuous improvement.

### B1. MSNR Alignment

The Malaysian Sustainable Natural Rubber, or **MSNR**, initiative is relevant to companies that source, process, trade, manufacture, or supply products containing Malaysian natural rubber. MSNR should be treated as a key local reference for sustainable natural rubber, traceability, legality, responsible sourcing, and supply chain evidence. The Malaysian Rubber Board's MSNR portal identifies MSNR as an initiative supporting sustainable natural rubber practices and supply chain traceability. ([msnr.lgm.gov.my](https://msnr.lgm.gov.my))

For midstream and downstream rubber companies, MSNR alignment should focus on supplier mapping, natural rubber traceability, sourcing records, legality evidence, responsible production, environmental controls, labour standards, and evidence readiness.

## B1.1 MSNR alignment matrix

MSNR-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Sustainable natural rubber sourcing	Deforestation; Sustainable Land Use; Biodiversity; Supply Chain Traceability and Due Diligence	Identify natural rubber suppliers and collect sourcing information progressively.	Supplier master list, purchase records, supplier declarations, origin records, sourcing area register.
Traceability	Deforestation; Supply Chain Traceability; Regulatory Risk	Maintain records linking supplier, purchase, batch, production, and shipment.	Purchase orders, delivery orders, batch records, inventory records, shipment records, customer traceability forms.
Legal compliance	Regulatory Risk and Public Policy; Corporate Governance; Tax Practices	Track relevant licences, permits, approvals, and regulatory obligations.	MRB-related licence records where applicable, legal register, licence and permit tracker, renewal records.
Environmental responsibility	Emissions; Energy; Water; Waste; Hazardous Substances; Soil Health	Demonstrate operational environmental controls in processing or manufacturing.	Energy bills, water records, effluent reports, waste records, chemical register, spill records.
Social responsibility	Human Rights; Workers' Rights; Child Labour; Forced Labour; OHS; Pay	Maintain labour, safety, wage, recruitment, and grievance controls.	Employment contracts, payroll records, OHS records, age verification, grievance records, training records.
Supplier due diligence	Supply Chain Traceability; Human Rights; Forced Labour; Child Labour; Anti-Corruption	Screen suppliers for legal, environmental, social, traceability, and governance risks.	Supplier ESG questionnaire, Supplier Code acknowledgement, supplier risk matrix, corrective action tracker.
Evidence readiness	ESG Reporting; Evidence Management;	Organise evidence for customer, certification, or	ESG Evidence Register, MSNR evidence file, traceability pack,

MSNR-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
	Transparency and Risk Management	verification requests.	disclosure review checklist.

## B1.2 MSNR implementation guidance

Companies should not claim MSNR alignment without evidence. A practical MSNR evidence file should include:

- a. natural rubber supplier list;
- b. purchase records and transaction records;
- c. supplier licence or registration evidence where applicable;
- d. sourcing area information;
- e. traceability records;
- f. supplier declarations;
- g. supplier ESG assessment results;
- h. legality and no-deforestation evidence where relevant;
- i. labour and OHS evidence for own operations;
- j. environmental compliance records;
- k. customer submissions; and
- l. management approval records.

## B1.3 MSNR gap indicators

Common Gap	Improvement Action
Natural rubber suppliers are not fully mapped.	Create a natural rubber supplier register and classify suppliers by volume, risk, and customer relevance.
Origin data is incomplete.	Request origin or sourcing area information from priority suppliers first.
Purchase records are not linked to production batches.	Strengthen receiving, inventory, batch, and shipment traceability.
Supplier declarations are not standardised.	Use a standard supplier declaration covering legality, traceability, no-deforestation, labour, and ethics.
Evidence is scattered across departments.	Create a dedicated MSNR or natural rubber traceability evidence file.

## B2. EUDR Alignment

The EU Deforestation Regulation, or **EUDR**, is relevant where rubber or rubber products are placed on, made available in, or exported from the EU market, or where customers request EUDR-oriented evidence. The European Commission's Access2Markets page states that Regulation (EU) 2025/2650 further postponed the application of EUDR obligations until 30 December 2026 for large operators and 30 June 2027 for natural persons and micro and small enterprises. (EU Trade)

For rubber companies in Malaysia, EUDR alignment is mainly a **supply chain traceability and due diligence issue**. Companies may not be the EU operator themselves, but they may still be asked by EU-linked customers to provide origin, geolocation, production, legality, and risk mitigation evidence.

### B2.1 EUDR alignment matrix

EUDR-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Product scope assessment	Regulatory Risk; ESG Reporting; Supply Chain Traceability	Identify whether products supplied to customers contain EUDR-relevant natural rubber.	Product list, HS code review, customer scope confirmation, material composition records.
Commodity and product traceability	Supply Chain Traceability; Deforestation	Trace natural rubber from direct supplier to origin or sourcing area where required.	Supplier records, purchase records, batch records, origin declarations, geolocation records.
Geolocation evidence	Deforestation; Sustainable Land Use; Supply Chain Traceability	Collect GPS points, polygons, estate boundaries, smallholder group data, or sourcing area information where required.	Geolocation files, maps, supplier submissions, data confidentiality records.
No-deforestation evidence	Deforestation; Biodiversity; Sustainable Land Use	Assess whether rubber was produced on land not subject to deforestation after the relevant cut-off date under EUDR requirements.	Supplier declaration, sourcing area risk assessment, satellite or third-party evidence where available.

<b>EUDR-Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
Legality evidence	Regulatory Risk; Supplier Due Diligence	Collect evidence that rubber was produced in accordance with applicable laws in the country of production.	Supplier declarations, licences, permits, land use records, legal compliance evidence.
Risk assessment	Transparency and Risk Management; Supplier Due Diligence	Assess risk by origin, supplier, traceability gaps, land use, deforestation exposure, and evidence quality.	EUDR risk assessment, supplier risk matrix, sourcing area classification.
Risk mitigation	Supplier Corrective Action; ESG Action Plan	Address missing evidence, high-risk sourcing, supplier non-response, or inconsistent records.	Supplier CAP, mitigation records, supplier engagement logs, management review.
Due diligence statement support	ESG Reporting; Evidence Management	Provide evidence to customers or EU operators where requested.	Customer evidence pack, product-supplier linkage, due diligence file, disclosure approval.
Record retention and audit readiness	Evidence Management; Disclosure Governance	Maintain records for customer verification, audit, or future assurance.	EUDR evidence file, document control record, evidence register.

## B2.2 EUDR evidence file

A company that supplies EU-linked customers should prepare an EUDR-oriented evidence file containing:

- a. product scope assessment;
- b. customer requirement matrix;
- c. natural rubber supplier list;
- d. transaction records;
- e. batch and production records;
- f. country, region, and sourcing area information;
- g. geolocation records where required;
- h. production date or period;
- i. supplier legality declarations;
- j. no-deforestation declarations;

- k. sourcing area risk assessment;
- l. supplier risk mitigation records;
- m. supplier corrective action records;
- n. confidentiality controls; and
- o. management approval for customer submissions.

### B2.3 EUDR gap indicators

Common Gap	Improvement Action
Company does not know whether products are EUDR-relevant.	Conduct product and customer scope assessment.
Direct supplier is known, but upstream origin is unknown.	Prioritise high-volume and EU-linked suppliers for origin data collection.
Geolocation data is unavailable.	Start phased geolocation collection for priority suppliers and document limitations.
Supplier legality evidence is incomplete.	Issue supplier legality and traceability declaration template.
EUDR claims are made without evidence.	Apply disclosure review and claim substantiation before customer submission.

## B3. CSDDD Alignment

The EU Corporate Sustainability Due Diligence Directive, or **CSDDD**, requires in-scope companies to address human rights and environmental due diligence across operations, subsidiaries, and global value chains. The European Commission states that Directive 2024/1760 entered into force on 25 July 2024 and aims to foster sustainable and responsible corporate behaviour in companies' operations, subsidiaries, and global value chains. (European Commission)

Many Malaysian rubber companies may not be directly in scope, but they may be affected indirectly through EU customers or multinational buyers that request human rights, environmental, supplier due diligence, grievance, and remediation evidence.

### B3.1 CSDDD alignment matrix

CSDDD- Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Due diligence policy	Human Rights; Environmental Management; Corporate Governance; Supplier Due Diligence	Establish ESG, human rights, environmental, and responsible sourcing commitments.	ESG Policy, Human Rights Policy, Environmental Policy, Supplier Code of Conduct.
Risk identification	Human Rights Risk Assessment; Environmental Risk Assessment; ESG Risk Register	Identify human rights and environmental risks in own operations and supply chain.	Human rights risk register, environmental risk assessment, supplier risk matrix.
Prevention and mitigation	OHS; Workers' Rights; Forced Labour; Waste; Water; Hazardous Substances	Implement controls to prevent harm to people and environment.	SOPs, training records, inspection records, payroll records, environmental monitoring.
Supplier due diligence	Supply Chain Traceability; Supplier ESG Assessment	Screen suppliers, contractors, recruitment agents, waste contractors, and logistics providers.	Supplier questionnaire, audit reports, supplier CAPs, Supplier Code acknowledgements.
Grievance and complaints	Human Rights; Local Communities;	Provide channels for workers, suppliers, communities, and	Grievance procedure, whistleblowing

<b>CSDDD- Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
	Stakeholder Engagement; Business Ethics	other stakeholders to raise concerns.	procedure, complaint register, case records.
Remediation	Human Rights; Forced Labour; Child Labour; Community Impacts	Provide or support remedy where the company causes or contributes to harm.	Remediation records, payroll corrections, worker remedy, supplier corrective actions.
Monitoring effectiveness	Transparency and Risk Management; ESG Action Plan	Track whether due diligence controls and corrective actions are effective.	KPI dashboard, management review, corrective action tracker.
Reporting and communication	ESG Reporting; Disclosure Governance	Communicate due diligence approach, risks, actions, limitations, and progress where requested.	ESG report, customer questionnaire, due diligence evidence pack.

### B3.2 Practical CSDDD readiness actions

Companies should prioritise:

- a. human rights policy;
- b. environmental policy;
- c. supplier code of conduct;
- d. human rights and environmental risk register;
- e. forced labour and child labour controls;
- f. OHS and wage compliance records;
- g. grievance and remediation procedure;
- h. supplier due diligence process;
- i. supplier corrective action tracker;
- j. stakeholder engagement records;
- k. anti-corruption and business ethics controls; and
- l. evidence-backed reporting.



### B3.3 CSDDD gap indicators

Common Gap	Improvement Action
Human rights due diligence is not documented.	Conduct human rights risk assessment and identify vulnerable groups.
Supplier social and environmental risks are not assessed.	Introduce supplier ESG questionnaire and risk scoring.
Grievance mechanism exists but is not communicated.	Communicate channels to workers, suppliers, contractors, and communities where relevant.
Remediation process is unclear.	Develop remediation procedure for wage, recruitment, child labour, forced labour, and community cases.
Customer due diligence requests are handled ad hoc.	Prepare due diligence evidence pack and assign data owners.

## B4. GPSNR Alignment

The Global Platform for Sustainable Natural Rubber, or **GPSNR**, provides a policy framework for sustainable natural rubber production and sourcing. The GPSNR policy framework is intended to help member companies establish or update strong supply chain sustainability commitments for natural rubber production and sourcing. (Sustainable Natural Rubber)

For Malaysian rubber processors and manufacturers, GPSNR alignment is most relevant where companies source natural rubber, supply buyers that are GPSNR members, or are asked to demonstrate responsible sourcing, traceability, no-deforestation, human rights, labour, and community controls.

### B4.1 GPSNR alignment matrix

GPSNR- Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Sustainable natural rubber policy	Corporate Governance; Supplier Due Diligence; Deforestation	Adopt responsible sourcing and no- deforestation commitments for natural rubber.	Responsible Sourcing Policy, Supplier Code, ESG Policy.
No deforestation and ecosystem protection	Deforestation; Sustainable Land Use; Biodiversity	Identify and reduce sourcing risks linked to deforestation, ecosystem conversion, or sensitive areas.	Supplier declarations, sourcing maps, risk assessment, corrective actions.
Human rights and labour rights	Human Rights; Workers' Rights; Child Labour; Forced Labour; Pay; OHS	Apply labour and human rights controls to own operations and supplier due diligence.	HR records, payroll, age verification, recruitment records, OHS records, supplier screening.
Community and Indigenous Peoples	Local Communities; Rights of Indigenous Peoples; Stakeholder Engagement	Identify community, land, customary rights, and grievance risks in sourcing areas.	Stakeholder map, supplier land declaration, community grievance records.
Traceability and transparency	Supply Chain Traceability; ESG Reporting; Evidence Management	Map natural rubber supply chain and disclose current traceability status honestly.	Supplier master list, origin data, batch records, evidence pack.

<b>GPSNR-Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
Supplier engagement	Supplier ESG Assessment; Corrective Action and Supplier Improvement	Engage suppliers on sustainability expectations and corrective actions.	Supplier briefings, CAP tracker, supplier training records.
Monitoring and reporting	Transparency and Risk Management; ESG Reporting	Track progress, data gaps, and improvement actions.	ESG KPI dashboard, management review, ESG report.

## B4.2 GPSNR evidence file

A GPSNR-oriented evidence file may include:

- a. responsible natural rubber sourcing policy;
- b. supplier code of conduct;
- c. natural rubber supplier register;
- d. supplier origin and traceability records;
- e. no-deforestation declaration;
- f. human rights and labour screening;
- g. supplier ESG questionnaire;
- h. community and land-related screening;
- i. supplier corrective action plans;
- j. stakeholder engagement records;
- k. ESG risk register; and
- l. reporting disclosure on traceability coverage and limitations.

## B4.3 GPSNR gap indicators

<b>Common Gap</b>	<b>Improvement Action</b>
No responsible natural rubber sourcing policy.	Develop policy covering deforestation, legality, human rights, labour, community, and supplier controls.
Natural rubber traceability is limited to direct supplier only.	Progressively collect origin and sourcing area information.
Supplier labour risks are not assessed.	Include child labour, forced labour, wage, OHS, and grievance questions in supplier assessment.
Community and Indigenous Peoples issues are not screened.	Add land, customary rights, and community risk questions for relevant suppliers.
Traceability claims are unclear.	Report traceability level accurately and explain gaps.

## B5. FSC, PEFC, and PBNC Alignment

This section covers alignment with **FSC**, **PEFC**, and **Preferred by Nature Certification Programme**, or **PBNC**. These schemes are most relevant where the company sources, processes, trades, manufactures, or claims certified forest-linked materials, natural rubber-linked certified materials, chain-of-custody controlled materials, or sustainability-verified products.

FSC chain-of-custody certification verifies that forest-based materials produced according to FSC standards are credibly used along the product path from forest to finished goods, and FSC requires certified material identification, tracking, and recordkeeping. (Forest Stewardship Council) PEFC chain-of-custody certification is available to companies that manufacture, process, trade, or sell forest-based products, and requires procedures for purchasing, tracking, manufacturing, sale, and recordkeeping of certified materials. (pefc.org) Preferred by Nature describes its certification as risk-based, performance-focused, adaptable, and aligned with applicable aspects of the SDGs and EUDR; its programme also includes chain-of-custody, traceability, and due diligence system materials. (Preferred by Nature)

### B5.1 FSC alignment matrix

FSC-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Chain of custody	Supply Chain Traceability; Evidence Management	Track certified material from purchase to production and sale.	FSC supplier certificates, purchase records, batch records, sales records, CoC SOP.
Certified material identification	Supplier Due Diligence; Traceability	Identify certified and non-certified material status at receiving and storage.	Receiving checklist, material labels, inventory records, segregation records.
Recordkeeping	Evidence Management; Disclosure Governance	Retain purchase, production, sale, and claim records.	Document control records, evidence register, CoC records.
Labour requirements	Workers' Rights; Child Labour; Forced Labour; OHS; DEI	Maintain worker rights and labour controls relevant to certification expectations.	Employment records, age verification, OHS training, grievance records.

<b>FSC-Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
Claims control	Business Ethics; Disclosure Governance	Control FSC claims, labels, trademarks, and customer statements.	Claim approval record, label use approval, sales documentation.

## B5.2 PEFC alignment matrix

<b>PEFC-Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
Chain-of-custody scope	Corporate Governance; Supply Chain Traceability	Define products, sites, processes, and materials covered by PEFC claims.	Scope statement, product list, site list, CoC procedure.
Purchasing and supplier control	Supplier Due Diligence	Verify PEFC-certified suppliers and material claims.	Supplier certificate, supplier declaration, purchase records.
Tracking and manufacturing	Traceability; Evidence Management	Track certified material through inventory and production.	Batch records, stock movement records, mass balance records.
Sales and claims	Business Ethics; ESG Reporting	Ensure claims are accurate and supported.	Sales invoices, claim records, approval records.
Personnel training	Training and Development	Train relevant buyers, warehouse, production, sales, and data owners.	Training records, competency evidence.

## B5.3 PBNC alignment matrix

<b>PBNC-Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
Sustainability framework	All Environmental, Social, and Governance topics	Use MRC topics to organise evidence for broad sustainability performance.	ESG checklist, topic evidence files, risk register.
Risk-based due diligence	Supply Chain Traceability; Transparency and Risk Management	Assess supplier, commodity, origin, and product risks.	Supplier risk matrix, due diligence file, risk assessment.

<b>PBNC- Relevant Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
EUDR alignment	Deforestation; Land Use; Traceability; Regulatory Risk	Prepare legality, deforestation, geolocation, and risk mitigation evidence where relevant.	EUDR evidence file, supplier declarations, origin records.
Chain of custody and traceability	Supplier Traceability; Evidence Management	Track verified or certified product status through company processes.	CoC procedure, batch records, segregation records, claim approvals.
ESG reporting credibility	ESG Reporting; Disclosure Governance	Use evidence-backed disclosures and controlled claims.	Evidence pack, disclosure checklist, management approval.

#### B5.4 FSC, PEFC, and PBNC gap indicators

<b>Common Gap</b>	<b>Improvement Action</b>
Certified and non-certified materials are not segregated.	Create material identification and segregation procedure.
Supplier certificates are not checked for validity.	Verify supplier certificates and store in supplier compliance file.
Sales claims are made without claim approval.	Establish claim review and approval process.
Chain-of-custody records do not link purchase to sale.	Strengthen batch, inventory, production, and sales record linkage.
Staff responsible for certified material handling are not trained.	Train procurement, warehouse, production, QA, and sales personnel.

## B6. GRI Alignment

The Global Reporting Initiative, or **GRI**, is a widely used impact reporting framework. GRI describes the GRI Standards as global best practice for reporting publicly on economic, environmental, and social impacts, while the Universal Standards are effective for reporting from 1 January 2023. (Global Reporting Initiative) (Global Reporting Initiative)

The MRC ESG Guidelines do not require companies to report “in accordance with” GRI unless they choose to do so and meet the relevant requirements. For many rubber companies, especially SMEs, it may be more appropriate to state that the ESG report is “prepared with reference to selected GRI disclosures.”

### B6.1 GRI alignment matrix

GRI Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
GRI 2: General disclosures	Corporate Governance; Stakeholder Engagement; ESG Reporting	Report organisation profile, governance, policies, stakeholder engagement, reporting practices.	Company profile, governance chart, policies, stakeholder register, reporting boundary.
GRI 3: Material Topics	Materiality; ESG Reporting; Gap Analysis	Determine and disclose material topics and management approach.	Materiality assessment, material topic list, management approach disclosures.
GRI 201 / Economic topics	Tax Practices; Business Ethics; Anti-Corruption	Disclose economic governance where material.	Tax records, anti-corruption records, procurement controls.
GRI 205: Anti-corruption	Anti-Corruption; Business Ethics	Report corruption risk assessment, training, incidents, and actions where material.	ABAC Policy, training records, risk register, case register.
GRI 302: Energy	Energy; Emissions	Report energy consumption and energy intensity where data is available.	Electricity bills, fuel records, energy tracker.
GRI 305: Emissions	Emissions; Climate Disclosure	Report Scope 1, Scope 2, and relevant Scope 3 emissions where available.	GHG workbook, emission factor register, energy data.

<b>GRI Area</b>	<b>Related MRC ESG Topics</b>	<b>Practical Alignment for Companies</b>	<b>Suggested Evidence / Verifiers</b>
GRI 303: Water and Effluents	Water	Report water withdrawal, discharge, consumption, and water-related impacts where material.	Water bills, WWTP logs, effluent reports, water balance.
GRI 306: Waste	Waste	Report waste generated, diverted, and directed to disposal where data is available.	Waste register, consignment notes, recycling records.
GRI 403: OHS	Occupational Health and Safety	Report OHS management, hazards, incidents, training, and worker participation.	HIRARC, incident records, training records, safety committee minutes.
GRI 404: Training	Training and Development	Report training hours, training programmes, and development reviews where applicable.	Training register, attendance records, training hours calculation.
GRI 405 / 406: DEI and Non-discrimination	DEI; Pay and Equal Remuneration	Report workforce diversity, equal opportunity, and discrimination cases where material.	Workforce data, grievance records, DEI training.
GRI 408 / 409: Child and Forced Labour	Child Labour; Forced Labour	Report operations and suppliers at risk and controls implemented.	Age verification, forced labour risk assessment, supplier screening.
GRI 413: Local Communities	Local Communities; Indigenous Peoples	Report community engagement, impacts, complaints, and actions.	Community engagement log, complaint register.
GRI 414 / 308: Supplier Assessment	Supply Chain Traceability and Due Diligence	Report supplier environmental and social screening and findings.	Supplier questionnaire, supplier risk matrix, CAP tracker.



## B6.2 GRI content index template

GRI Disclosure	Disclosure Title	MRC ESG Guideline Section	Report Location	Status
GRI 2-1	Organisational details	Company Profile		Reported / Partial / Omitted
GRI 2-9	Governance structure	Corporate Governance		
GRI 2-23	Policy commitments	Governance and Topic Policies		
GRI 2-29	Stakeholder engagement	Stakeholder Engagement		
GRI 3-1	Process to determine material topics	Materiality		
GRI 3-2	List of material topics	Materiality		
GRI 302	Energy	Environmental Topic 7		
GRI 303	Water	Environmental Topic 9		
GRI 306	Waste	Environmental Topic 10		
GRI 403	OHS	Social Topic 4		
GRI 205	Anti-corruption	Governance Topic 6		

## B6.3 GRI gap indicators

Common Gap	Improvement Action
Materiality process is not documented.	Prepare materiality methodology, stakeholder input record, and management validation.
Topic management approach is missing.	Use topic disclosure template covering policy, responsibilities, controls, KPIs, and actions.
Quantitative data lacks boundary or methodology.	Add reporting boundary, units, assumptions, and calculation notes.
GRI content index claims full reporting but data is partial.	Mark disclosure as partial and explain limitation.
Supplier assessment data incomplete.	Report priority supplier scope and improvement plan.

## B7. SDG Alignment

The Sustainable Development Goals, or **SDGs**, are 17 global goals under the UN 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015. The UN describes the SDGs as an urgent call for action in global partnership, covering people, planet, prosperity, peace, and partnership. (Sustainable Development Goals)

Companies should use SDG mapping carefully. SDG alignment should reflect actual actions, impacts, and evidence, not broad branding. Rubber companies should map only SDGs that relate to material ESG topics and company activities.

### B7.1 SDG alignment matrix

Relevant SDG	Related MRC ESG Topics	Practical Company Contribution	Suggested Evidence / KPIs
SDG 3: Good Health and Well-being	OHS; Hazardous Substances; Water; Waste	Improve worker safety, chemical controls, first aid, emergency response, and pollution prevention.	OHS incidents, HIRARC, training, PPE, chemical storage records.
SDG 5: Gender Equality	DEI; Pay and Equal Remuneration; Workers' Rights	Promote equal opportunity, non-discrimination, anti-harassment, and fair pay.	Workforce data, grievance records, pay review, training records.
SDG 6: Clean Water and Sanitation	Water; Waste; Soil Health; Hazardous Substances	Improve water efficiency, effluent treatment, spill prevention, and pollution control.	Water withdrawal, effluent reports, WWTP logs, spill records.
SDG 7: Affordable and Clean Energy	Energy; Emissions	Improve energy efficiency and assess renewable energy options.	Energy use, energy intensity, renewable energy records.
SDG 8: Decent Work and Economic Growth	Workers' Rights; Forced Labour; Child Labour; OHS; Training; Pay	Support fair employment, lawful wages, safe work, ethical recruitment, and skills development.	Contracts, payroll, working hours, training hours, grievances.
SDG 10: Reduced Inequalities	DEI; Human Rights; Migrant Worker Protection	Support inclusion, non-discrimination, migrant worker communication, and grievance access.	Workforce profile, translated materials, grievance closure records.

Relevant SDG	Related MRC ESG Topics	Practical Company Contribution	Suggested Evidence / KPIs
SDG 12: Responsible Consumption and Production	Material Use; Waste; Hazardous Substances; Supplier Due Diligence	Improve material efficiency, waste recovery, chemical management, and responsible sourcing.	Waste data, recycling rate, chemical register, supplier screening.
SDG 13: Climate Action	Emissions; Energy; Climate Disclosure	Calculate emissions, improve energy efficiency, and assess climate risks.	Scope 1 and 2 emissions, energy tracker, climate risk screening.
SDG 15: Life on Land	Deforestation; Land Use; Biodiversity; Indigenous Peoples	Support no-deforestation, ecosystem protection, land rights awareness, and supplier traceability.	Supplier origin data, no-deforestation declarations, biodiversity screening.
SDG 16: Peace, Justice and Strong Institutions	Business Ethics; Anti-Corruption; Governance; Regulatory Compliance	Strengthen ethics, anti-corruption, whistleblowing, accurate records, and compliance.	ABAC training, conflict register, gift register, whistleblowing records.
SDG 17: Partnerships for the Goals	Stakeholder Engagement; Supplier Due Diligence; Public Policy	Engage customers, suppliers, industry bodies, regulators, and communities.	Engagement log, supplier briefings, industry participation records.

## B7.2 SDG reporting caution

Companies should avoid simply placing SDG icons in the report without evidence. Each SDG claim should be linked to:

- material ESG topic;
- company action;
- KPI or evidence;
- reporting boundary;
- progress or limitation; and
- future improvement plan.

### B7.3 SDG gap indicators

Common Gap	Improvement Action
Too many SDGs are mapped without evidence.	Map only SDGs linked to material ESG topics and company actions.
SDG mapping is not linked to KPIs.	Add indicators such as energy intensity, waste diversion, OHS training, or supplier screening.
SDG claims are generic.	Explain specific company contribution and limitations.
SDG mapping ignores negative impacts.	Report both contributions and material risks or gaps.

## B8. NSRF, TCFD, TNFD, and i-ESG Alignment

This section consolidates alignment with Malaysia's **National Sustainability Reporting Framework**, or **NSRF**, climate-related disclosure expectations under **TCFD** and **IFRS S2**, nature-related expectations under **TNFD**, and MITI's **i-ESG Framework** for the manufacturing sector.

The NSRF provides a phased approach to sustainability reporting and allows companies to gradually adopt ISSB standards, with a climate-first approach and transition reliefs such as additional time for more complex reporting, including Scope 3 GHG emissions. (Securities Commission Malaysia) TCFD recommendations are structured around governance, strategy, risk management, and metrics and targets. (TCFD) TNFD recommendations are structured around governance, strategy, risk and impact management, and metrics and targets, and include engagement with Indigenous Peoples, local communities, and affected stakeholders in nature-related assessment. (TNFD) IFRS S1 and IFRS S2 require disclosures on governance, strategy, risk management, and metrics and targets for sustainability-related and climate-related risks and opportunities. (IFRS Foundation) MITI's i-ESG Framework aims to build and strengthen systems that encourage and enhance ESG practices in Malaysia's manufacturing sector. (MITI)

### B8.1 NSRF alignment matrix

NSRF-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Governance	Corporate Governance; Transparency and Risk Management	Disclose ESG oversight, roles, data ownership, and approval processes.	Governance chart, ESG Committee minutes, data ownership matrix.
Strategy	Materiality; ESG Action Plan; Continuous Improvement	Explain ESG risks, opportunities, targets, and business relevance.	Materiality assessment, ESG Risk Register, ESG Action Plan.
Risk management	Transparency and Risk Management; Regulatory Risk; Supplier Due Diligence	Identify, assess, prioritise, monitor, and escalate ESG risks.	ESG Risk Register, regulatory register, supplier risk matrix.
Metrics and targets	ESG Reporting; Data Collection; Environmental and Social KPIs	Track ESG data and progress against targets.	KPI dashboard, data inventory, GHG workbook, target register.
Climate-first reporting	Emissions; Energy; Climate Transition Considerations	Start with Scope 1 and Scope 2 emissions, energy use, and climate risk screening.	Energy records, fuel records, emissions workbook, climate risk review.

NSRF-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Transition relief and readiness	ESG Action Plan; Evidence Management	Improve data quality and phase in complex reporting such as Scope 3.	Data gap register, assumptions register, improvement plan.

## B8.2 TCFD / IFRS S2 climate alignment matrix

Climate Disclosure Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Governance	Corporate Governance; Emissions; Energy	Define who oversees climate, emissions, energy, and transition risks.	ESG governance chart, management review, climate risk agenda.
Strategy	Emissions; Energy; Water; Supply Chain; Regulatory Risk	Identify how climate risks and opportunities may affect operations, supply chain, costs, and customers.	Climate risk screening, energy review, customer requirement matrix.
Risk management	ESG Risk Register; Regulatory Risk; Supplier Due Diligence	Assess physical risks, transition risks, customer risks, and energy cost risks.	ESG Risk Register, climate risk register, supplier risk assessment.
Metrics and targets	Emissions; Energy; ESG Action Plan	Track Scope 1, Scope 2, relevant Scope 3, energy intensity, and reduction targets.	GHG workbook, energy tracker, target register, emissions intensity calculation.
Physical risks	Water; OHS; Local Communities; Soil Health	Assess flooding, heat, water stress, extreme weather, and operational disruption.	Water stress assessment, incident records, emergency plan.
Transition risks	Emissions; Regulatory Risk; Customer Requirements	Assess carbon data requests, energy transition, product carbon footprint, and market access.	Customer ESG requests, emissions data, action plan.
Climate opportunities	Energy; Emissions; Material Use; Waste	Identify energy efficiency, renewable energy, resource efficiency, and low-carbon products.	Energy audit, project register, cost saving calculation.

### B8.3 TNFD nature alignment matrix

Nature Disclosure Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Governance	Corporate Governance; Biodiversity; Land Use	Define oversight of nature-related risks and dependencies.	ESG governance records, biodiversity screening, management review.
Strategy	Deforestation; Sustainable Land Use; Biodiversity; Water	Assess how land, water, ecosystems, and supplier sourcing affect business.	Sourcing maps, water stress assessment, biodiversity risk screening.
Risk and impact management	ESG Risk Register; Supplier Due Diligence; Environmental Management	Identify, assess, and manage nature-related impacts and dependencies.	ESG Risk Register, supplier screening, incident records.
Metrics and targets	Deforestation; Biodiversity; Water; Waste; Soil	Track supplier traceability, water use, waste, spills, land use, and biodiversity actions.	Traceability records, water data, waste data, spill records.
Location of nature-related issues	Deforestation; Land Use; Indigenous Peoples; Local Communities	Identify where nature-related risks occur, including own sites and sourcing areas.	Site maps, sourcing area maps, supplier geolocation, community records.
Indigenous Peoples and local communities	Rights of Indigenous Peoples; Local Communities; Stakeholder Engagement	Engage affected communities and consider land, culture, livelihood, and access issues.	Stakeholder map, engagement records, grievance register.

### B8.4 MITI i-ESG alignment matrix

i-ESG-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
Manufacturing sector ESG adoption	All 29 ESG topics	Use the Guidelines as a practical ESG implementation roadmap for rubber manufacturers.	ESG Checklist, self-assessment, action plan.
Environmental improvement	Energy; Emissions; Water; Waste; Hazardous Substances	Strengthen resource efficiency, pollution prevention, emissions tracking, and environmental compliance.	Energy tracker, GHG workbook, water and waste records.
Social responsibility	Workers' Rights; OHS; Human Rights; Training; Pay	Improve worker safety, labour standards, fair pay,	HR records, OHS records, training

i-ESG-Relevant Area	Related MRC ESG Topics	Practical Alignment for Companies	Suggested Evidence / Verifiers
		training, and grievance access.	records, grievance register.
Governance and compliance	Corporate Governance; Business Ethics; Anti-Corruption; Regulatory Risk	Strengthen policies, risk management, compliance, ethics, and oversight.	Code of Conduct, ABAC Policy, legal register, governance records.
Capacity building	Training and Development; ESG Data Systems; Continuous Improvement	Build ESG competency among management, data owners, workers, and suppliers.	Training plan, attendance records, data owner training.
Market readiness	Supplier Due Diligence; ESG Reporting; EUDR Alignment	Improve customer response, export readiness, traceability, and reporting credibility.	Customer request tracker, evidence pack, supplier due diligence records.

## B8.5 NSRF, TCFD, TNFD, and i-ESG gap indicators

Common Gap	Improvement Action
Climate governance is not defined.	Add climate and emissions review to ESG governance and management review agenda.
Scope 1 and Scope 2 emissions are not calculated.	Collect fuel and electricity data and prepare GHG workbook.
Scope 3 is not screened.	Conduct Scope 3 screening and prioritise purchased materials, logistics, waste, and natural rubber sourcing.
Nature-related risks are not assessed.	Screen own sites and sourcing areas for water, biodiversity, deforestation, and community risks.
ESG data is not reliable enough for NSRF-aligned reporting.	Establish data inventory, data owners, quality checks, and evidence packs.
i-ESG adoption is not linked to action planning.	Use self-assessment results to develop ESG Action Plan and training plan.



## B9. Consolidated Framework Alignment Matrix

The following matrix summarises how the 29 ESG topics support the major frameworks and requirements covered in this appendix.

MRC ESG Topic	MSNR	EUDR	CSDDD	GPSNR	FSC / PEFC / PBNC	GRI	SDG	NSRF / TCFD / TNFD / i-ESG
Deforestation	High	High	Medium	High	Medium / High where certified or verified sourcing applies	Medium	SDG 15	TNFD, i-ESG
Sustainable Land Use	High	High	Medium	High	Medium	Medium	SDG 15	TNFD
Biodiversity	Medium	Medium	Medium	High	Medium	Medium	SDG 15	TNFD
Emissions	Medium	Low / Medium	Medium	Medium	Low / Medium	High	SDG 13	NSRF, TCFD, IFRS S2, i-ESG
Material Use and Circularity	Medium	Low / Medium	Medium	Medium	Medium	Medium	SDG 12	i-ESG
Hazardous Substances	Medium	Low	Medium	Medium	Medium	Medium	SDG 3, 12	i-ESG
Energy	Medium	Low	Medium	Medium	Low / Medium	High	SDG 7, 13	NSRF, TCFD, IFRS S2, i-ESG
Soil Health	Medium	Medium	Medium	Medium	Medium	Medium	SDG 15	TNFD
Water	Medium	Low / Medium	Medium	Medium	Medium	High	SDG 6	TNFD, i-ESG
Waste	Medium	Low	Medium	Medium	Medium	High	SDG 12	i-ESG
Human Rights and Social Impact	Medium	Low / Medium	High	High	Medium / High	High	SDG 8, 10, 16	NSRF, i-ESG
DEI	Low / Medium	Low	Medium	Medium	Medium	Medium	SDG 5, 10	i-ESG
Workers' Rights	Medium	Low	High	High	Medium / High	High	SDG 8	i-ESG
OHS	Medium	Low	High	High	Medium / High	High	SDG 3, 8	i-ESG

MRC ESG Topic	MSNR	EUDR	CSDDD	GPSNR	FSC / PEFC / PBNC	GRI	SDG	NSRF / TCFD / TNFD / i-ESG
Child Labour	Medium	Low / Medium	High	High	Medium / High	High	SDG 8, 16	i-ESG
Forced Labour	Medium	Low / Medium	High	High	Medium / High	High	SDG 8, 16	i-ESG
Rights of Indigenous Peoples	Medium	Medium	High	High	High where land or forest certification applies	Medium	SDG 10, 15, 16	TNFD
Local Communities	Medium	Low / Medium	High	High	High where land or forest certification applies	High	SDG 11, 16	TNFD
Freedom of Association	Medium	Low	High	High	Medium / High	Medium	SDG 8, 16	i-ESG
Training and Development	Medium	Low	Medium	Medium	Medium	Medium	SDG 4, 8	i-ESG
Pay and Equal Remuneration	Medium	Low	High	High	Medium	Medium	SDG 5, 8, 10	i-ESG
Supply Chain Traceability	High	High	High	High	High	Medium / High	SDG 12, 15, 17	NSRF, TNFD, i-ESG
Corporate Governance	Medium	Medium	High	Medium	Medium	High	SDG 16	NSRF, TCFD, TNFD, i-ESG
Business Ethics	Medium	Medium	High	Medium	Medium	Medium	SDG 16	NSRF, i-ESG
Transparency and Risk Management	High	High	High	High	High	High	SDG 16, 17	NSRF, TCFD, TNFD, i-ESG
Tax Practices	Low / Medium	Low	Medium	Low / Medium	Low	Medium	SDG 16	NSRF, i-ESG
Anti-Corruption	Medium	Medium	High	Medium	Medium	High	SDG 16	NSRF, i-ESG
Stakeholder Engagement	Medium	Medium	High	High	High	High	SDG 17	NSRF, TCFD, TNFD, i-ESG
Regulatory Risk and Public Policy	Medium	High	High	Medium	Medium	Medium	SDG 16, 17	NSRF, i-ESG

## B10. Framework Alignment Evidence Pack

Companies should maintain a **Framework Alignment Evidence Pack** where customers, regulators, financiers, certification bodies, or internal management require cross-framework evidence.

Evidence Pack Section	Contents
Framework applicability assessment	Which frameworks apply directly, indirectly, customer-triggered, or not currently applicable.
Framework alignment matrix	Mapping of MRC topics to MSNR, EUDR, CSDDD, GPSNR, FSC, PEFC, PBNC, GRI, SDG, NSRF, TCFD, TNFD, and i-ESG.
Topic evidence files	Evidence by ESG topic.
Supplier due diligence files	Supplier questionnaires, declarations, certificates, risk ratings, CAPs.
Traceability evidence	Purchase records, batch records, origin, geolocation, chain-of-custody records.
ESG reporting evidence	ESG report, GRI index, SDG mapping, assumptions, omissions, approvals.
Climate and emissions evidence	Energy records, fuel records, GHG workbook, Scope 3 screening, climate risk review.
Nature-related evidence	Biodiversity, water, land use, deforestation, Indigenous Peoples, and community screening.
Human rights due diligence evidence	Human rights risk assessment, grievance records, remediation records, supplier labour screening.
Governance evidence	ESG governance, Code of Conduct, ABAC, risk register, compliance register, management review.
Disclosure approval records	Management approval, disclosure review checklist, claim substantiation record.

## Minimum Implementation Outputs for Appendix B

At the end of Appendix B, each company should aim to have the following records or tools:

Output	Purpose
Framework Applicability Assessment	Determines which frameworks apply directly, indirectly, through customers, or not currently.
Framework Alignment Matrix	Maps the 29 ESG topics to MSNR, EUDR, CSDDD, GPSNR, FSC, PEFC, PBNC, GRI, SDGs, NSRF, TCFD, TNFD, and i-ESG.
MSNR Evidence File	Supports sustainable natural rubber and traceability evidence.
EUDR-Oriented Evidence File	Supports customer requests on origin, geolocation, legality, no-deforestation, and due diligence.
CSDDD Readiness File	Supports human rights and environmental due diligence requests from customers.
GPSNR Alignment File	Supports sustainable natural rubber sourcing and supplier responsibility.
FSC / PEFC / PBNC Chain-of-Custody File	Supports certified or verified material handling, traceability, and claim control.
GRI Content Index	Maps ESG report contents to selected GRI disclosures where relevant.
SDG Mapping Table	Links material ESG topics to relevant SDGs with evidence.
NSRF / TCFD / TNFD / i-ESG Alignment Record	Supports climate, nature, governance, risk management, and manufacturing ESG readiness.
Framework Gap Register	Records missing data, evidence, controls, or supplier information required for alignment.
Framework Action Plan	Assigns owners, timelines, and evidence requirements to close framework alignment gaps.
Management Approval Record	Confirms review and approval of framework mapping, claims, omissions, and customer submissions.

Used properly, Appendix B helps rubber processors and manufacturers connect the MRC ESG Guidelines to the frameworks and requirements most relevant to market access, customer confidence, responsible sourcing, ESG reporting, certification readiness, regulatory preparedness, and continuous improvement.

## Appendix C: ESG Policy Templates

The following templates may be adapted by companies, project developers, contractors, suppliers, and other organizations implementing the ESG Guidelines. Each template should be reviewed and approved by senior management and, where appropriate, the Board of Directors.

Users should replace all bracketed text, such as **[Company Name]**, with organization-specific information.

### C1. ESG Policy

#### ESG Policy of [Company Name]

**Document owner:** [ESG Manager / Sustainability Manager / Compliance Officer]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] is committed to conducting its business in a responsible, ethical, transparent, and sustainable manner. This ESG Policy sets out our commitment to managing environmental, social, and governance risks and opportunities across our operations, projects, supply chains, and business relationships.*

*The purpose of this policy is to provide a clear framework for integrating ESG considerations into decision-making, risk management, operations, procurement, stakeholder engagement, and reporting.*

#### 2. Scope

*This policy applies to:*

- *All employees, directors, officers, and managers of [Company Name].*
- *All operations, facilities, offices, projects, and business activities controlled by [Company Name].*
- *Contractors, suppliers, consultants, joint venture partners, and other third parties acting on behalf of or providing goods and services to [Company Name].*

*Where [Company Name] does not have full operational control, we will seek to influence our business partners to apply ESG standards consistent with this policy.*

### **3. ESG Commitments**

[Company Name] commits to:

#### ***Environmental Responsibility***

*We will:*

- *Comply with applicable environmental laws, regulations, permits, and standards.*
- *Identify, assess, and manage environmental risks and impacts.*
- *Use energy, water, land, and raw materials efficiently.*
- *Prevent pollution and reduce emissions, waste, and harmful discharges.*
- *Support climate change mitigation and adaptation where relevant.*
- *Protect biodiversity, ecosystems, and natural resources.*
- *Promote responsible waste management, including reduction, reuse, recycling, and safe disposal.*

#### ***Social Responsibility***

*We will:*

- *Respect internationally recognized human rights.*
- *Provide safe, healthy, and fair working conditions.*
- *Prohibit forced labour, child labour, human trafficking, harassment, and discrimination.*
- *Respect workers' rights to fair wages, reasonable working hours, freedom of association, and collective bargaining where permitted by law.*
- *Engage meaningfully with affected communities and stakeholders.*
- *Avoid, minimize, and manage adverse impacts on communities, livelihoods, land, culture, and vulnerable groups.*
- *Maintain accessible grievance mechanisms for workers, communities, and other stakeholders.*

#### ***Governance Responsibility***

*We will:*

- *Conduct business with integrity, accountability, and transparency.*
- *Prohibit bribery, corruption, fraud, extortion, money laundering, and conflicts of interest.*
- *Maintain accurate records and internal controls.*
- *Protect confidential information, personal data, and company assets.*
- *Promote responsible procurement and supplier management.*
- *Encourage reporting of concerns without fear of retaliation.*
- *Monitor ESG performance and report relevant information to stakeholders where appropriate.*

#### 4. ESG Risk Management

*[Company Name] will integrate ESG risk identification and management into its business processes, including:*

- *Project planning and approval.*
- *Investment decisions.*
- *Procurement and supplier selection.*
- *Contractor management.*
- *Environmental and social impact assessments.*
- *Operational risk assessments.*
- *Emergency preparedness and response.*
- *Monitoring, audits, and management reviews.*

*ESG risks will be assessed based on their potential severity, likelihood, affected stakeholders, legal requirements, and reputational impact.*

#### 5. Stakeholder Engagement

*[Company Name] will engage with stakeholders in a timely, inclusive, transparent, and culturally appropriate manner. Stakeholders may include employees, contractors, suppliers, customers, regulators, local communities, Indigenous Peoples or ethnic groups, civil society organizations, investors, and other affected parties. Stakeholder engagement will be used to understand concerns, share information, receive feedback, manage impacts, and strengthen trust.*

#### 6. Grievance and Reporting Mechanisms

*[Company Name] will maintain channels for employees, communities, suppliers, and other stakeholders to raise concerns related to ESG matters.*

*Reports may be made through:*

- [Email address]*
- [Telephone hotline]*
- [Online reporting platform]*
- [Community liaison officer]*
- [Suggestion box or local office]*

*[Company Name] prohibits retaliation against any person who raises a concern in good faith.*

#### 7. Roles and Responsibilities

- *The Board of Directors or senior management is responsible for oversight of ESG performance.*

- *The ESG Manager or designated responsible person is responsible for coordinating ESG implementation, monitoring, reporting, and training.*
- *Managers are responsible for applying this policy in their departments and ensuring that employees and contractors understand their responsibilities.*
- *Employees, contractors, and suppliers are responsible for complying with this policy and reporting actual or suspected violations.*

## **8. Training and Communication**

*[Company Name] will communicate this policy to employees, contractors, suppliers, and relevant business partners. Training will be provided based on role, risk exposure, and operational needs.*

## **9. Monitoring and Review**

*[Company Name] will monitor ESG performance through appropriate indicators, audits, inspections, incident reviews, stakeholder feedback, and management reviews.*

*This policy will be reviewed at least [annually / every two years] or when there are significant changes in law, operations, ownership, project activities, or ESG risks.*

## **10. Approval**

*Approved by: \_\_\_\_\_*

*Name: [Name]*

*Title: [Title]*

*Date: [Date]*



## C2. Human Rights Policy

### Human Rights Policy of [Company Name]

**Document owner:** [Human Resources Manager / ESG Manager / Compliance Officer]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] is committed to respecting human rights in all areas of its business. This Human Rights Policy sets out our commitment to identifying, preventing, mitigating, and addressing adverse human rights impacts connected to our operations, projects, products, services, and business relationships.*

#### 2. Scope

*This policy applies to all employees, directors, officers, contractors, suppliers, consultants, security providers, labour agents, and other business partners acting for or on behalf of [Company Name].*

#### 3. Core Human Rights Commitments

*[Company Name] commits to respecting internationally recognized human rights, including the rights of workers, local communities, vulnerable groups, women, children, migrant workers, Indigenous Peoples or ethnic groups, and persons with disabilities.*

*We will seek to avoid causing or contributing to adverse human rights impacts. Where impacts occur, we will take appropriate action to provide or support remedy.*

#### 4. Labour and Working Conditions

*[Company Name] commits to:*

- Prohibit forced labour, bonded labour, prison labour, human trafficking, and all forms of modern slavery.*
- Prohibit child labour and comply with legal minimum working age requirements.*

- *Provide fair wages, benefits, and working hours in accordance with applicable law.*
- *Provide safe and healthy working conditions.*
- *Prohibit harassment, intimidation, abuse, and discrimination.*
- *Respect workers' rights to freedom of association and collective bargaining where permitted by law.*
- *Ensure recruitment practices are fair and transparent.*
- *Prohibit recruitment fees charged to workers.*
- *Ensure migrant workers are treated fairly and are not required to surrender passports, identity documents, or personal property as a condition of employment.*

## **5. Non-Discrimination and Equal Opportunity**

*[Company Name] provides equal opportunity and prohibits discrimination based on gender, age, race, ethnicity, nationality, religion, disability, marital status, pregnancy, political opinion, union membership, social origin, or any other status protected by law.*

*Employment decisions will be based on merit, qualifications, performance, and business needs.*

## **6. Community Rights and Impacts**

*[Company Name] will seek to avoid, minimize, and manage adverse impacts on local communities. This includes impacts related to land, livelihoods, access to natural resources, health and safety, cultural heritage, community cohesion, and vulnerable groups.*

*Where land acquisition, resettlement, livelihood restoration, or restrictions on land and resource access are relevant, [Company Name] will follow applicable law and responsible international practice.*

## **7. Security and Human Rights**

*Where security personnel are used, [Company Name] will require them to act lawfully, responsibly, and proportionately. Security arrangements must respect human rights and avoid unnecessary force, intimidation, or abuse.*

*Security providers must be trained on expected conduct and must be subject to appropriate oversight.*

## 8. Human Rights Due Diligence

*[Company Name] will conduct human rights due diligence appropriate to the size, nature, and risk profile of its activities. This may include:*

- *Identifying actual and potential human rights risks.*
- *Assessing impacts on workers, communities, and vulnerable groups.*
- *Integrating findings into management plans and procedures.*
- *Tracking actions and outcomes.*
- *Communicating how risks and impacts are managed.*
- *Providing or supporting remedy where appropriate.*

## 9. Grievance Mechanism

*[Company Name] will maintain accessible channels for workers, communities, and other stakeholders to raise human rights concerns. Grievance channels will be designed to be fair, transparent, confidential where needed, and free from retaliation.*

*Reports may be submitted through:*

*[Email address]*

*[Telephone hotline]*

*[Community liaison officer]*

*[Human Resources department]*

*[Online platform]*

## 10. Supplier and Business Partner Expectations

*[Company Name] expects suppliers, contractors, and business partners to respect human rights and comply with this policy or equivalent standards. Human rights expectations will be included in procurement, contracting, supplier screening, and monitoring processes.*

## 11. Training and Communication

*[Company Name] will communicate this policy to employees, contractors, suppliers, and relevant stakeholders. Training will be provided to employees and contractors whose roles involve higher human rights risks, such as human resources, procurement, security, community relations, project development, and site management.*

## 12. Monitoring and Review

*This policy will be reviewed at least [annually / every two years] or when significant changes occur in operations, legal requirements, stakeholder expectations, or human rights risks.*

## 13. Approval

*Approved by: \_\_\_\_\_*

*Name: [Name]*

*Title: [Title]*

*Date: [Date]*

## C3. Supplier Code of Conduct

### Supplier Code of Conduct of [Company Name]

**Document owner:** [Procurement Manager / ESG Manager / Compliance Officer]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] is committed to responsible procurement and expects its suppliers, contractors, subcontractors, consultants, agents, and other business partners to operate ethically, legally, safely, and sustainably.*

*This Supplier Code of Conduct sets out the minimum standards expected of all suppliers doing business with [Company Name].*

#### 2. Scope

*This Code applies to all suppliers, contractors, subcontractors, consultants, agents, intermediaries, service providers, and business partners providing goods or services to [Company Name].*

*Suppliers are responsible for ensuring that their own employees, subcontractors, and supply chains comply with this Code.*

#### 3. Legal Compliance

*Suppliers must comply with all applicable laws, regulations, permits, licenses, contractual requirements, and industry standards in the countries where they operate.*

*Where this Code sets a higher standard than local law, suppliers are expected to follow this Code unless doing so would violate applicable law.*

#### 4. Business Ethics

*Suppliers must conduct business with honesty, fairness, integrity, and transparency.*

*Suppliers must not engage in:*

- *Bribery or corruption.*

- *Fraud, extortion, or embezzlement.*
- *Money laundering.*
- *Tax evasion.*
- *Bid rigging or anti-competitive conduct.*
- *Conflicts of interest that are not disclosed.*
- *Falsification of records or documents.*

*Suppliers must maintain accurate business records and provide truthful information to [Company Name].*

## **5. Gifts, Hospitality, and Conflicts of Interest**

*Suppliers must not offer gifts, hospitality, entertainment, payments, favours, or other benefits intended to improperly influence business decisions.*

*Any actual or potential conflict of interest involving [Company Name] employees, directors, officers, or representatives must be disclosed promptly to [Contact Department / Email].*

## **6. Labour and Human Rights**

*Suppliers must respect human rights and provide fair working conditions.*

*Suppliers must:*

- *Prohibit forced labour, bonded labour, human trafficking, and modern slavery.*
- *Prohibit child labour and comply with legal minimum age requirements.*
- *Provide wages, benefits, and working hours in accordance with applicable law.*
- *Provide workers with clear information about employment terms.*
- *Prohibit discrimination, harassment, abuse, and intimidation.*
- *Respect freedom of association and collective bargaining where permitted by law.*
- *Ensure migrant and temporary workers are treated fairly.*
- *Avoid charging recruitment fees to workers.*
- *Ensure workers are not required to surrender identity documents as a condition of employment.*

## **7. Occupational Health and Safety**

*Suppliers must provide a safe and healthy workplace and take reasonable steps to prevent work-related injuries and illnesses.*

*Suppliers must:*

- *Comply with applicable OHS laws and standards.*
- *Identify and manage workplace hazards.*
- *Provide appropriate training, supervision, and protective equipment.*
- *Maintain safe equipment, machinery, vehicles, and facilities.*
- *Prepare for emergencies.*
- *Report and investigate incidents.*
- *Ensure workers have the right to stop unsafe work without retaliation.*

## **8. Environmental Management**

*Suppliers must conduct operations in an environmentally responsible manner.*

*Suppliers must:*

- *Comply with environmental laws, permits, and standards.*
- *Prevent pollution and reduce emissions, waste, and discharges.*
- *Use energy, water, raw materials, and natural resources efficiently.*
- *Manage hazardous substances safely.*
- *Protect biodiversity and ecosystems where relevant.*
- *Support waste reduction, reuse, recycling, and responsible disposal.*
- *Report environmental incidents that may affect [Company Name], project sites, communities, or regulatory compliance.*

## **9. Community and Land Impacts**

*Where suppliers' activities may affect local communities, land, livelihoods, cultural heritage, or natural resources, suppliers must manage those impacts responsibly and in accordance with applicable law and contractual requirements.*

*Suppliers must treat community members respectfully and must not engage in intimidation, unlawful land use, or activities that harm community health and safety.*

## **10. Confidentiality, Data Protection, and Intellectual Property**

*Suppliers must protect confidential information, personal data, intellectual property, and business information belonging to [Company Name], its customers, employees, and business partners.*

*Suppliers must not misuse or disclose confidential information without authorization.*

## **11. Monitoring and Audit**

*[Company Name] may assess supplier compliance with this Code through questionnaires, document reviews, site visits, audits, interviews, or other reasonable methods.*

*Suppliers must cooperate with such assessments and provide accurate information.*

## **12. Corrective Actions**

*Where non-compliance is identified, suppliers must take timely corrective action.*

*[Company Name] may suspend or terminate business relationships where suppliers fail to correct serious or repeated violations.*

## **13. Reporting Concerns**

*Suppliers must report actual or suspected violations of this Code to [Company Name] through:*

*[Email address]*

*[Telephone hotline]*

*[Online reporting platform]*

*[Procurement contact]*

*[Company Name] prohibits retaliation against anyone who raises a concern in good faith.*

## **14. Supplier Acknowledgement**

*Supplier name: \_\_\_\_\_*

*Representative name: \_\_\_\_\_*

*Title: \_\_\_\_\_*

*Signature: \_\_\_\_\_*

*Date: \_\_\_\_\_*



## C4. Anti-Bribery and Anti-Corruption Policy

### Anti-Bribery and Anti-Corruption Policy of [Company Name]

**Document owner:** [Compliance Officer / Legal Counsel / ESG Manager]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] is committed to conducting business with integrity and in compliance with applicable anti-bribery and anti-corruption laws. This policy sets out the standards that all employees, directors, officers, contractors, suppliers, agents, consultants, and business partners must follow.*

#### 2. Scope

*This policy applies to:*

- *All employees, directors, officers, and managers of [Company Name].*
- *All subsidiaries, branches, offices, projects, and operations controlled by [Company Name].*
- *Contractors, suppliers, consultants, agents, intermediaries, joint venture partners, and other third parties acting for or on behalf of [Company Name].*

#### 3. Policy Statement

*[Company Name] prohibits bribery and corruption in any form.*

*No person acting for or on behalf of [Company Name] may offer, promise, give, request, accept, or authorize anything of value to improperly influence a business decision, obtain or retain business, secure an improper advantage, or reward improper conduct.*

*This prohibition applies to dealings with both public officials and private parties.*

#### 4. Definitions

***Bribery*** means offering, giving, requesting, receiving, or authorizing anything of value to improperly influence a decision or action.

**Corruption** means abuse of entrusted power for private gain.

**Anything of value** may include cash, gifts, meals, travel, entertainment, discounts, loans, employment opportunities, donations, sponsorships, political contributions, favours, or other benefits.

**Public official** may include government officials, employees of state-owned enterprises, political candidates, political party officials, customs or tax officials, police, military personnel, judges, regulators, and employees of public international organizations.

## 5. Gifts, Hospitality, and Entertainment

Gifts, hospitality, and entertainment must be reasonable, lawful, infrequent, transparent, and directly related to legitimate business purposes.

They must not:

- Be offered or accepted to improperly influence a decision.
- Be excessive or inappropriate.
- Involve cash or cash equivalents.
- Create a conflict of interest.
- Violate law, contract terms, or the recipient's own policies.
- Be hidden, misreported, or recorded inaccurately.

Pre-approval is required for gifts, hospitality, or entertainment above [insert threshold] or involving public officials.

## 6. Facilitation Payments

[Company Name] prohibits facilitation payments, even where such payments may be customary in a location. Facilitation payments are small unofficial payments made to speed up or secure routine actions, such as processing permits, customs clearance, inspections, utilities, or official documents.

Where an employee believes there is an immediate threat to personal safety, the employee should prioritize safety and report the incident as soon as possible to [Compliance Officer / Manager].

## 7. Political Contributions

[Company Name] does not make political contributions unless they are lawful, transparent, approved in advance by [Board / CEO / Compliance Officer], and accurately recorded.

*Employees must not use company funds, assets, resources, or working time for political activities without authorization.*

## **8. Charitable Donations and Sponsorships**

*Charitable donations and sponsorships must be lawful, transparent, properly approved, and made for legitimate purposes.*

*They must not be used to disguise bribery, improperly influence a decision, or obtain an unfair business advantage.*

*All charitable donations and sponsorships must be documented and recorded accurately.*

## **9. Third Parties and Intermediaries**

*[Company Name] may be held responsible for improper conduct by third parties acting on its behalf. Therefore, risk-based due diligence must be conducted before engaging agents, consultants, brokers, lobbyists, customs agents, distributors, joint venture partners, or other intermediaries.*

*Third parties must:*

- *Be selected based on legitimate business needs.*
- *Be subject to appropriate due diligence.*
- *Agree to anti-bribery and anti-corruption obligations.*
- *Be paid reasonable compensation for legitimate services.*
- *Maintain accurate records.*
- *Avoid improper payments or influence.*

## **10. Conflicts of Interest**

*Employees and business partners must avoid conflicts of interest and must disclose actual, potential, or perceived conflicts promptly.*

*Examples include:*

- *Personal or family relationships with suppliers, customers, public officials, or business partners.*
- *Outside employment or business interests that affect company duties.*
- *Personal financial interests in a company doing business with [Company Name].*
- *Accepting benefits that may influence business judgment.*

## **11. Books, Records, and Internal Controls**

*[Company Name] will maintain accurate books, records, accounts, invoices, and supporting documents.*

*Employees and third parties must not:*

- *Create false, misleading, incomplete, or artificial records.*
- *Hide payments or transactions.*
- *Misclassify expenses.*
- *Use off-book accounts.*
- *Approve payments without proper documentation.*

## **12. Reporting Concerns**

*Employees, suppliers, contractors, and other stakeholders must report suspected bribery, corruption, fraud, conflicts of interest, or violations of this policy.*

*Reports may be made through:*

*[Email address]*

*[Telephone hotline]*

*[Online reporting platform]*

*[Compliance Officer]*

*[Line manager]*

*[Company Name] prohibits retaliation against any person who raises a concern in good faith.*

## **13. Investigation and Discipline**

*[Company Name] will review and, where appropriate, investigate reported concerns. Violations of this policy may result in disciplinary action, contract termination, legal action, or reporting to authorities where required.*

## **14. Training and Communication**

*[Company Name] will provide anti-bribery and anti-corruption training to employees and relevant third parties based on role and risk exposure. This policy will be communicated to employees, contractors, suppliers, agents, and relevant business partners.*

## **15. Monitoring and Review**

*[Company Name] will monitor compliance with this policy through risk assessments, due diligence, audits, management reviews, transaction testing, and reporting mechanisms.*

*This policy will be reviewed at least [annually / every two years].*

## 16. Approval

*Approved by:* \_\_\_\_\_

*Name:* [Name]

*Title:* [Title]

*Date:* [Date]

DRAFT

## C5. Environmental Policy

### Environmental Policy of [Company Name]

**Document owner:** [Environmental Manager / ESG Manager / Operations Manager]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] recognizes that responsible environmental management is essential to sustainable business performance. This Environmental Policy sets out our commitment to preventing pollution, conserving natural resources, protecting biodiversity, managing environmental risks, and improving environmental performance.*

#### 2. Scope

*This policy applies to all operations, facilities, projects, employees, contractors, suppliers, and business activities under the control of [Company Name].*

*Where contractors or suppliers perform work for [Company Name], they are expected to comply with this policy and applicable environmental requirements.*

#### 3. Environmental Commitments

*[Company Name] commits to:*

- Comply with applicable environmental laws, regulations, permits, licenses, and standards.*
- Identify, assess, and manage environmental risks and impacts.*
- Prevent pollution and minimize adverse environmental impacts.*
- Use energy, water, land, raw materials, and natural resources efficiently.*
- Reduce greenhouse gas emissions where practicable.*
- Manage waste responsibly using the waste hierarchy: avoid, reduce, reuse, recycle, recover, and dispose safely.*
- Manage hazardous materials and chemicals safely.*
- Protect biodiversity, ecosystems, habitats, and natural resources.*
- Prevent illegal deforestation, wildlife harm, and unauthorized land disturbance.*
- Prepare for and respond to environmental incidents and emergencies.*
- Promote environmental awareness among employees, contractors, and suppliers.*

- *Monitor and improve environmental performance over time.*

#### **4. Environmental Risk Management**

*[Company Name] will identify and manage environmental risks throughout the project and business lifecycle, including planning, design, procurement, construction, operation, maintenance, closure, and decommissioning where relevant.*

- *Environmental risk assessments may consider:*
- *Air emissions and dust.*
- *Greenhouse gas emissions and energy use.*
- *Water use, wastewater, and stormwater.*
- *Soil and groundwater contamination.*
- *Noise and vibration.*
- *Waste and hazardous waste.*
- *Chemicals and hazardous substances.*
- *Biodiversity, habitats, and protected areas.*
- *Land use and land disturbance.*
- *Community health and environmental nuisance.*
- *Climate-related physical risks such as flooding, drought, heat, storms, and erosion.*

#### **5. Pollution Prevention**

*[Company Name] will seek to prevent pollution at source. Where prevention is not possible, we will reduce, control, treat, or safely manage emissions, discharges, and waste.*

*Pollution controls may include operational procedures, engineering controls, maintenance, inspections, monitoring, spill prevention, emergency response, and employee training.*

#### **6. Resource Efficiency and Climate**

*[Company Name] will seek opportunities to improve energy efficiency, reduce fuel consumption, reduce water use, improve material efficiency, and lower greenhouse gas emissions.*

*Where relevant, [Company Name] will consider climate risks and opportunities in planning, design, operations, and business continuity.*

#### **7. Water Management**

*[Company Name] will use water responsibly and seek to avoid adverse impacts on water quality, water availability, aquatic ecosystems, and community water users.*

*Water-related measures may include:*

- *Efficient water use.*
- *Wastewater treatment and monitoring.*
- *Stormwater management.*
- *Spill prevention.*
- *Protection of rivers, lakes, wetlands, groundwater, and drainage systems.*
- *Engagement with affected water users where relevant.*

## **8. Biodiversity and Natural Resources**

*[Company Name] will seek to avoid, minimize, restore, and, where appropriate, offset adverse impacts on biodiversity and ecosystem services.*

*Activities in or near protected areas, critical habitats, forests, wetlands, rivers, or culturally significant landscapes must be assessed and managed carefully.*

## **9. Waste and Hazardous Materials**

*[Company Name] will manage waste and hazardous materials in a safe, legal, and environmentally responsible manner.*

*Hazardous materials must be stored, labelled, handled, transported, and disposed of properly. Employees and contractors working with such materials must receive appropriate training and protective equipment.*

## **10. Emergency Preparedness and Response**

*[Company Name] will establish procedures to prevent, prepare for, and respond to environmental emergencies, including spills, leaks, fires, floods, extreme weather events, and accidental releases.*

*Environmental incidents must be reported, investigated, corrected, and documented.*

## **11. Contractor and Supplier Requirements**

*Contractors and suppliers must comply with applicable environmental laws, permits, site rules, and contractual environmental requirements. [Company Name] may monitor*



*contractor and supplier environmental performance through inspections, audits, reports, or corrective action plans.*

## **12. Training and Awareness**

*[Company Name] will provide environmental training and awareness programs appropriate to employee and contractor roles. Training may cover waste management, spill prevention, emergency response, resource efficiency, environmental permits, biodiversity protection, and incident reporting.*

## **13. Monitoring and Reporting**

*[Company Name] will monitor environmental performance using relevant indicators, which may include:*

- *Energy consumption.*
- *Fuel consumption.*
- *Water withdrawal and discharge.*
- *Waste generation and recycling.*
- *Greenhouse gas emissions.*
- *Environmental incidents.*
- *Permit compliance.*
- *Biodiversity management actions.*
- *Corrective action completion.*

*Performance will be reviewed by management and communicated to stakeholders where appropriate.*

## **14. Continuous Improvement**

*[Company Name] will set environmental objectives and targets where appropriate and will seek continuous improvement in environmental management and performance.*

## **15. Approval**

*Approved by: \_\_\_\_\_*

*Name: [Name]*

*Title: [Title]*

*Date: [Date]*

## C6. Occupational Health and Safety Policy

### Occupational Health and Safety Policy of [Company Name]

**Document owner:** [OHS Manager / HSE Manager / Operations Manager]

**Approved by:** [Board of Directors / Managing Director / Chief Executive Officer]

**Effective date:** [Date]

**Review frequency:** [Annually / Every two years]

**Version:** [Version number]

#### 1. Purpose

*[Company Name] is committed to providing a safe and healthy workplace for employees, contractors, visitors, and others who may be affected by our activities. This Occupational Health and Safety Policy sets out our commitment to preventing work-related injuries, illnesses, incidents, and unsafe conditions.*

#### 2. Scope

*This policy applies to all employees, contractors, subcontractors, suppliers, consultants, visitors, facilities, vehicles, equipment, project sites, and operations under the control of [Company Name].*

#### 3. OHS Commitments

*[Company Name] commits to:*

- *Comply with applicable occupational health and safety laws, regulations, permits, and standards.*
- *Identify hazards and assess OHS risks before and during work.*
- *Eliminate hazards where possible and reduce risks through appropriate controls.*
- *Provide safe systems of work, equipment, tools, facilities, and working conditions.*
- *Provide adequate training, supervision, information, and instruction.*
- *Provide appropriate personal protective equipment where required.*
- *Maintain emergency preparedness and response arrangements.*
- *Report, investigate, and learn from incidents, near misses, unsafe acts, and unsafe conditions.*
- *Consult workers and encourage participation in OHS matters.*
- *Ensure workers have the authority to stop unsafe work without retaliation.*
- *Promote physical and mental well-being at work.*
- *Continuously improve OHS performance.*

#### 4. Hazard Identification and Risk Control

*[Company Name] will identify hazards and assess risks associated with its activities. Risk controls will follow the hierarchy of controls:*

- 1. Eliminate the hazard.*
- 2. Substitute with a safer alternative.*
- 3. Apply engineering controls.*
- 4. Apply administrative controls and safe work procedures.*
- 5. Use personal protective equipment.*

*OHS risks may include, where relevant:*

- Working at height.*
- Electrical hazards.*
- Machinery and equipment.*
- Vehicles and mobile equipment.*
- Lifting operations.*
- Confined spaces.*
- Excavations.*
- Fire and explosion risks.*
- Hazardous substances.*
- Noise, dust, heat, and vibration.*
- Manual handling and ergonomics.*
- Slips, trips, and falls.*
- Fatigue and working hours.*
- Remote work or travel risks.*
- Workplace violence, harassment, or psychosocial risks.*

#### 5. Roles and Responsibilities

*Senior management is responsible for providing leadership, resources, and oversight for OHS performance.*

*Managers and supervisors are responsible for ensuring that work is planned and performed safely.*

*Employees and contractors are responsible for following OHS requirements, using equipment properly, attending training, reporting hazards, and stopping work where there is serious or imminent danger.*

*The OHS Manager or designated responsible person is responsible for coordinating OHS programs, inspections, incident investigations, training, reporting, and continuous improvement.*

## **6. Worker Consultation and Participation**

*[Company Name] will consult workers and, where applicable, worker representatives on OHS matters. Workers will be encouraged to participate in hazard identification, risk assessment, incident reporting, inspections, toolbox talks, and safety improvement activities.*

## **7. Training and Competency**

*[Company Name] will ensure that employees and contractors are competent to perform their work safely. Training may include:*

- *Site induction.*
- *Job-specific safety training.*
- *Emergency response.*
- *First aid.*
- *Fire safety.*
- *Safe use of tools, machinery, and equipment.*
- *Hazardous materials handling.*
- *Permit-to-work requirements.*
- *Working at height, confined spaces, lifting, electrical safety, or other high-risk activities where relevant.*

*Training records will be maintained.*

## **8. Contractor Safety Management**

*Contractors must comply with this policy, applicable laws, site rules, and contractual OHS requirements.*

*[Company Name] will manage contractor OHS performance through prequalification, induction, supervision, inspections, incident reporting, audits, and corrective actions.*

## **9. Emergency Preparedness and Response**

*[Company Name] will establish and maintain emergency procedures appropriate to its activities and risks. Emergency arrangements may include:*

- *Fire response.*

- *Medical emergencies and first aid.*
- *Evacuation procedures.*
- *Spill or hazardous substance response.*
- *Natural disasters and severe weather.*
- *Security incidents.*
- *Rescue procedures for high-risk work.*

*Emergency drills will be conducted periodically, and lessons learned will be used to improve preparedness.*

## **10. Incident Reporting and Investigation**

*All injuries, illnesses, near misses, unsafe conditions, and OHS incidents must be reported promptly.*

*[Company Name] will investigate incidents to identify root causes and corrective actions. The purpose of investigations is to prevent recurrence, not to assign blame.*

*Corrective actions will be tracked until completion.*

## **11. Health and Well-Being**

*[Company Name] will seek to protect worker health and well-being by managing occupational health risks. This may include controls for exposure to noise, dust, chemicals, heat, fatigue, ergonomic risks, communicable diseases, stress, harassment, and other health-related hazards.*

## **12. Stop Work Authority**

*All employees and contractors have the right and responsibility to stop work if they believe it presents a serious or imminent risk to health or safety.*

*No worker will be disciplined, dismissed, or retaliated against for stopping unsafe work or reporting a safety concern in good faith.*

## **13. Monitoring and Performance Review**

*[Company Name] will monitor OHS performance using relevant indicators, which may include:*

- *Injuries and illnesses.*
- *Lost time incidents.*
- *Near misses.*

- *Unsafe conditions.*
- *Safety observations.*
- *Training completion.*
- *Inspection findings.*
- *Corrective action closure.*
- *Emergency drill results.*
- *Contractor safety performance.*

*OHS performance will be reviewed regularly by management.*

#### **14. Continuous Improvement**

*[Company Name] will set OHS objectives and targets where appropriate and will continually improve its OHS management system, culture, and performance.*

#### **15. Approval**

*Approved by: \_\_\_\_\_*

*Name: [Name]*

*Title: [Title]*

*Date: [Date]*

## Appendix D: ESG Reporting Templates

This appendix provides practical templates for collecting ESG data, assessing material topics, logging stakeholder engagement, tracking ESG KPIs, preparing ESG reports, and managing corrective actions. The templates are framework-neutral and may be mapped to GRI, IFRS Sustainability Disclosure Standards, ESRS, or internal reporting requirements. GRI emphasizes reporting on material topics, related impacts, and how they are managed; IFRS S1 structures sustainability-related financial disclosures around governance, strategy, risk management, and metrics and targets; and the EU CSRD/ESRS approach uses double materiality, covering both financial materiality and impact materiality. (Global Reporting Initiative)

### D1. ESG Data Collection Template

#### Purpose

The ESG Data Collection Template is used to gather consistent, traceable, and verifiable ESG information from relevant departments, sites, business units, suppliers, or project teams. It should be completed at least annually, and more frequently where monthly or quarterly ESG monitoring is required.

#### D1.1 Data Submission Information

Field	Details to Complete
Reporting organization / business unit	
Site / location	
Reporting period	
Data owner	
Department / function	
Date submitted	
Reviewed by	
Date reviewed	
Version number	
Supporting evidence attached?	Yes / No
Comments	

## D1.2 ESG Data Collection Table

ESG Category	Indicator / Data Point	Unit	Reporting Period Value	Baseline Value	Data Source	Calculation Method	Evidence / File Reference	Data Owner	Review Status	Notes
Environmental	Energy consumption	kWh / MWh			Utility bills / meter readings				Pending / Reviewed	
Environmental	Fuel consumption	Litres / kg / m <sup>3</sup>			Fuel receipts / logs				Pending / Reviewed	
Environmental	Scope 1 GHG emissions	tCO <sub>2</sub> e			Fuel use / refrigerants	Emission factor x activity data			Pending / Reviewed	
Environmental	Scope 2 GHG emissions	tCO <sub>2</sub> e			Electricity bills	Grid factor x electricity use			Pending / Reviewed	
Environmental	Water withdrawal	m <sup>3</sup>			Water bills / meters				Pending / Reviewed	
Environmental	Waste generated	kg / tonnes			Waste contractor reports				Pending / Reviewed	
Environmental	Waste recycled / reused	kg / tonnes / %			Waste contractor reports				Pending / Reviewed	
Social	Total employees	Number			HR system				Pending / Reviewed	
Social	New hires	Number			HR records				Pending / Reviewed	
Social	Employee turnover	%			HR records	Departures / average headcount			Pending / Reviewed	



ESG Category	Indicator / Data Point	Unit	Reporting Period Value	Baseline Value	Data Source	Calculation Method	Evidence / File Reference	Data Owner	Review Status	Notes
Social	Training hours	Hours			Training records				Pending / Reviewed	
Social	Lost-time injuries	Number			HSE incident log				Pending / Reviewed	
Social	Community investment	Currency			Finance / CSR records				Pending / Reviewed	
Governance	Board meetings held	Number			Board records				Pending / Reviewed	
Governance	Code of conduct training completion	%			Compliance / HR records	Completed / assigned employees			Pending / Reviewed	
Governance	Confirmed ethics incidents	Number			Whistleblowing / compliance log				Pending / Reviewed	
Governance	Supplier ESG assessments completed	Number / %			Procurement records	Assessed suppliers / target suppliers			Pending / Reviewed	
Governance	Regulatory non-compliance cases	Number			Legal / compliance records				Pending / Reviewed	

### D1.3 Data Quality Checklist

Checkpoint	Yes / No / N/A	Comments
Data covers the full reporting period		
Data source is clearly identified		
Calculation method is documented		
Supporting evidence is attached or referenced		
Units are consistent with the KPI definition		
Any estimates are clearly marked		
Restatements from previous years are explained		
Data has been reviewed by the responsible manager		

## D2. Materiality Assessment Template

### Purpose

The Materiality Assessment Template is used to identify, assess, and prioritize ESG topics that are most important to the organization and its stakeholders. Where required, the template may be adapted for double materiality by assessing both impact materiality and financial materiality.

## D2.1 Material Topic Register

ESG Topic	Description	Actual / Potential Impact	Positive / Negative Impact	Affected Stakeholders	Business Area / Value Chain Stage	Existing Controls / Programs	Source of Input	Notes
Climate change and emissions								
Energy management								
Water management								
Waste and circularity								
Biodiversity / land use								
Occupational health and safety								
Labor practices								
Diversity, equity, and inclusion								
Human rights								
Community impact								
Business ethics and anti-corruption								
Data privacy and cybersecurity								
Responsible procurement								

## D2.2 Materiality Scoring Template

Use a 1–5 scoring scale unless another approved scoring method is used.

Score	Meaning							
1	Very low relevance or impact							
2	Low relevance or impact							
3	Moderate relevance or impact							
4	High relevance or impact							
5	Very high relevance or impact							

  

ESG Topic	Stakeholder Importance Score	Impact Materiality Score	Financial Materiality Score	Risk Level	Opportunity Level	Overall Priority	Material? Yes / No	Rationale
				Low / Medium / High	Low / Medium / High	Low / Medium / High		
				Low / Medium / High	Low / Medium / High	Low / Medium / High		
				Low / Medium / High	Low / Medium / High	Low / Medium / High		

Suggested formula:

**Overall Priority = average of stakeholder importance, impact materiality, and financial materiality scores.**

Organizations may adjust the weighting where required by regulation, investor expectations, lender requirements, or internal risk management procedures.

## D2.3 Materiality Matrix Summary

Priority Level	Criteria	Required Action
High priority	High impact, high stakeholder importance, or high financial relevance	Include in ESG strategy, KPIs, targets, and report narrative
Medium priority	Moderate impact or emerging relevance	Monitor, manage through existing controls, and review annually
Low priority	Limited current relevance or impact	Track if needed and reassess during the next materiality cycle

## D2.4 Material Topic Approval Record

Item	Details
Date of assessment	
Assessment period	
Participants involved	
Stakeholder groups consulted	
Final list of material topics approved by	
Date approved	
Next review date	
Key changes from previous assessment	

## D3. Stakeholder Engagement Log

### Purpose

The Stakeholder Engagement Log records engagement activities, issues raised, organization responses, and follow-up actions. It supports transparent reporting and helps demonstrate how stakeholder input has informed ESG priorities, actions, and disclosures.

### D3.1 Stakeholder Identification Table

Stakeholder Group	Examples	Main Interests / Concerns	Engagement Method	Engagement Frequency	Internal Owner
Employees	Full-time, part-time, contract workers	Safety, wages, benefits, training, culture	Surveys, meetings, training sessions		
Customers / clients	Buyers, users, service recipients	Product quality, safety, responsible sourcing	Feedback forms, meetings, complaints channels		
Suppliers / contractors	Vendors, logistics providers, outsourced service providers	Contract terms, payment, ESG requirements	Supplier assessments, meetings, audits		
Local communities	Residents, community	Jobs, environmental	Consultations, grievance		

Stakeholder Group	Examples	Main Interests / Concerns	Engagement Method	Engagement Frequency	Internal Owner
	groups, local leaders	impact, community support	channels, forums		
Investors / lenders	Shareholders, banks, development partners	ESG risks, performance, compliance	Reports, briefings, due diligence requests		
Regulators / government	Ministries, agencies, local authorities	Legal compliance, permits, reporting	Formal submissions, inspections, meetings		
NGOs / civil society	Advocacy groups, community organizations	Human rights, environment, transparency	Consultations, partnerships, written feedback		

### D3.2 Engagement Activity Log

Date	Stakeholder Group	Stakeholder Name / Organization	Engagement Method	Topic Discussed	Key Concerns Raised	Organization Response	Follow-Up Action	Responsible Person	Due Date	Status	Evidence Reference
			Meeting / Survey / Email / Workshop / Site visit							Open / In progress / Closed	
			Meeting / Survey / Email / Workshop / Site visit							Open / In progress / Closed	
			Meeting / Survey / Email / Workshop / Site visit							Open / In progress / Closed	

### D3.3 Stakeholder Feedback Summary

Stakeholder Group	Main Feedback Themes	ESG Topic Linked	Management Response	Included in Materiality Assessment?	Included in ESG Report?
				Yes / No	Yes / No
				Yes / No	Yes / No
				Yes / No	Yes / No

## D4. ESG KPI Tracker

### Purpose

The ESG KPI Tracker monitors ESG performance against baselines, annual targets, and long-term commitments. It should be updated regularly and reviewed by management.

### D4.1 KPI Register

KPI ID	ESG Category	KPI Name	Definition	Unit	Baseline Year	Baseline Value	Current Year Target	Current Period Result	Progress vs Target	Status	KPI Owner	Data Source	Reporting Frequency
E-01	Environmental	Energy consumption	Total energy consumed during reporting period	kWh / MWh						On track / Watch / Off track			Monthly / Quarterly / Annual
E-02	Environmental	GHG emissions	Total Scope 1 and Scope 2 emissions	tCO <sub>2</sub> e						On track / Watch / Off track			



KPI ID	ESG Category	KPI Name	Definition	Unit	Baseline Year	Baseline Value	Current Year Target	Current Period Result	Progress vs Target	Status	KPI Owner	Data Source	Reporting Frequency
E-03	Environmental	Water withdrawal	Total water withdrawn from all sources	m <sup>3</sup>						On track / Watch / Off track			
E-04	Environmental	Waste diversion rate	Waste reused, recycled, or recovered as percentage of total waste	%						On track / Watch / Off track			
S-01	Social	Lost-time injury frequency rate	Lost-time injuries relative to hours worked	Rate						On track / Watch / Off track			
S-02	Social	Training hours per employee	Total training hours divided by average headcount	Hours / employee						On track / Watch / Off track			
S-03	Social	Employee turnover rate	Departures divided by average headcount	%						On track / Watch / Off track			
S-04	Social	Community investment	Value of community programs and contributions	Currency						On track / Watch / Off track			
G-01	Governance	Code of conduct	Employees completing	%						On track / Watch / Off track			

KPI ID	ESG Category	KPI Name	Definition	Unit	Baseline Year	Baseline Value	Current Year Target	Current Period Result	Progress vs Target	Status	KPI Owner	Data Source	Reporting Frequency
		training completion	required ethics training										
G-02	Governance	Supplier ESG screening coverage	Target suppliers screened for ESG risks	%						On track / Watch / Off track			
G-03	Governance	Confirmed compliance incidents	Confirmed breaches of laws, policies, or codes	Number						On track / Watch / Off track			

## D4.2 KPI Status Definitions

Status	Definition	Required Action
On track	KPI is meeting or exceeding the target	Continue implementation and monitor
Watch	KPI is slightly below target or shows negative trend	Identify cause and agree improvement action
Off track	KPI is significantly below target or target is unlikely to be achieved	Escalate to management and prepare corrective action plan

## D4.3 KPI Review Record

Review Date	KPI Reviewed	Key Finding	Decision / Action Required	Responsible Person	Due Date	Status

## D5. ESG Report Outline Template

### Purpose

The ESG Report Outline Template provides a standard structure for preparing an annual ESG or sustainability report. The outline may be adapted depending on the reporting framework, industry, stakeholder expectations, and regulatory obligations.

### D5.1 Recommended ESG Report Structure

Section	Suggested Content
Cover page	Report title, reporting year, organization name, publication date
About this report	Reporting period, reporting boundary, reporting frameworks used, contact point, assurance status
Message from leadership	Statement from Board Chair, CEO, Managing Director, or senior executive
Organization profile	Business overview, locations, products/services, ownership structure, value chain
ESG governance	Board oversight, management responsibilities, ESG committees, policies, internal controls
ESG strategy	ESG priorities, material topics, goals, strategic links to business planning
Materiality assessment	Methodology, stakeholder groups consulted, material topics, changes from prior year
Stakeholder engagement	Engagement approach, stakeholder groups, key concerns raised, responses
Environmental performance	Energy, emissions, water, waste, biodiversity, pollution prevention, climate-related risks and opportunities
Social performance	Workforce, health and safety, training, diversity and inclusion, human rights, community engagement
Governance performance	Ethics, compliance, anti-corruption, risk management, data privacy, responsible procurement
ESG KPI performance table	Current year data, prior year comparison, targets, progress, explanations for major changes
Corrective actions and improvement plans	Key gaps, actions taken, pending actions, responsible owners, timelines
Future commitments	ESG targets, improvement priorities, next reporting cycle plans
Reporting index	Mapping to selected standards, indicators, or internal requirements
Appendices	Methodologies, calculation notes, definitions, assurance statement, detailed data tables

## D5.2 ESG Report Preparation Checklist

Checklist Item	Completed?	Owner	Evidence / Notes
Reporting period confirmed	Yes / No		
Reporting boundary confirmed	Yes / No		
ESG data collected from all relevant departments	Yes / No		
Material topics reviewed and approved	Yes / No		
Stakeholder engagement summary completed	Yes / No		
KPI results reviewed by data owners	Yes / No		
Major changes from previous year explained	Yes / No		
Claims supported by evidence	Yes / No		
Legal / compliance review completed	Yes / No		
Senior management approval obtained	Yes / No		
External assurance completed, if applicable	Yes / No / N/A		
Final report approved for publication	Yes / No		

## D5.3 Report Sign-Off Record

Role	Name	Department	Signature / Approval	Date
ESG report preparer				
ESG data reviewer				
Finance reviewer				
Legal / compliance reviewer				
Senior management approver				
Board / committee approver, if applicable				

## D6. Corrective Action Plan Template

### Purpose

The Corrective Action Plan Template is used to document ESG gaps, non-compliance issues, underperforming KPIs, audit findings, stakeholder complaints, incidents, or management review outcomes. It supports accountability by assigning actions, deadlines, owners, and verification requirements.

## D6.1 Corrective Action Summary

Field	Details to Complete
Corrective Action Plan ID	
Date opened	
Source of issue	Audit / KPI review / Incident / Complaint / Management review / Regulatory finding / Other
ESG category	Environmental / Social / Governance
Site / department	
Issue owner	
Severity level	Low / Medium / High / Critical
Target closure date	
Current status	Open / In progress / Overdue / Closed
Approved by	

## D6.2 Corrective Action Plan Table

Issue / Finding	Root Cause	Immediate Correction	Corrective Action	Preventive Action	Responsible Person	Required Resources	Due Date	Status	Evidence of Completion	Verification Method	Verified By	Closure Date
								Open / In progress / Overdue / Closed		Document review / Site inspection / Data review / Interview		
								Open / In progress / Overdue / Closed		Document review / Site inspection / Data review / Interview		

## D6.3 Root Cause Analysis

Root Cause Category	Questions to Consider	Findings
People	Was the responsible person trained? Were roles clear?	
Process	Was there an approved procedure? Was it followed?	
Systems	Were tools, systems, or records adequate?	
Resources	Were budget, staffing, or equipment sufficient?	
Supplier / third party	Did a contractor or supplier contribute to the issue?	
Management oversight	Was monitoring or review sufficient?	

## D6.4 Closure Checklist

Closure Requirement	Yes / No / N/A	Comments
Corrective action completed		
Preventive action implemented		
Evidence reviewed and accepted		
KPI or control updated, if needed		
Relevant personnel informed or trained		
Procedure or policy updated, if needed		
Effectiveness verified		
Issue formally closed by authorized person		

## D6.5 Corrective Action Effectiveness Review

Review Date	Action Reviewed	Result	Further Action Required?	Reviewer	Comments
		Effective / Partially effective / Not effective	Yes / No		
		Effective / Partially effective / Not effective	Yes / No		

## Appendix D Control Requirements

All completed Appendix D templates should be retained as ESG reporting evidence. Records should be stored in a secure location, version-controlled, and made available for internal review, management approval, audit, or external assurance where applicable. Data owners are responsible for accuracy, completeness, timeliness, and maintaining supporting evidence for all submitted ESG information.

## Appendix E: Evidence Guide

### Purpose

This appendix defines the types of evidence that may be used to demonstrate compliance with the MRC ESG Guidelines. Evidence should be accurate, current, complete, traceable, and available for review upon request. Evidence may be maintained in physical or electronic form, provided it is controlled, protected from unauthorized changes, and retained for the required period.

Evidence should show not only that a policy or procedure exists, but also that it has been implemented at the relevant site, department, supplier, or management level.

### E1. Examples of Acceptable Evidence

Acceptable evidence may include records, documents, approvals, system outputs, photographs, meeting notes, contracts, reports, certificates, or other materials that demonstrate ESG implementation and performance.

Evidence should generally meet the following criteria:

Criterion	Description
Relevant	Directly supports the ESG requirement being assessed.
Current	Reflects the most recent applicable period, unless historical evidence is requested.
Complete	Includes all required pages, signatures, dates, names, locations, and supporting details.
Traceable	Can be linked to a specific site, supplier, department, activity, or reporting period.
Verifiable	Can be checked against source records, systems, interviews, observations, or third-party documentation.
Controlled	Stored in a way that prevents unauthorized alteration or loss.

Examples of acceptable evidence include, but are not limited to:

ESG Area	Examples of Acceptable Evidence
Governance	ESG policies, codes of conduct, board or management meeting minutes, approval records, risk registers, internal audit reports, compliance certifications.
Environmental Management	Environmental permits, monitoring reports, emissions data, energy and water consumption records, waste disposal manifests, environmental impact assessments, corrective action records.

ESG Area	Examples of Acceptable Evidence
Climate and Energy	Greenhouse gas inventories, utility bills, fuel consumption records, renewable energy certificates, energy efficiency project records, climate risk assessments.
Labor and Human Rights	Employee handbooks, contracts, wage records, working hour records, grievance logs, training attendance sheets, human rights risk assessments, recruitment procedure documents.
Health and Safety	Risk assessments, incident reports, safety inspection records, emergency drill records, PPE issuance logs, training records, occupational health monitoring records.
Community and Stakeholders	Stakeholder engagement plans, consultation records, community grievance logs, social investment records, meeting minutes, evidence of follow-up actions.
Supply Chain	Supplier ESG questionnaires, supplier codes of conduct, audit reports, corrective action plans, procurement records, supplier training records, certification documents.
Management Systems	Procedures, internal controls, audit schedules, management review minutes, corrective action trackers, performance dashboards, documented objectives and targets.

Evidence may also include photographs or screenshots where appropriate. These should include dates, locations, descriptions, and the name or role of the person responsible for the record where possible.

## E2. Document Control and Retention

All ESG-related evidence should be subject to document control and retention requirements to ensure records remain reliable and available for internal or external review.

### E2.1 Document Control Requirements

Controlled documents should include, where applicable:

Control Element	Expected Information
Document title	Clear name of the policy, procedure, record, report, or form.
Document owner	Department, role, or person responsible for maintaining the document.
Version number	Version or revision reference.
Effective date	Date the document became active.
Review date	Date of last review and next scheduled review, where applicable.



Control Element	Expected Information
Approval	Signature, email approval, workflow approval, or meeting approval record.
Change history	Summary of major changes between versions.
Access control	Identification of who can view, edit, approve, or archive the document.

Uncontrolled copies should be clearly marked where appropriate. Obsolete documents should be removed from active use or clearly identified as superseded.

## E2.2 Retention Requirements

ESG evidence should be retained for a defined period based on legal, regulatory, contractual, operational, and audit requirements.

Unless a longer period is required by law, contract, permit, financing agreement, or customer requirement, ESG evidence should normally be retained for at least **five years**.

Certain records may require longer retention, including:

Record Type	Retention Consideration
Environmental permits and licenses	Retain while valid and for the required period after expiry or replacement.
Incident and investigation records	Retain according to legal, insurance, and internal requirements.
Employee records	Retain according to labor law and privacy requirements.
Supplier audit records	Retain for the duration of the supplier relationship and applicable review period.
Management approvals	Retain with the related policy, program, investment, or decision record.
ESG performance data	Retain to support trend analysis, reporting, assurance, and external disclosure.

## E2.3 Storage and Protection

Records should be stored securely to prevent loss, damage, unauthorized access, or unauthorized alteration. Electronic evidence should be backed up and protected through appropriate access permissions. Physical records should be stored in secure locations and protected from damage, theft, fire, water, or deterioration.

Confidential, personal, commercially sensitive, or legally privileged information should be handled according to applicable privacy, confidentiality, and information security requirements.

### E3. Site-Level Evidence

Site-level evidence demonstrates that ESG requirements are implemented at the operational level. Evidence should be specific to the site being assessed and should reflect actual practices, not only corporate-level policies.

Examples of site-level evidence include:

Site-Level Topic	Examples of Evidence
Site governance	Site ESG responsibility matrix, organization chart, local ESG committee minutes, local compliance registers.
Environmental compliance	Site permits, inspection reports, environmental monitoring results, waste manifests, wastewater discharge records, air emissions records.
Resource use	Electricity bills, fuel records, water meter readings, production-normalized resource use data, energy-saving project records.
Waste management	Waste segregation records, hazardous waste storage inspections, waste contractor licenses, disposal certificates, recycling records.
Health and safety	Job safety analyses, safety inspection checklists, training records, incident logs, emergency response plans, evacuation drill reports.
Labor practices	Site attendance records, wage records, working hour records, worker grievance records, employment contracts, worker communication materials.
Training	Attendance sheets, training materials, competency assessments, induction records, refresher training records.
Corrective actions	Audit findings, corrective action plans, evidence of closure, responsible persons, due dates, verification records.
Community impacts	Local stakeholder engagement records, complaints and grievance logs, community meeting notes, response actions.

Site-level evidence should clearly identify the location, reporting period, responsible department, and applicable activity. Where one corporate policy applies to multiple sites, each site should maintain evidence showing local implementation.

For example, a corporate health and safety policy may be supported by site-level risk assessments, toolbox talk records, emergency drill logs, inspection checklists, and incident follow-up records.

## E4. Supplier Evidence

Supplier evidence demonstrates that ESG expectations are communicated to suppliers and that supplier performance is assessed, monitored, and managed according to risk.

Supplier evidence may include:

Supplier Evidence Type	Examples
Supplier onboarding	Supplier registration forms, ESG screening results, due diligence questionnaires, risk classification records.
Contractual requirements	Supplier code of conduct acknowledgments, ESG clauses in contracts, purchase order terms, policy acknowledgments.
Supplier assessment	ESG self-assessments, audit reports, desktop review records, third-party verification reports, certification records.
Corrective action	Supplier corrective action plans, follow-up records, closure evidence, escalation records.
Training and engagement	Supplier ESG training records, attendance sheets, guidance materials, supplier meeting minutes.
Performance monitoring	Supplier scorecards, non-conformance logs, delivery and quality records linked to ESG risks, periodic review records.
High-risk suppliers	Enhanced due diligence records, site visit reports, worker interview summaries, evidence of remediation.

Supplier evidence should be proportionate to supplier risk. Higher-risk suppliers, locations, materials, or services may require more detailed evidence, such as audits, independent verification, corrective action tracking, or management review.

Supplier evidence should demonstrate that:

1. ESG requirements were communicated to the supplier.
2. The supplier acknowledged or accepted those requirements.
3. Supplier ESG risks were assessed.
4. Follow-up actions were taken where gaps were identified.
5. Corrective actions were verified before closure where applicable.

Supplier evidence should be retained in a centralized or accessible system so that procurement, compliance, ESG, legal, and relevant business teams can review supplier status when needed.

## E5. Management Approval Evidence

Management approval evidence demonstrates that ESG policies, objectives, programs, reports, investments, corrective actions, and key decisions have been reviewed and approved by the appropriate level of management.

Examples of acceptable management approval evidence include:

Approval Type	Examples of Evidence
Policy approval	Signed policy, electronic approval workflow, board or executive committee minutes, email approval from authorized leader.
ESG targets and plans	Approved ESG strategy, annual objectives, budget approval, management review records.
Corrective actions	Approved corrective action plan, assigned responsibilities, due dates, closure sign-off.
ESG reporting	Approved ESG report, data certification, management representation letter, disclosure committee minutes.
Risk management	Approved ESG risk register, risk assessment sign-off, mitigation plan approval.
Investments and projects	Capital expenditure approval, project charter, business case approval, implementation sign-off.
Supplier decisions	Supplier approval, suspension, termination, remediation approval, escalation committee decision.

Management approval evidence should show:

Required Element	Description
Decision made	Clear description of what was approved, rejected, escalated, or deferred.
Approver	Name, role, department, or committee responsible for approval.
Date	Date of approval or decision.
Basis for decision	Supporting information used, such as risk assessment, audit result, budget, performance data, or legal requirement.
Conditions	Any conditions, follow-up actions, deadlines, or limitations attached to the approval.
Record of communication	Evidence that the decision was communicated to relevant personnel or departments.

Where approval is provided through email, electronic workflow, or meeting minutes, the record should clearly identify the approver and decision. Verbal approvals should be documented as soon as practical through minutes, email confirmation, or a formal approval record.

Management approval should be retained with the related ESG document, program, project, report, or corrective action file.

## Appendix F: SME Starter Pack

### Purpose

This SME Starter Pack provides a practical, low-cost starting point for small and medium-sized enterprises that are beginning ESG implementation. It is designed to help SMEs meet minimum ESG expectations, collect basic ESG data, screen suppliers, and build a first-year improvement plan without requiring complex reporting systems.

SMEs should apply this appendix in a proportionate way, based on their size, sector, workforce, supply chain role, and risk level.

### F1. Minimum ESG Requirements for SMEs

SMEs are expected to meet the following minimum ESG requirements as a baseline. These requirements are intended to be practical, achievable, and evidence-based.

#### F1.1 ESG Governance and Responsibility

Minimum Requirement	Practical Evidence
Assign one person responsible for ESG coordination.	Name of ESG focal point, job title, contact details.
Approve a short ESG commitment statement.	Signed statement by owner, director, or senior manager.
Keep basic ESG records.	Simple folder, spreadsheet, or register for ESG documents and data.
Review ESG progress at least once per year.	Meeting note, annual checklist, or management review record.

#### F1.2 Legal and Regulatory Compliance

Minimum Requirement	Practical Evidence
Hold valid business registrations, licenses, and permits.	Copies of registration documents, operating permits, sector licenses.
Comply with applicable labour, environmental, tax, health, and safety laws.	Compliance checklist, inspection records, payment records, permits.
Report serious legal, environmental, labour, or safety incidents to relevant authorities where required.	Incident reports, authority correspondence, corrective action records.

## F1.3 Environmental Management

Minimum Requirement	Practical Evidence
Track electricity, fuel, and water use where relevant.	Utility bills, fuel receipts, simple monthly spreadsheet.
Manage waste responsibly.	Waste collection receipts, segregation records, recycling records.
Prevent pollution, illegal dumping, and unsafe burning.	Site inspection notes, staff instructions, waste disposal records.
Store chemicals, oils, fuels, and hazardous materials safely.	Labels, storage area photos, safety data sheets, spill kit record.
Respond to spills or environmental incidents.	Spill response procedure, incident log, corrective actions.

## F1.4 Labour and Human Rights

Minimum Requirement	Practical Evidence
Do not use forced labour, bonded labour, or child labour.	Worker age records, employment contracts, recruitment records.
Provide fair wages and working hours in line with applicable law.	Payroll records, attendance records, overtime records.
Provide written or clearly communicated employment terms.	Contracts, offer letters, worker handbook, notice board.
Prohibit discrimination, harassment, and abuse.	Workplace policy, grievance record, staff briefing note.
Provide a simple grievance channel for workers.	Complaint box, phone number, contact person, grievance log.

## F1.5 Occupational Health and Safety

Minimum Requirement	Practical Evidence
Identify key workplace health and safety risks.	Simple risk assessment or hazard checklist.
Provide safe working conditions and necessary personal protective equipment.	PPE records, photos, training records.
Train workers on safe work practices.	Attendance list, toolbox talk records, induction records.
Record workplace injuries, accidents, and near misses.	Incident log, accident report, corrective action record.
Keep emergency arrangements in place.	Fire extinguisher record, evacuation map, emergency contacts.

## F1.6 Business Ethics and Governance

Minimum Requirement	Practical Evidence
Prohibit bribery, corruption, fraud, and conflicts of interest.	Code of conduct, ethics statement, staff briefing.
Keep accurate business and financial records.	Invoices, receipts, tax records, accounting records.
Protect confidential customer, worker, and business information.	Access controls, confidentiality instruction, data storage practice.
Avoid misleading claims about ESG performance.	Review of marketing claims, evidence for ESG statements.

## F1.7 Supply Chain Management

Minimum Requirement	Practical Evidence
Identify key suppliers and subcontractors.	Supplier list with location, product or service, and contact details.
Screen high-risk or critical suppliers using a simple supplier form.	Completed supplier screening forms.
Communicate minimum ESG expectations to suppliers.	Supplier code, purchase order clause, email notice.
Take corrective action where supplier ESG risks are identified.	Corrective action plan, follow-up record.

## F2. First-Year ESG Roadmap

The first year should focus on building basic systems, collecting reliable data, and addressing the most important risks. SMEs do not need to complete everything at once. The roadmap below provides a staged approach.

### F2.1 First-Year Objectives

By the end of the first year, an SME should aim to have:

1. A named ESG focal point.
2. A short ESG commitment statement.
3. Basic ESG records and data collection.
4. A simple legal and ESG compliance checklist.
5. A basic health and safety risk assessment.
6. A worker grievance process.
7. A supplier list and screening process for key suppliers.
8. A first annual ESG progress summary.

9. A practical improvement plan for the next year.

## F2.2 12-Month Roadmap

Period	Main Actions	Expected Output
Months 1–2	Appoint ESG focal point. Prepare ESG commitment statement. Identify applicable legal requirements.	ESG focal point assigned; ESG statement approved; basic compliance list prepared.
Months 3–4	Collect baseline data on energy, fuel, water, waste, workers, accidents, and suppliers.	Basic ESG data spreadsheet created.
Months 5–6	Conduct simple environmental, labour, and health and safety risk review.	Risk checklist completed; top ESG risks identified.
Months 7–8	Create or update simple policies: labour, health and safety, anti-bribery, grievance, waste management.	Core policies or workplace instructions approved.
Months 9–10	Start supplier screening for key suppliers and subcontractors. Communicate minimum ESG expectations.	Supplier list completed; screening forms collected for priority suppliers.
Months 11–12	Review progress, close urgent gaps, prepare first ESG summary, and set next-year targets.	Annual ESG summary and Year 2 action plan completed.

## F2.3 Suggested First-Year ESG Targets

SMEs may choose a small number of practical targets, such as:

ESG Area	Example First-Year Target
Energy	Track monthly electricity use and identify one energy-saving action.
Water	Track water use and repair visible leaks.
Waste	Separate recyclable waste where possible.
Safety	Record all workplace incidents and conduct at least one safety briefing per quarter.
Labour	Ensure all workers have clear employment terms.
Grievance	Establish a simple worker complaint channel.
Supplier Management	Screen all critical suppliers or the top 10 suppliers by spend.
Governance	Conduct one anti-bribery and ethics briefing for staff involved in purchasing, sales, or finance.



### F3. Basic ESG Data List

SMEs should start with a limited set of data points that are easy to collect and useful for decision-making. Data can be recorded monthly, quarterly, or annually depending on the size and capacity of the business.

#### F3.1 Environmental Data

Data Point	Unit	Frequency	Possible Source
Electricity consumed	kWh	Monthly	Electricity bills, meter readings
Fuel consumed by vehicles or generators	Litres	Monthly	Fuel receipts, logbooks
Water consumed	m <sup>3</sup> or litres	Monthly	Water bills, meter readings
Waste generated	kg, bags, bins, or tonnes	Monthly or quarterly	Waste collection records
Recycled waste	kg, bags, bins, or tonnes	Monthly or quarterly	Recycler receipts, internal records
Hazardous waste generated, if applicable	kg or litres	Monthly or quarterly	Disposal records
Environmental incidents or spills	Number	As incidents occur	Incident log
Use of chemicals, oils, or hazardous materials	Type and quantity	Quarterly	Purchase records, inventory

#### F3.2 Social and Labour Data

Data Point	Unit	Frequency	Possible Source
Total number of workers	Number	Monthly or quarterly	HR records, payroll
Number of permanent workers	Number	Quarterly	HR records
Number of temporary, casual, or contract workers	Number	Quarterly	HR records, contractor records
Number of female and male workers, where legally appropriate to collect	Number	Quarterly	HR records
Worker turnover	Number or %	Quarterly or annually	HR records
Working hours and overtime	Hours	Monthly	Attendance records
Training hours	Hours	Quarterly	Training attendance sheets

Data Point	Unit	Frequency	Possible Source
Workplace injuries	Number	As incidents occur	Incident log
Lost-time injuries	Number	As incidents occur	Incident log
Worker grievances received	Number	Quarterly	Grievance log
Worker grievances resolved	Number	Quarterly	Grievance log

### F3.3 Governance and Business Conduct Data

Data Point	Unit	Frequency	Possible Source
Valid licenses and permits	Number/status	Annually	Compliance file
Legal or regulatory fines	Number and value	As incidents occur	Legal or finance records
Anti-bribery or ethics training completed	Number of workers trained	Annually	Training records
Confirmed bribery, fraud, or corruption incidents	Number	As incidents occur	Investigation records
Supplier screening forms completed	Number and % of priority suppliers	Quarterly or annually	Procurement records
Customer or product complaints	Number	Monthly or quarterly	Complaint log
Data privacy or confidentiality incidents	Number	As incidents occur	Incident log

### F3.4 Simple ESG Data Template

Month/ Quarter	Electricity	Fuel	Water	Waste	Injuries	Grievances	Supplier Forms Completed	Notes/ Actions
Q1								
Q2								
Q3								
Q4								

## F4. Simple Supplier Screening Form

This form may be used for new suppliers, critical suppliers, subcontractors, labour providers, logistics providers, waste contractors, and other suppliers with higher ESG risk.

## F4.1 Supplier Information

Item	Response
Supplier name	
Business registration number	
Address	
Main contact person	
Contact details	
Product or service supplied	
Number of workers	
Main operating locations	
Date of screening	
Completed by	

## F4.2 ESG Screening Questions

Suppliers should answer each question honestly and provide supporting evidence where available.

No.	Question	Yes/No/N/A	Evidence or Comment
1	Does the supplier hold valid business registrations, licenses, and permits?		
2	Has the supplier received any major legal, labour, environmental, safety, or tax penalties in the last three years?		
3	Does the supplier prohibit child labour, forced labour, bonded labour, and human trafficking?		
4	Does the supplier verify worker age before employment?		
5	Are workers paid in line with applicable wage laws and agreed payment terms?		
6	Are working hours and overtime managed in line with applicable law?		
7	Does the supplier provide a safe and healthy workplace?		
8	Are workers provided with necessary personal protective equipment?		
9	Does the supplier record workplace accidents and injuries?		
10	Does the supplier have a process for workers to raise complaints or concerns?		

No.	Question	Yes/No/N/A	Evidence or Comment
11	Does the supplier manage waste responsibly and avoid illegal dumping or burning?		
12	Does the supplier safely store chemicals, fuel, oils, or hazardous materials, if applicable?		
13	Has the supplier had any major environmental spills, pollution incidents, or community complaints in the last three years?		
14	Does the supplier prohibit bribery, corruption, fraud, and conflicts of interest?		
15	Does the supplier protect confidential information received from customers or business partners?		
16	Does the supplier use subcontractors for the goods or services provided?		
17	If subcontractors are used, does the supplier communicate ESG requirements to them?		
18	Is the supplier willing to correct ESG gaps identified during screening or monitoring?		

#### F4.3 Risk Rating

Risk Level	Description	Recommended Action
Low	Supplier has no major ESG concerns and provides basic evidence.	Approve and review periodically.
Medium	Some ESG gaps are identified, but the supplier is willing and able to improve.	Approve with corrective action plan and follow-up date.
High	Serious ESG concerns are identified, or evidence is missing for high-risk issues.	Escalate to management before approval. Require corrective action before continuing or expanding business.
Critical	Evidence of child labour, forced labour, serious safety danger, major pollution, bribery, fraud, or illegal activity.	Do not approve, suspend, or disengage unless immediate corrective action and legal remediation are verified.

## F4.4 Supplier Declaration

The supplier confirms that the information provided in this form is accurate to the best of its knowledge and agrees to cooperate on reasonable ESG improvement actions where required.

Name	Position	Signature	Date

## F4.5 Internal Review

Item	Response
Reviewed by	
Review date	
Risk rating	Low / Medium / High / Critical
Required corrective actions	
Follow-up date	
Approval decision	Approved / Approved with conditions / Not approved
Management approval, if required	

## F5. Practical Implementation Checklist

SMEs may use this checklist to monitor ESG implementation. The checklist should be reviewed at least once per year.

### F5.1 Governance Checklist

No.	Action	Status	Evidence/Notes
1	ESG focal point assigned.	Not started / In progress / Done	
2	ESG commitment statement approved by management.	Not started / In progress / Done	
3	Basic ESG records are stored in one place.	Not started / In progress / Done	
4	Business registrations, licenses, and permits are current.	Not started / In progress / Done	
5	Anti-bribery and ethics expectations are communicated to relevant workers.	Not started / In progress / Done	
6	ESG progress is reviewed by management at least annually.	Not started / In progress / Done	

## F5.2 Environmental Checklist

No.	Action	Status	Evidence/Notes
1	Monthly electricity use is recorded.	Not started / In progress / Done	
2	Fuel use is recorded where relevant.	Not started / In progress / Done	
3	Water use is recorded where relevant.	Not started / In progress / Done	
4	Waste is collected, stored, and disposed of responsibly.	Not started / In progress / Done	
5	Recyclable waste is separated where practical.	Not started / In progress / Done	
6	Hazardous materials are labelled and stored safely.	Not started / In progress / Done	
7	Spill prevention and response arrangements are in place.	Not started / In progress / Done	
8	Environmental incidents are recorded and corrected.	Not started / In progress / Done	

## F5.3 Labour and Human Rights Checklist

No.	Action	Status	Evidence/Notes
1	Worker age is verified before employment.	Not started / In progress / Done	
2	Employment terms are clearly communicated.	Not started / In progress / Done	
3	Wage, attendance, and overtime records are kept.	Not started / In progress / Done	
4	Discrimination, harassment, and abuse are prohibited.	Not started / In progress / Done	
5	Workers have a simple way to raise complaints.	Not started / In progress / Done	
6	Worker grievances are recorded and followed up.	Not started / In progress / Done	
7	Labour providers or subcontracted workers are included in basic ESG checks where relevant.	Not started / In progress / Done	

## F5.4 Health and Safety Checklist

No.	Action	Status	Evidence/Notes
1	Main workplace hazards are identified.	Not started / In progress / Done	
2	Workers receive basic safety induction or training.	Not started / In progress / Done	
3	Required PPE is provided and used.	Not started / In progress / Done	
4	Fire extinguishers, exits, and emergency contacts are available.	Not started / In progress / Done	
5	Accidents, injuries, and near misses are recorded.	Not started / In progress / Done	
6	Corrective actions are taken after safety incidents.	Not started / In progress / Done	
7	High-risk work is supervised and controlled.	Not started / In progress / Done	

## F5.5 Supplier Management Checklist

No.	Action	Status	Evidence/Notes
1	Key suppliers and subcontractors are listed.	Not started / In progress / Done	
2	High-risk or critical suppliers are identified.	Not started / In progress / Done	
3	Supplier screening forms are completed for priority suppliers.	Not started / In progress / Done	
4	Minimum ESG expectations are communicated to suppliers.	Not started / In progress / Done	
5	Supplier ESG concerns are recorded and followed up.	Not started / In progress / Done	
6	Critical ESG issues are escalated to management.	Not started / In progress / Done	

## F5.6 Annual ESG Review Checklist

At the end of each year, the SME should complete a short review.

Review Question	Response
What were the main ESG actions completed this year?	
What ESG data was collected?	
Were there any environmental incidents?	

Review Question	Response
Were there any workplace injuries or safety concerns?	
Were any worker grievances received?	
Were any supplier ESG risks identified?	
What corrective actions were completed?	
What gaps remain?	
What are the top three ESG priorities for next year?	

## F5.7 Suggested Next-Year Priorities

After completing the first-year review, SMEs should select a small number of realistic priorities for the next year. Examples include:

Area	Possible Priority
Energy	Reduce electricity use through maintenance, efficient lighting, or equipment controls.
Water	Reduce water loss through leak repair and better monitoring.
Waste	Increase recycling and improve hazardous waste disposal.
Safety	Strengthen machine guarding, PPE use, emergency preparedness, or driver safety.
Labour	Improve contracts, attendance records, grievance handling, or worker training.
Supply Chain	Expand supplier screening to more suppliers or higher-risk categories.
Governance	Improve recordkeeping, anti-bribery controls, or data protection practices.



## SME Starter Pack Record List

Each SME should keep the following records where relevant:

Record	Minimum Retention Suggestion
ESG commitment statement	Current version
ESG focal point record	Current version
Business licenses and permits	Current version plus previous version
Utility bills and fuel records	At least 3 years
Waste disposal records	At least 3 years
Incident and accident records	At least 3 years
Worker contracts or employment terms	Duration of employment plus required legal period
Wage, attendance, and overtime records	At least 3 years or legal requirement
Training records	At least 3 years
Grievance records	At least 3 years
Supplier list and screening forms	Duration of relationship plus at least 3 years
Corrective action records	At least 3 years

## Simple SME ESG Statement Template

The following short statement may be adapted by SMEs:

*“We are committed to operating our business responsibly, safely, and ethically. We will comply with applicable laws, respect workers’ rights, provide safe working conditions, manage environmental impacts responsibly, avoid bribery and corruption, and work with suppliers to improve ESG practices over time. We will review our ESG performance regularly and take practical steps to improve.”*

Approved by	Position	Signature	Date

## Appendix G: References

This appendix provides key references for implementing the MRC ESG Guidelines. The list is non-exhaustive and should be read together with the latest consolidated laws, subsidiary legislation, licence conditions, customer requirements, and market-entry rules applicable to each company, site, product, and export market.

### G1. Malaysian Laws and Regulations

#### G1.1 Corporate governance, reporting and market disclosure

1. **Companies Act 2016 [Act 777]** — corporate governance, directors' responsibilities, statutory records, financial reporting and company administration. (SSM)
2. **Bursa Malaysia Listing Requirements and Sustainability Reporting Guide** — sustainability statement and listed-issuer disclosure requirements, where applicable. Bursa Malaysia's 2024 enhancements also align sustainability reporting with IFRS Sustainability Disclosure Standards. (Bursa Malaysia)
3. **Malaysian Code on Corporate Governance 2021** — board leadership, effective audit and risk management, integrity in corporate reporting, and stakeholder communication. (Securities Commission Malaysia)
4. **National Sustainability Reporting Framework (NSRF)** — Malaysia's national framework using IFRS S1 and IFRS S2 as the baseline sustainability disclosure standards, with phased implementation and assurance requirements. (Securities Commission Malaysia)
5. **Malaysian Anti-Corruption Commission Act 2009 [Act 694], including Section 17A** — corporate liability for corruption and requirements for adequate anti-bribery procedures. (Social Policy Research Malaysia)
6. **Whistleblower Protection Act 2010 [Act 711]** — protection of whistleblowers who disclose corruption or other misconduct. (Social Policy Research Malaysia)
7. **Personal Data Protection Act 2010 [Act 709]** — regulation of personal data processing in commercial transactions. (PDP)

#### G1.2 Environmental protection, pollution control and waste management

1. **Environmental Quality Act 1974 [Act 127]** — Malaysia's core law on pollution prevention, abatement and environmental protection. (Jabatan Alam Sekitar - JAS)
2. **Environmental Quality (Scheduled Wastes) Regulations 2005** — management, notification, storage, handling, treatment, recovery and disposal of scheduled wastes. (Jabatan Alam Sekitar - JAS)

3. **Environmental Quality (Clean Air) Regulations 2014** — air-emission control requirements for relevant industrial operations. (Jabatan Alam Sekitar - JAS)
4. **Environmental Quality (Industrial Effluents) Regulations 2009** — control and monitoring of industrial effluent discharges. (Jabatan Alam Sekitar - JAS)
5. **Environmental Quality (Sewage) Regulations 2009** — requirements for sewage discharge and treatment where applicable. (Jabatan Alam Sekitar - JAS)
6. **Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015** — EIA requirements for prescribed activities. (Jabatan Alam Sekitar - JAS)
7. **Solid Waste and Public Cleansing Management Act 2007 [Act 672]** — solid-waste and public-cleansing management requirements in applicable jurisdictions. (SWCorp)

### **G1.3 Occupational safety, health and employee welfare**

1. **Occupational Safety and Health Act 1994 [Act 514], as amended** — duties of employers and self-employed persons to ensure safety and health at work, including expanded requirements following the 2022 amendments. (JKKP Official Portal)
2. **Employment Act 1955 [Act 265]** — employment terms, wages, working hours, rest days, leave and related labour protections for applicable employees. (JTKSM)
3. **Labour Ordinance of Sabah [Sabah Cap. 67] and Labour Ordinance of Sarawak [Sarawak Cap. 76]** — employment requirements for operations in Sabah and Sarawak, including recent amendment legislation. (JTK Sabah)
4. **Minimum Wages Order 2024** — statutory minimum wage requirements. (Gaji Minimum)
5. **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 [Act 446]** — requirements for employee housing, accommodation and facilities, where provided by employers. (JTKSM)
6. **Children and Young Persons (Employment) Act 1966 [Act 350]** — restrictions and protections relating to employment of children and young persons. (JTKSM)
7. **Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 [Act 670]** — prevention and combating of human trafficking and migrant smuggling. (Rights Mapping and Analysis Platform)
8. **Industrial Relations Act 1967 [Act 177] and Trade Unions Act 1959 [Act 262]** — industrial relations, dispute handling, collective bargaining and trade-union matters. (JPPM)

## G1.4 Rubber, medical-device and product regulatory references

1. **Malaysian Rubber Board (Incorporation) Act 1996 [Act 551]** — establishment, functions and powers of the Malaysian Rubber Board. (FAOLEX)
2. **Malaysian Rubber Board licensing and permit requirements** — applicable licences and permits for buying, storing, selling, processing, packing or exporting rubber. (LGM)
3. **Medical Device Act 2012 [Act 737] and Medical Device Regulations 2012** — registration and market-placement requirements for rubber products classified as medical devices, such as certain gloves. (Medical Device Authority (MDA))

## G2. International Frameworks and Standards

### G2.1 Sustainability, climate and biodiversity frameworks

1. **United Nations Sustainable Development Goals (SDGs)** — 17 global goals under the 2030 Agenda for Sustainable Development. (Sustainable Development Goals)
2. **Paris Agreement** — international climate treaty covering climate mitigation, adaptation and finance. (UNFCCC)
3. **Kunming-Montreal Global Biodiversity Framework** — global biodiversity framework and monitoring approach for halting and reversing biodiversity loss. (Convention on Biological Diversity)
4. **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal** — international framework to protect human health and the environment from hazardous and other wastes. (Basel Convention)

### G2.2 Human rights, labour and responsible business conduct

1. **UN Guiding Principles on Business and Human Rights (UNGPs)** — “Protect, Respect and Remedy” framework for business-related human-rights due diligence. (OHCHR)
2. **UN Global Compact Ten Principles** — principles on human rights, labour, environment and anti-corruption. (UN Global Compact)
3. **ILO Declaration on Fundamental Principles and Rights at Work** — fundamental labour principles, including freedom of association, elimination of forced labour and child labour, non-discrimination, and safe and healthy working environment. (International Labour Organization)
4. **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct** — recommendations covering disclosure, human rights, employment, environment, anti-bribery, consumer interests, competition and taxation. (OECD)

## G2.3 Sustainability reporting, climate disclosure and GHG accounting

1. **IFRS S1 — General Requirements for Disclosure of Sustainability-related Financial Information** and **IFRS S2 — Climate-related Disclosures** — global baseline standards for sustainability-related financial disclosures. (IFRS Foundation)
2. **GRI Standards** — impact-reporting standards for reporting organisational impacts on the economy, environment and people. (Global Reporting Initiative)
3. **GHG Protocol Corporate Accounting and Reporting Standard** and **GHG Protocol Corporate Value Chain (Scope 3) Standard** — corporate GHG inventory and value-chain emissions accounting. (GHG Protocol)
4. **Task Force on Climate-related Financial Disclosures (TCFD) Recommendations** — climate disclosure framework structured around governance, strategy, risk management, and metrics and targets. (TCFD)

## G2.4 Management-system and technical standards

1. **ISO 14001 — Environmental Management Systems** — requirements for environmental management systems and continual improvement. (ISO)
2. **ISO 45001 — Occupational Health and Safety Management Systems** — framework for managing OH&S risks and improving safety performance. (ISO)
3. **ISO 14064-1 — Greenhouse Gases** — organisational-level quantification and reporting of GHG emissions and removals. (ISO)
4. **ISO 26000 — Social Responsibility** — guidance on social responsibility and responsible organisational conduct. (ISO)
5. **ISO 50001 — Energy Management Systems** — framework for improving energy performance and energy management. (ISO)
6. **ISO 9001 — Quality Management Systems** — quality management requirements supporting consistent product and service delivery. (ISO)

## G3. Voluntary Sustainability Standards

1. **SA8000 Standard** — social certification standard for fair and decent treatment of workers. (SAI)
2. **Sedex Members Ethical Trade Audit (SMETA)** — social audit methodology assessing labour, health and safety, environment and business ethics against the ETI Base Code, ILO standards and local law. (Sedex)
3. **CDP Disclosure System** — environmental disclosure platform covering climate, water, forests and related environmental data. (CDP)

4. **Science Based Targets initiative (SBTi) Corporate Net-Zero Standard** — guidance for companies to set science-based net-zero targets. (Science Based Targets Initiative)
5. **FSC Certification for Natural Rubber** — certification for responsibly sourced natural rubber and chain-of-custody traceability. (Forest Stewardship Council)
6. **PEFC Certification** — forest and tree-based product certification supporting traceability to sustainably managed forests. (PEFC)
7. **ISCC Certification** — certification system for responsible sourcing, traceability and deforestation-free practices across supply chains. (ISCC System)
8. **Rainforest Alliance Sustainable Agriculture Standard** — agricultural sustainability certification framework for farms and supply chains. (knowledge.rainforest-alliance.org)
9. **EcoVadis Sustainability Ratings** — evidence-based ratings covering environment, labour and human rights, ethics and sustainable procurement. (index.ecovadis.com)
10. **ISEAL Credibility Principles** — principles for credible and effective sustainability standards systems. (ISEAL Alliance)

## G4. Sector-Specific References

### G4.1 Malaysian rubber industry references

1. **Malaysian Rubber Council (MRC) sustainability resources** — including MRC sustainability pages on EU regulations, Malaysian Sustainable Natural Rubber (MSNR), ESG guidance for rubber processors and manufacturers, the Low Carbon Transition Roadmap, and STRIDE Fund. (MRC Official Website)
2. **Malaysian Rubber Board (MRB/LGM) licensing, permit and regulatory guidance** — applicable to rubber buying, selling, storage, processing, packing, import and export activities. (LGM)
3. **Standard Malaysian Rubber (SMR) scheme and MRB product certification references** — technical and quality references for rubber grades and selected rubber products. (LGM)
4. **Malaysian Sustainable Natural Rubber (MSNR)** — Malaysian sustainability initiative for natural rubber traceability and sustainable sourcing. (Malaysian Sustainable Natural Rubber)
5. **Global Platform for Sustainable Natural Rubber (GPSNR) Policy Framework** — sector framework for natural-rubber sustainability commitments and supply-chain policies. (Sustainable Natural Rubber)
6. **SPOTT Natural Rubber ESG Transparency Assessments** — benchmark of natural-rubber companies' public disclosure on ESG policies and practices. (SPOTT.org)

## G4.2 Export-market and customer compliance references

1. **EU Deforestation Regulation (EUDR)** — covers rubber and certain derived products; operators and traders must prove products are not linked to recent deforestation or forest degradation, with application dates beginning 30 December 2026 for large and medium operators and 30 June 2027 for micro and small operators. (Environment)
2. **EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)** — relevant for companies in scope or suppliers to customers requiring ESRS-aligned sustainability data. (Finance)
3. **EU Corporate Sustainability Due Diligence Directive (CSDDD)** — due-diligence reference for human-rights and environmental impacts across operations, subsidiaries and global value chains. (European Commission)
4. **EU Medical Device Regulation (MDR) 2017/745** — relevant for rubber products classified as medical devices in the EU market. (EUR-Lex)
5. **EU Personal Protective Equipment Regulation 2016/425** — relevant for rubber products classified as PPE. (EUR-Lex)
6. **US FDA medical-glove requirements and guidance** — relevant for medical gloves placed in the US market, including 510(k) and performance-related requirements. (U.S. Food and Drug Administration)

## G4.3 Product and quality references for rubber products

1. **ISO 13485 — Medical Devices Quality Management Systems** — quality management standard for organisations involved in medical-device design and manufacture. (ISO)
2. **ISO 11193-1 — Single-use Medical Examination Gloves** — specification for rubber gloves used in medical examination and related procedures. (ISO)
3. **ASTM D3578 — Standard Specification for Rubber Examination Gloves** — requirements for natural rubber examination gloves. (ASTM International | ASTM)
4. **Relevant Malaysian Standards, ISO, ASTM, EN and customer specifications** — to be applied according to product category, including gloves, tyres, latex foam, engineered rubber products, industrial hoses, seals, gaskets, footwear and other rubber products.

## Appendix H: Glossary

**Purpose.** This glossary defines key terms used in the MRC ESG Guidelines. Where a term is defined differently under applicable law, regulation, contract, permit, or financing requirement, the stricter or more specific requirement should apply.

**Affected Community** — Individuals or groups who may experience actual or potential environmental, social, health, safety, cultural, livelihood, or economic impacts from MRC's activities, assets, projects, contractors, suppliers, or business relationships.

**Affected Stakeholder** — Any person, group, institution, or organization whose rights, interests, resources, livelihood, or well-being may be affected by MRC's operations or value chain.

**Anti-Bribery and Corruption, or ABC** — Policies, procedures, controls, training, and reporting channels designed to prevent bribery, kickbacks, facilitation payments, fraud, conflicts of interest, improper gifts, and other corrupt conduct.

**Assurance** — An independent review of ESG information, systems, controls, or disclosures. Assurance may be limited or reasonable, depending on the level of evidence tested and the assurance standard used.

**Baseline** — The starting point against which future ESG performance is measured. A baseline may relate to emissions, water use, waste generation, workforce composition, safety performance, community impacts, or other ESG indicators.

**Biodiversity** — The variety of living organisms, species, habitats, ecosystems, and ecological processes in a particular area or across the planet.

**Board** — MRC's highest governing body, or the body with ultimate oversight responsibility for ESG strategy, risk, performance, compliance, and disclosure.

**Business Partner** — Any party with which MRC has a business relationship, including joint venture partners, agents, distributors, consultants, contractors, suppliers, lenders, customers, government-linked counterparties, or service providers.

**Carbon Credit** — A tradable unit generally representing one metric tonne of carbon dioxide equivalent reduced, avoided, or removed from the atmosphere under a recognized carbon standard. Carbon credits should not replace direct emissions reductions.

**Carbon Dioxide Equivalent, or CO<sub>2</sub>e** — A common unit used to express the climate impact of different greenhouse gases by converting them into the equivalent amount of carbon dioxide based on their global warming potential.



**Carbon Offset** — The use of carbon credits or verified removals to compensate for residual emissions. Offsets should be used only after reasonable efforts to avoid, reduce, and substitute emissions have been made.

**Circular Economy** — A business and resource-use model that aims to reduce waste, extend product life, reuse materials, repair assets, and recover value from products and resources at the end of use.

**Climate Adaptation** — Actions taken to prepare for, respond to, or reduce harm from actual or expected climate impacts, such as flooding, heat, drought, storms, water scarcity, or supply-chain disruption.

**Climate Mitigation** — Actions taken to reduce greenhouse gas emissions or increase carbon removals, including energy efficiency, renewable energy, process improvements, low-carbon transport, and land-use protection.

**Climate-Related Risk** — A risk arising from climate change. This includes physical risks, such as floods or heat stress, and transition risks, such as regulation, technology change, market shifts, litigation, or reputational pressure.

**Code of Conduct** — A written statement of required ethical, legal, environmental, social, labor, human rights, safety, and governance standards for employees, directors, contractors, and, where applicable, business partners.

**Community Grievance Mechanism** — A process through which affected communities and external stakeholders can raise concerns, complaints, or requests related to MRC's activities and receive a timely, fair, and documented response.

**Compliance Obligation** — Any legal, regulatory, contractual, permit-based, financing, customer, industry, or voluntary commitment that MRC must or has agreed to follow.

**Conflict of Interest** — A situation in which a person's private interest, relationship, financial benefit, or external role could improperly influence, or appear to influence, their decisions or duties for MRC.

**Contractor** — A third party engaged by MRC to perform work or services, whether on-site or off-site, including subcontractors under that party's control.

**Corrective Action** — A step taken to fix a non-conformance, incident, weakness, audit finding, complaint, or gap in ESG performance or controls.

**Corrective Action Plan, or CAP** — A documented plan that identifies corrective actions, responsible owners, deadlines, evidence requirements, and verification steps.

**Corporate Sustainability Reporting Directive, or CSRD** — An EU directive requiring certain companies to report sustainability information under European Sustainability Reporting Standards. Companies subject to the CSRD report according to ESRS. (Finance)

**Data Owner** — The person or function responsible for collecting, validating, maintaining, approving, and retaining specific ESG data.

**Data Quality** — The reliability of ESG data, including its accuracy, completeness, consistency, timeliness, traceability, and ability to be verified.

**Decarbonization** — The process of reducing greenhouse gas emissions from operations, products, services, energy use, transport, supply chains, and investments.

**Diversity, Equity, and Inclusion, or DEI** — Policies and practices that support fair treatment, equal opportunity, non-discrimination, accessibility, and inclusive participation across the workforce and business relationships.

**Double Materiality** — A materiality approach that considers both how sustainability matters affect an organization's financial position, performance, or prospects, and how the organization affects people, the environment, and society. This approach is central to ESRS reporting. (Finance)

**Due Diligence** — A risk-based process to identify, prevent, mitigate, monitor, and account for actual or potential adverse impacts. The OECD Guidelines describe due diligence as addressing impacts across operations, supply chains, and business relationships. (OECD)

**Environmental and Social, or E&S** — A combined term covering environmental matters, social matters, labor, community, health, safety, human rights, land, cultural heritage, biodiversity, pollution, and resource-use issues.

**Environmental and Social Impact Assessment, or ESIA** — A structured assessment used to identify, evaluate, avoid, minimize, mitigate, manage, and monitor potential environmental and social impacts of a project, asset, or activity.

**Environmental, Health, and Safety, or EHS** — Management of environmental protection, occupational health, workplace safety, emergency preparedness, pollution prevention, and incident response.

**Environmental Management System, or EMS** — A formal system of policies, procedures, roles, controls, monitoring, and improvement processes used to manage environmental risks and performance.

**ESG** — Environmental, Social, and Governance. ESG refers to the management, measurement, and disclosure of environmental impacts, social responsibilities, and governance practices.

**ESG Committee** — A designated governance body or management committee responsible for overseeing ESG strategy, implementation, risk review, performance monitoring, and reporting.

**ESG Incident** — An event or condition that results in, or could result in, harm, non-compliance, reputational damage, stakeholder grievance, financial loss, environmental impact, injury, rights impact, or breach of ESG requirements.

**ESG KPI** — A key performance indicator used to measure ESG performance, such as greenhouse gas emissions, energy intensity, water withdrawal, waste diversion, injury rate, training completion, employee turnover, grievance closure, or supplier screening coverage.

**ESG Risk** — The possibility that an environmental, social, or governance issue may affect MRC's people, communities, environment, operations, assets, finances, legal compliance, reputation, or business relationships.

**ESG Risk Register** — A documented tool used to record ESG risks, causes, potential impacts, likelihood, severity, controls, risk owners, mitigation actions, and monitoring status.

**European Sustainability Reporting Standards, or ESRS** — The sustainability reporting standards used by companies subject to the CSRD. The standards cover environmental, social, and governance topics, including climate change, biodiversity, and human rights. (Finance)

**GHG Inventory** — A quantified record of greenhouse gas emissions for a defined organization, project, product, facility, or reporting boundary.

**Greenhouse Gas, or GHG** — A gas that contributes to climate change by trapping heat in the atmosphere. The GHG Protocol Corporate Standard covers carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, and nitrogen trifluoride. (GHG Protocol)

**GHG Protocol** — A widely used global framework for measuring and reporting greenhouse gas emissions. The Corporate Standard covers corporate GHG accounting and reporting, including Scope 1, Scope 2, and Scope 3 emissions. (GHG Protocol)

**Governance** — The structures, responsibilities, policies, controls, decision-making processes, ethics, accountability mechanisms, and oversight systems used to direct and manage MRC.

**Greenwashing** — Misleading, exaggerated, unsupported, selective, or false claims about environmental or sustainability performance.

**Global Reporting Initiative Standards, or GRI Standards** — Sustainability reporting standards that help organizations understand and report their impacts on the economy, environment, and people. (Global Reporting Initiative)

**Grievance** — A concern, complaint, claim, or allegation raised by an employee, contractor, community member, supplier, customer, regulator, civil society organization, or other stakeholder.

**Hazardous Material** — A substance or material that may pose risks to health, safety, property, or the environment due to its chemical, physical, biological, flammable, corrosive, toxic, reactive, or infectious characteristics.

**Hazardous Waste** — Waste that may harm people or the environment and requires special handling, storage, transport, treatment, disposal, or regulatory control.

**Human Rights** — Basic rights and freedoms to which all people are entitled, including rights related to dignity, equality, non-discrimination, safe working conditions, freedom from forced labor and child labor, privacy, livelihood, health, culture, and access to remedy.

**Human Rights Due Diligence, or HRDD** — A process to identify, prevent, mitigate, track, and communicate how an organization addresses actual and potential human rights impacts. The UN Guiding Principles on Business and Human Rights are based on the “Protect, Respect and Remedy” framework. (OHCHR)

**IFC Performance Standards** — Environmental and social standards used in project finance and investment contexts. They guide clients on identifying, avoiding, mitigating, and managing environmental and social risks and impacts, including stakeholder engagement and disclosure. (IFC)

**Impact** — An actual or potential effect on people, the environment, society, the economy, or MRC’s business. Impacts may be positive or negative, direct or indirect, short-term or long-term.

**Incident Investigation** — A structured process to determine what happened, why it happened, what impacts occurred or could have occurred, and what corrective or preventive actions are needed.

**Indigenous Peoples** — Distinct social and cultural groups with collective attachment to ancestral territories, natural resources, traditions, governance systems, languages, or cultural identity, whether or not they are formally recognized under national law.

**Internal Control** — A process, procedure, review, approval, segregation of duties, system check, or evidence trail used to reduce risk and support reliable ESG performance, compliance, and reporting.

**International Sustainability Standards Board, or ISSB** — The standard-setting board under the IFRS Foundation that develops IFRS Sustainability Disclosure Standards. IFRS S1 covers general sustainability-related financial disclosures, and IFRS S2 covers climate-related disclosures. (IFRS Foundation)

**Just Transition** — A transition to a lower-carbon and more sustainable economy that considers workers, communities, livelihoods, affordability, access, and fairness.

**Key Performance Indicator, or KPI** — A measurable indicator used to track performance against ESG objectives, targets, risks, obligations, or improvement plans.

**Materiality** — The process of determining which ESG topics are important enough to manage, prioritize, monitor, or disclose because of their impact on MRC, stakeholders, the environment, society, or enterprise value.

**Material Topic** — An ESG topic that has been identified as significant through a materiality assessment, risk assessment, stakeholder engagement process, legal requirement, or management decision.

**Mitigation Hierarchy** — A preferred order of action for managing negative impacts: avoid impacts where possible, minimize impacts that cannot be avoided, restore or rehabilitate affected conditions, and offset or compensate only for residual impacts where appropriate.

**MRC** — The organization adopting these ESG Guidelines, including its relevant business units, facilities, projects, controlled entities, and employees. This definition should be replaced with MRC's formal legal definition where required.

**Nature-Related Risk** — A risk arising from an organization's dependencies or impacts on nature, ecosystems, biodiversity, water, land, oceans, or ecosystem services. TNFD recommendations address nature-related disclosures through governance, strategy, risk and impact management, and metrics and targets. (TNFD)

**Net Zero** — A state in which greenhouse gas emissions are reduced as far as reasonably possible and any residual emissions are balanced by permanent removals. Science-based net-zero approaches prioritize deep reductions in direct and indirect value-chain emissions before neutralizing residual emissions. (Science Based Targets Initiative)

**Non-Conformance** — A failure to meet a law, regulation, permit, contract, policy, procedure, standard, target, or other ESG requirement.

**Operational Control** — The ability of MRC to direct operating policies, procedures, and management practices at a facility, asset, project, or activity. Operational control is often used to define ESG and emissions reporting boundaries.

**Permit** — An authorization, license, approval, consent, registration, or certificate issued by a government authority or regulator that allows an activity subject to specified conditions.

**Policy Commitment** — A formal statement approved by management or the Board that sets MRC's ESG expectations, responsibilities, principles, and minimum requirements.

**Remediation** — Action taken to correct, compensate for, restore, or otherwise address harm caused or contributed to by MRC or its business relationships.

**Renewable Energy Certificate, or REC** — A market-based instrument representing the environmental attributes of electricity generated from renewable sources. RECs must be credible, traceable, retired, and matched to the relevant reporting period and market where applicable.

**Residual Emissions** — Emissions that remain after feasible avoidance, reduction, substitution, efficiency, and decarbonization measures have been implemented.

**Resource Efficiency** — The efficient use of energy, water, raw materials, land, and other resources to reduce cost, waste, pollution, and environmental impact.

**Risk** — The effect of uncertainty on objectives. ESG risk may be assessed by considering likelihood, severity, duration, reversibility, regulatory exposure, financial impact, and stakeholder concern.

**Root Cause Analysis** — A method used to identify the underlying causes of an incident, non-conformance, grievance, or performance failure so that corrective actions address the source of the problem rather than only the symptoms.

**Science-Based Target** — A greenhouse gas reduction target aligned with climate science. The Science Based Targets initiative states that near-term targets focus on rapid emissions reductions and long-term targets support net-zero pathways. (Science Based Targets Initiative)

**Scope 1 Emissions** — Direct greenhouse gas emissions from sources owned or controlled by MRC, such as fuel combustion in company vehicles, boilers, generators, or process emissions.

**Scope 2 Emissions** — Indirect greenhouse gas emissions from purchased or acquired electricity, steam, heat, or cooling consumed by MRC. The GHG Protocol Scope 2 Guidance supports measurement and reporting of these emissions. (GHG Protocol)

**Scope 3 Emissions** — Other indirect greenhouse gas emissions in MRC’s value chain that are not included in Scope 2, such as purchased goods and services, transport, business travel, waste, use of sold products, leased assets, and investments. The GHG Protocol Scope 3 Standard provides a methodology for accounting and reporting these emissions. (GHG Protocol)

**Stakeholder** — Any person, group, organization, institution, or authority that may affect, be affected by, or have an interest in MRC’s activities, performance, decisions, or impacts.

**Stakeholder Engagement** — The process of identifying stakeholders, sharing relevant information, seeking input, responding to concerns, documenting feedback, and incorporating stakeholder views into decision-making where appropriate.

**Supplier** — A third party that provides goods, materials, equipment, labor, or services to MRC.

**Supplier Code of Conduct** — A document setting minimum ESG, legal, ethical, labor, human rights, safety, environmental, and governance expectations for suppliers and their subcontractors.

**Sustainability Report** — A public or internal report describing ESG strategy, governance, risks, impacts, targets, performance, initiatives, and progress over a defined reporting period.

**Sustainable Procurement** — Purchasing practices that consider ESG risks, lifecycle impacts, supplier conduct, human rights, environmental performance, safety, quality, cost, and long-term value.

**Task Force on Climate-related Financial Disclosures, or TCFD** — A climate disclosure framework structured around governance, strategy, risk management, and metrics and targets. The IFRS Foundation notes that the TCFD completed its work, with ISSB Standards marking the culmination of that work. (IFRS Foundation)

**Taskforce on Nature-related Financial Disclosures, or TNFD** — A disclosure framework for nature-related dependencies, impacts, risks, and opportunities, structured around governance, strategy, risk and impact management, and metrics and targets. (TNFD)

**UN Global Compact** — A voluntary corporate sustainability initiative based on ten principles covering human rights, labor, environment, and anti-corruption. (UN Global Compact)

**Value Chain** — The full range of activities, relationships, and resources connected to MRC’s products, services, and operations, including upstream suppliers, internal operations, logistics, customers, product use, end-of-life treatment, and business relationships.

**Vulnerable Group** — A group or individual that may face a higher risk of harm, exclusion, discrimination, or reduced ability to access benefits or remedies due to age, gender, disability, poverty, ethnicity, migration status, livelihood dependence, legal status, health, language, or social marginalization.

**Whistleblowing** — Reporting suspected misconduct, illegal activity, unethical behavior, retaliation, fraud, corruption, human rights abuse, environmental harm, safety violations, or breaches of MRC policies.

**Zero Tolerance** — A position that certain conduct is prohibited and may result in disciplinary action, contract termination, reporting to authorities, or other consequences. Examples may include bribery, retaliation, forced labor, child labor, harassment, serious safety violations, and falsification of ESG data.



## Appendix I: Abbreviations

Abbreviation	Full Term
ADB	Asian Development Bank
AoI	Area of Influence
BCP	Biodiversity Conservation Plan
BMP	Biodiversity Management Plan
CBO	Community-Based Organization
CEMP	Contractor Environmental Management Plan
CHMP	Cultural Heritage Management Plan
CIA	Cumulative Impact Assessment
CoC	Code of Conduct
CSR	Corporate Social Responsibility
E&S	Environmental and Social
EHS	Environment, Health and Safety
EIA	Environmental Impact Assessment
ESAP	Environmental and Social Action Plan
ESCP	Environmental and Social Commitment Plan
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FPIC	Free, Prior and Informed Consent
GBV	Gender-Based Violence
GHG	Greenhouse Gas
GIIP	Good International Industry Practice
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
H&S	Health and Safety
HR	Human Resources
HRDD	Human Rights Due Diligence
HSE	Health, Safety and Environment
ILO	International Labour Organization
IFC	International Finance Corporation
IP	Indigenous Peoples
IPP	Indigenous Peoples Plan
KPI	Key Performance Indicator
LMP	Labour Management Procedures
M&E	Monitoring and Evaluation
MRC	Mekong River Commission

Abbreviation	Full Term
NGO	Non-Governmental Organization
O&M	Operation and Maintenance
OHS	Occupational Health and Safety
PAP	Project-Affected Person
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
SMP	Social Management Plan
SOP	Standard Operating Procedure
TOR	Terms of Reference
UNGPs	United Nations Guiding Principles on Business and Human Rights
WB	World Bank
WBG	World Bank Group