

Message from the Chairman: Driving Malaysia's industrial transformation forward

AS we approach SIRIM Berhad's 50th anniversary in 2025, SIRIM reflects with immense pride on the organisation's remarkable journey and its lasting contributions to Malaysia's industrial and technological development.

Over the past five decades, SIRIM has been instrumental in establishing a foundation of excellence in research, certification and standardisation, which has propelled various sectors to global competitiveness.

Our commitment to quality and innovation has not only helped industries grow but also made significant strides in addressing the evolving needs of the country.

In today's world, where environmental sustainability, social inclusivity and governance (ESG) principles are more important than ever, SIRIM's role is expanding.

We aligned with the Sustainable Development Goals and national development frameworks, that is, the Twelfth Malaysia Plan, the National Energy Transition Roadmap (NETR), New Industrial Master Plan (NIMP) 2030 and the National Industry Environmental, Social and Governance Framework (i-ESG), ensuring that our services support the transition to cleaner,

greener technologies.

By providing certification and standards for renewable energy sources and guiding industries toward sustainable practices, SIRIM helps to reduce carbon footprints and promote resource efficiency across sectors.

Transforming into a smart factory empowers small and medium-sized enterprises (SMEs) to increase efficiency, reduce costs, and improve product quality through automation and data-driven insights.

Embracing advanced technologies makes businesses more competitive and adaptable to changing market demands, while also unlocking access to new markets and larger clients that value innovation.

With the support of programmes like SMART Tech Up, SMEs can confidently navigate the shift towards smart manufacturing, aligning with industry trends and securing long-term growth.

SIRIM remains dedicated to its mission: creating value for Malaysia through sustainable innovation. Our legacy of excellence, collaboration, and leadership will guide us as we face future challenges, ensuring that SIRIM continues to be a cornerstone of Malaysia's progress.

With agility, foresight and unwavering

commitment to ESG principles, SIRIM is poised to lead the way in shaping a more sustainable and prosperous future for Malaysia.

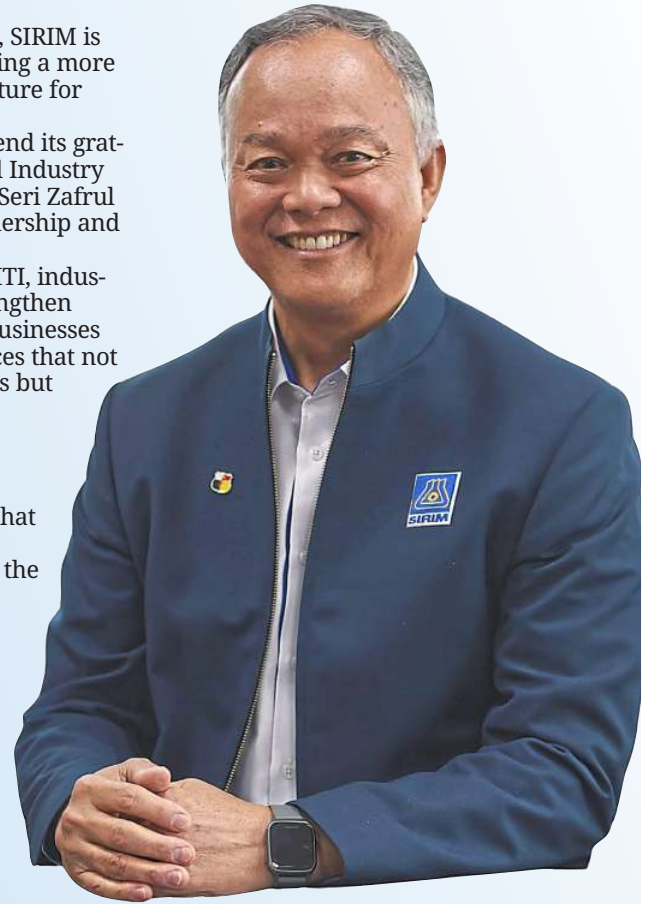
SIRIM would also like to extend its gratitude to Investment, Trade and Industry (MITI) Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz for his leadership and support.

Continuous support from MITI, industry players and the public strengthen SIRIM in its mission to guide businesses in adopting sustainable practices that not only meet regulatory standards but exceed them, leading to better business outcomes and environmental stewardship.

SIRIM congratulates all organisations and companies that have received SIRIM QAS International certifications for the year 2023 and 2024.

Datuk Ir. (Dr) Khairul Anuar Mohamad Tawi:

'Our commitment to quality and innovation has helped industries grow and addressed the evolving needs of the country.' — Photo by GLENN GUAN/The Star



MAJLIS SIRIM INDUSTRI 2024



Advancing sustainable industries

SIRIM offers ESG solutions to help Malaysian industries meet global standards, contributing to a greener future.

AN increased emphasis on environmental, social, and governance (ESG) amid rising awareness on these issues is seen to heighten the demand for SIRIM Berhad's services.

As the organisation soon approaches 50-years since its establishment, it notably offers ESG accreditation and certification services which are in line with global standards and requirements. It had been offering such related services even prior to the rise in ESG awareness in recently.

Meeting these expectations is seen to be increasingly relevant as capital these days increasingly seek out ESG-friendly investments.

SIRIM's accreditation services would help industries in Malaysia – either from the private sector or the various government agencies adjust their operations to fit into this new reality to cater for the new economy.

Being ESG-certified would help increase competitiveness globally and can also see economic gains for the nation as a whole as it seeks to move up the value chain.

The focus on ESG or sustainability matters is also seen in the recently announced Malaysia MADANI Budget 2025 where there have been increased mentions on planned spending in such areas.

Some of the areas where noteworthy spending is seen is on such matters include encouraging renewable energy adoption including the mitigation of climate change risks such as floods and disasters nationally.

"SIRIM, which is an agency under the Ministry of Investment, Trade and Industry has developed a comprehensive ESG ecosystem in response to the growing recognition that sustainability is no longer an option – it's seen today as essential for businesses to thrive in the modern economy. Globally, governments, investors, consumers, and businesses are prioritising ESG principles as a core determinant of any long-term success," says SIRIM's President and Group Chief Executive Officer Dato' Indera Ir. Dr Ahmad Sabirin Arshad.

"We had recognised the need for an ecosystem that can guide and support Malaysian industries in meeting these evolving expectations, both locally and internationally," he adds.

SIRIM is not new to ESG given that it had been mandated by the Government to play a significant role in the development of technology and innovation for Malaysian industries.

Since its establishment in the 1970's, SIRIM says it has long provided various services, capacity building programmes and certifications that are related to the ESG front.

"The SIRIM ESG ecosystem was designed to provide a comprehensive framework that not only addresses environmental concerns like carbon emissions and

Ahmad Sabirin: 'We recognised the need for an ecosystem that can guide and support Malaysian industries in meeting these evolving expectations, both locally and internationally.' – RAJA FAISAL HISHAN / The Star



resource efficiency but also focuses on social responsibility, ethical governance, and transparency," Ahmad Sabirin says.

With this, SIRIM notes it is aligned with the United Nations' Sustainable Development Goals (SDGs) and national development frameworks. These include the Twelfth Malaysia Plan (2021-2025) (12MP), the New Investment Policy, New Industrial Master Plan (NIMP) 2030 and the National Environmental, Social and Governance Industry Framework (i-ESG), to name a few.

"Our ESG ecosystem is designed to support businesses in integrating these principles into their operations. It offers a range of services through our strategic business units and subsidiaries, particularly SIRIM Industrial Research, SIRIM Academy and SIRIM QAS International to help companies align with global sustainability standards and improve their ESG performance," he points out.

One of the group's business units, SIRIM Industrial Research has introduced carbon management initiatives more than two decades ago, while been engaging in life cycle assessment (LCA) such as product carbon footprint and greenhouse gases (GHG) accounting, and actively developing product criteria document for the Eco-labelling scheme.

In tackling environmental impact from purchased electricity, SIRIM Industrial Research has been providing energy audit services to address energy efficiency requirements by its clients.

While SIRIM QAS International plays a crucial role in delivering certification and conformity

assessment services to organisations. These services help ensure compliance with various standards, enhancing quality, environmental responsibility and ethical governance.

Its key offerings includes: ISO 50001: Energy Management Systems, focusing on environmental sustainability; ISO 37001: Anti-Bribery Management Systems Certification, promoting governance and ethical practices; SIRIM 55: 2023 ESG Management System, supporting organisations in managing ESG factors.

It also includes the: ISO 14001: 2015: Environmental Management System, which ensures organisations manage their environmental responsibilities effectively; SIRIM 50: Social Accountability Scheme, promoting responsible business practices; SIRIM 56: 2024 ESG Reporting, providing guidelines for effective ESG disclosures; and; ESG Verification: independent assessment of ESG disclosures and performance, ensuring transparency and accountability.

"These certifications and services not only enhance operational efficiency but also build stakeholders' trust and contribute to sustainable business practices," Ahmad Sabirin says.

Meanwhile, SIRIM Academy offerings are focused on training and consultation matters.

The academy offers programs that help businesses upskill their workforce in areas such as: in-house and public training for capacity building encompassing various standard based management systems, quality tools, and best practices related to ESG and sustainability.

In the area of consultancy, this



SIRIM's donation of two solar-powered spotlights and a portable rechargeable lamp lights up Kampung Tiram Duku in Gelang Patah, Johor, bringing brighter nights to the residents. This contribution reflects SIRIM's commitment to making a positive impact through its Corporate Social Responsibility (CSR) initiatives.

includes: Gap Analysis, ESG Framework, Energy assessment, GHG accounting and ESG management system documentation towards a SIRIM 55 Certification

It also has personal certification programs that includes: Certified Sustainability Professional, Certified ESG MS Professional and Certified ESG Officer and it also has the Global Reporting Initiative (GRI) Certified Training Partner Program.

SIRIM notes it has aligned its initiatives with national sustainability policies, such as the 12MP which has focus on the environment, social well-being, and good governance.

"By supporting industries in adopting global sustainability standards and facilitating compliance with environmental regulations, SIRIM has contributed to the national agenda for sustainable development," he says.

"We also urge companies in

both the public and private sectors at any stage of their sustainability journey to reach out to us and utilise our services. We are always ready to help companies meet their ESG goals and advance social good, environmental protection, business efficiency and growth targets," Ahmad Sabirin adds.

He notes continuous support from the government, state governments, local authorities, non-governmental organisations and the public on this front is needed to ensure the sustainability of the environment, humanity and the planet.

Ahmad Sabirin says with the increased attention on ESG matters, industries should not only look at complying with this from the cost perspective but rather also on future opportunities for greater growth.

"If the whole country does this, I believe Malaysia can achieve the UN's 2050 SDG criterias even earlier. In conjunction with our 50 years anniversary, we are very appreciative of the support from the board and the government administration for the group," he says.

"Moving forward, we would like to utilise more technologies and systems such as artificial intelligence or predictive models to improve ESG compliance outcomes," he adds.

This would help in more practical applications such as flood mitigation or improving food security in the face of any continued change in climate patterns that is apparent today.



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Delivering authentic ESG value

By empowering innovation and championing sustainability, SIRIM QAS International is helping accelerate the growth and competitiveness of local businesses for a brighter, more sustainable future.

IN the last few years the world has experienced an immense shift towards environmental, social and governance (ESG) in an effort to lower carbon emissions, mitigate climate change, preserve our environment and protect our ecosystems.

As governments worldwide move to implement these regulatory compliances and practices, industries across the globe have had to adapt to these significant and important changes.

In Malaysia, the government has already taken steps to implement ESG practices across industries as part of its commitment to global and national well-being and to grow its socio-economic development.

SIRIM QAS has been at the forefront of this evolving journey serving as Malaysia's leading certification, inspection and testing body.

Set up in 1997 by SIRIM, the wholly-owned subsidiary is now playing a pivotal role in Malaysia's sustainable development goals.

"At SIRIM QAS International, we are not just providing certifications – we are shaping the future of industries by embedding sustainability and governance into their core operations," explains SIRIM QAS International chief executive officer Nur Fadhilah Muhamad.

"ESG today is a critical business strategy that goes beyond compliance. It's about resilience, innovation and positioning businesses for long-term success in a rapidly evolving global economy.

"Our role is to guide Malaysian businesses on this journey, ensuring they not only meet international standards but also thrive as sustainable leaders that contribute to a greener, more responsible economy."

Creating a positive impact

Thus far, SIRIM QAS International has made a strong impression across industries and sectors in the field of ESG. With growing awareness of the significance of environmental-friendly practices, evolving customer expectations and strict regulatory requirements, businesses recognise the importance of integrating sustainability into their operations.

"Our work creates ripple effects across industries," stresses Nur Fadhilah. "By helping companies achieve certifications like ISO 14001 for environmental management, ISO 45001 for workplace safety and ISO 37001 for anti-bribery governance, we ensure that Malaysian industries operate responsibly and competitively."

SIRIM QAS International's role goes beyond the confines of meeting global standards. Its purpose is also to drive transformation through ESG by helping businesses adopt practices that make them more efficient, ethical and resilient in the face of global challenges like climate change and market volatility.

Ultimately, Nur Fadhilah states, the organisation wants to drive industrial transformation that not only protects the environment and society but also strengthens Malaysia's global economic standing.

In doing so, SIRIM QAS International supports businesses by providing the structured standards to help them fully

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Nur Fadhilah Muhamad

integrate ESG principles into their operations.

Nur Fadhilah cites SIRIM 55 as an example, which stands as comprehensive ESG management system, enabling businesses to align their governance, environmental practices and social responsibility with global benchmarks.

"Additionally, SIRIM 56 focuses on ESG reporting, guiding businesses in measuring, reporting and communicating their ESG performance electively," she adds.

"Together, these standards empower businesses to adopt ESG principles, ensuring both accountability and operational excellence from strategy to execution."

Helping the transformation

As SIRIM approaches its milestone 50-year anniversary, SIRIM QAS International also remains steadfast in its mission to drive the group's vision of innovation, sustainability and industrial leadership.

"We are a key enabler of these goals, ensuring that businesses across Malaysia adopt world-class ESG practices that contribute to the national agenda of building a sustainable, high-income economy," says Nur Fadhilah.

"Our focus on ESG, governance and quality positions us as a critical partner to industries that want to lead in innovation and sustainability over the next 50 years and beyond."

However, with ESG being such an integral part of modern businesses and driving long-term value creation, some businesses still do not have an adequate understanding of this new landscape and its structures.

In Malaysia, greater emphasis has been put on integrating ESG principles into business practices and it is a vital step towards increasing competitiveness.

According to Nur Fadhilah, the future of ESG for Malaysian businesses is trans-



ESG is no longer an option for companies – it's the foundation for sustainable growth and building marketplace trust, says Nur Fadhilah.

formative in nature.

"Suffice it to say that ESG is no longer an option – it's the foundation for sustainable growth, attracting investment and building trust in the marketplace," she stresses.

As businesses shift towards more sustainable models, SIRIM QAS International intends to serve as a guiding light for organisations, furnishing them with the necessary tools and frameworks for a smooth transition.

"We are continually evolving our services to meet the demands of a rapidly changing global landscape, ensuring that businesses have the guidance, certifications and strategic insights they need to succeed in the ESG era," says Nur Fadhilah.

"Our commitment is to be the partner that drives Malaysian businesses forward, ensuring they not only survive but thrive in this new reality."

Fostering growth

Beyond mere compliance, industries need to embrace sustainability and ethical practices throughout the organisation so that they can better manage risks and fortify long-term resilience in order to seize growth opportunities. With decades of experience, SIRIM QAS is lighting a pathway towards these goals.

Nur Fadhilah explains that the organisation's fundamental advantage lies within its ability to adapt and innovate.

"We not only understand local and global challenges, but we also tailor our services to meet the specific needs of Malaysian

businesses while maintaining international standards," she points out.

"SIRIM QAS International is constantly pushing the envelope, whether it's through our ESG frameworks, industry-specific testing or our commitment to sustainability."

Nur Fadhilah emphasises that the organisation is more than just a certification body but rather a strategic partner that will help and nurture businesses navigate complex challenges, mitigate risks and capitalise on growth opportunities in an increasingly interconnected world.

So far, SIRIM QAS International has already delivered on its mission. Nur Fadhilah refers to a recent partnership with a leading manufacturing company.

"We helped them overhaul their ESG strategy," she elaborates. "By implementing ISO 14001 for environmental management, the company was able to improve its environmental practices and waste management."

According to Nur Fadhilah, these improvements indirectly contributed to better management of the company's carbon footprint, demonstrating the power of proactive environmental stewardship.

Along with ISO 37001 for governance, which strengthened their ethical practices, the company not only improved operational efficiency but also attracted international investors.

"This is a clear example of how our holistic approach to ESG can transform businesses, driving both sustainability and economic success," she says.

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Promoting innovative sustainability

With decades of experience driving technology research and innovation, SIRIM IR is steadfast in its mission to support the growth and viability of industries and its partners to propel the economy.

AS the research arm of SIRIM Berhad, SIRIM Industrial Research (SIRIM IR) has been at the forefront in spearheading research and development activities across various industries in Malaysia.

By focusing on technology innovation and driving forward-thinking services, products and processes to meet industry demands, SIRIM IR has made instrumental contributions to the broader goals of national industrial development, which is key to the country's economic prosperity.

SIRIM IR chief technology officer Dr Muhammad Izzal Ismail says their efforts and goals align with national initiatives such as the National Industrial Master Plan (NIMP2030), Twelfth Malaysia Plan (12th MP), Malaysia's National Energy Transition Roadmap (NETR) and Hydrogen Economy and Technology Roadmap (HETR).

"We utilise the latest technologies and drive innovation to support industry growth and competitiveness. The innovation is carried out through our four key pillars – the Energy and Environment Centre (EEC), Life Sciences Centre (LSC), Smart Manufacturing Centre (SMC) and Advanced Materials Research Centre (AMREC)," he says.

Democratisation of technology

One of the primary goals of SIRIM IR is to deliver a wide range of solutions to help commercialise ideas across various industries. This includes research and development (R&D) support, technical advisory services and training, technical testing, and IP and commercialisation services.

Through this approach, the organisation is also helping to nurture the growth of SMEs by empowering them with solutions for technology penetration and upgrading.

"With our facilities, equipment and highly experienced researchers and engineers who have extensive expertise across multiple disciplines, and equipped with accredited and good manufacturing practice (GMP) facilities, we want to help industries address their pain points and R&D challenges," says Muhammad Izzal.

He adds that SIRIM IR, certified with ISO 9001:2018, also wants to intensify its capability as a contract research organisation.

"We are an approved R&D company and institute, and we want to encourage companies and industries and organisations to collaborate with us for product development, testing and certification."

He says companies can leverage on SIRIM IR's expertise for greater savings: "We're more cost-effective and CapEx free, eliminating the need for costly set-ups."

He hopes this will spark more collaborative interest amongst companies, industries and organisations, as they can also apply for double tax deduction through the application of R&D that is new and novel.

Building a technology roadmap

SIRIM IR has achieved notable accomplishments in reducing its carbon footprint. Muhammad Izzal says that the establishment of the National Rechargeable Battery Testing Centre (NRBTC) in Kulim is a driving force aimed at propelling the country's electric vehicle (EV) industry into the future.

As EVs are a key component of battery technology, battery testing facilities are vital to ensure the safety, performance, and reliability of EV batteries. This, in turn, supports sustainable transport and



Through its numerous partnerships and collaborative ventures, SIRIM IR is fulfilling its mission as a trusted partner for innovation.



Datuk Indera Ir. Dr Ahmad Sabirin (second from right) explaining the functions of the mobile water filtration system to Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi (third from right) as Johor Menteri Besar Datuk Onn Hafiz Ghazi (right) looks on.

drives innovation for wider EV adoption.

SIRIM IR has also provided treated clean water with an estimate of 25,000 litres per day for drinking and daily use through a Centralised Water Treatment System.

Using ultra-filtration technology and solar photovoltaic energy with a remote IoT (Internet of Things) installer for water quality monitoring, the system is currently being applied in the Kampung Brantian community in Kalabakan, Sabah.

Additionally, SIRIM IR through EEC was registered as an Energy Service Company (ESCO) on Sept 6, 2023, by the Ministry of Utility and Telecommunication Sarawak.

"We have carried out many renewable energy projects, including a solar thermal project, solar photovoltaic project and heat pump dryer," says Muhammad Izzal.

SIRIM's other notable achievements include an ethylene oxide (EtO) sterilisation facility in Permatang Pauh and the development of organ-on-chip (OOC) technology.

According to Muhammad Izzal, the EtO sterilisation facility is a scaled-down version to cater to small and medium enterprises (SMEs) in the medical device sectors, adding: "Our aim is to provide an option for smaller-scale medical device manufacturers at a more affordable cost."

OOC technology is an exciting development in medical research. It offers micro-scale models of human organs on small chips or plates, with huge potential to revolutionise the field by yielding more accurate results and eliminating animal testing.

Balancing innovation and sustainability

Transitioning to a more sustainable energy system while increasing access to clean energy to achieve net-zero emissions by 2050 is the key focus of many industries. SIRIM IR not only recognises the importance of sustainability but also its vital role in business continuity, especially in attracting investments and business opportunities.

"More industries are embracing environmental, science and governance (ESG), which also serves as a gateway for companies to reach a broader global audience," Muhammad Izzal emphasises.

In promoting sustainable practices in industries and society – as well as the challenges that emerge – SIRIM IR undertakes many technological projects that integrate with emerging technologies.

Its focus lies in developing areas like blockchain, IoT, AI, digitalisation for decarbonisation projects including eco industrial parks, renewable energy using solar PV and solar thermal, water desalination, energy audit and EV battery testing, mobile water filtration systems and centralised water treatment systems.

"We continue to contribute to intensifying R&D to better understand climate risks and develop innovative solutions to enhance climate preparedness as stated in the recent National Climate Change Policy 2.0," says Muhammad Izzal.

"SIRIM IR through the Energy and Environment Centre offers services that help organisations evaluate their environmental impact. These include multiple



Muhammad Izzal: 'We utilise the latest technologies and drive innovation to support industry growth and competitiveness.'

environmental impact or ecological footprint analysis through LCA (ISO 14044), single environmental impact assessment through product carbon footprint analysis (ISO 14067) and greenhouse gas emission accounting for organisational level measurement (ISO 14064-1)."

A partner for the future

Collaborations and partnerships are a key foundation that SIRIM IR is building upon. It has lent its expertise to ventures with industry, government, academia and society as well as businesses, entities and organisations both locally and abroad.

Notably, SIRIM IR has an international collaboration initiative between Malaysia and Germany in the Collaborative Action on Prevention of Single-use Plastic in South-East Asia (CAPSEA) initiative.

Additionally, SIRIM IR through LSC collaborates with Fujimori-Zacros and Universiti Sains Malaysia (USM) is also producing biodegradable plastic from vegetable cooking oil waste.

"SIRIM IR through SMC has also taken the initiative to transform Malaysian manufacturing SMEs towards Industry 4.0 through the Centre of Excellence (CoE) on Smart Manufacturing in collaboration with Hitachi," explains Muhammad Izzal.

"These efforts lend credence to our capabilities and commitment to becoming the Best Partner for Innovation for local businesses and industries."



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Building a roadmap towards ESG

SIRIM's new ESG Management System Certification provides a template for companies to achieve national and international sustainability regulations and requirements.

NAVIGATING the world of environment, social and governance (ESG) is not without its complexities. In this new world of compliance, ESG data quality is a crucial aspect of sustainable and responsible business practices.

However, for a lot of companies and organisations, managing and incorporating these practices into their operational structure can be a challenging and daunting task.

Fortunately, the introduction of SIRIM 55 ESG Management System Certification has helped provide a blueprint and structure for companies to establish, implement, maintain and improve their ESG obligations.

Launched earlier this year, SIRIM 55 serves to provide clear and defined guidelines that help companies establish ESG aspects. It is also designed to identify and quantify ESG impacts whilst also setting and integrating performance indicators into an organisation's business process.

Backed by the expertise of SIRIM QAS International, SIRIM 55 is the definitive answer to the ESG needs of businesses. From small and medium enterprises (SMEs) and mid-tier companies starting their sustainability journey to public-listed companies (PLCs) seeking greater credibility, SIRIM 55 provides the structure, tools and support to make ESG an integral part of a company's success.

"We created SIRIM 55 to help businesses make sustainability part of their regular activities while improving efficiency," explains Mohd Adha Rahmat, senior general manager of the Management System Certification Department at SIRIM QAS International.

"SIRIM 55 serves to provide a clear and comprehensive approach to ESG by helping companies incorporate environmental, social, and governance aspects into their operations."

Providing a competitive edge

The launch of SIRIM 55:2023 ESG Management System Certification is timely for local industries as it provides a roadmap for their ESG journey.

Adha explains that SIRIM 55 aims to address pain points of organisations to help them man-



age and incorporate environmental, social and governance factors more effectively.

"It's more than just meeting regulations – it's about turning sustainability into a business advantage," stressed Adha.

"This certification not only boosts their operational efficiency but also reduces risks and strengthens their market position. These companies, which are vital to Malaysia's economy, often encounter difficulties in ESG implementation."

It addresses, among others, data collection and provides guidelines for organisations to incorporate ESG into business strategies, satisfying regulatory requirements, engaging stakeholders, managing resources and improving supply chain practices.

These companies can also take advantage of government support through programmes like HRD Corp and MIDA, which offer training and certification grants to make ESG adoption more accessible and sustainable.

"These financial supports make it easier for SMEs and mid-tier companies to adopt and implement ESG practices," says Adha.

"Additionally, the Securities Commission offers opportunities for companies to raise funds, helping them move towards becoming PLCs."

Ready for the next step

Adha points out that with certifications growing by 5-7% each year, SIRIM 55 is supporting the ESG integration of approximately 10,000 certified companies in Malaysia.

The new system is designed to help businesses align with global

SIRIM 55 helps businesses make sustainability part of their regular activities while improving efficiency, says Mohd Adha.

"When SMEs and mid-tier companies adopt SIRIM 55, they not only enhance their business operations but also contribute to Malaysia's broader sustainability goals."

Ts. Md Adha Rahmat

ESG standards while meeting local needs by requiring companies to consider the environmental, social and governance impact of their entire supply chain, including both suppliers and customers.

ESG practices are crucial for attracting investors and driving long-term growth, and especially for SMEs and mid-tier companies aiming to become PLCs. Through the SIRIM 55 certification, SIRIM

QAS International is helping local businesses towards this important transition.

"SIRIM 55 helps businesses strengthen their governance, manage risks and show a strong commitment to sustainability," adds Adha.

"By adopting ESG principles, these companies can improve their market position and build trust with stakeholders, making their transition up the business chain smoother and more efficient."

According to Adha, ESG certification should be a key consideration for regulators, including the banking sector, especially when introducing Green Financing. As a certification body offering 48 management system schemes, SIRIM ensures that organisations not only comply with the requirements but also integrate them effectively.

"SIRIM 55 ESG Certification serves as the evidence of compliance for SMEs and mid-tier companies implementing ESG practices."

"With SIRIM's competent auditors, experienced in integrated management systems such as ISO 45001 and ISO 37001, businesses benefit from meticulous compliance checks," he says.

Drive towards sustainability

Encouragingly, Malaysia is already a leader in sustainable finance, with RM2.2bil in SRI (Sustainable and Responsible Investment) Sukuk issued in October 2023 accounting for 27% of Asean's green, social and sustainability bonds.

The value of SRI funds has also grown significantly, reaching RM7.05bil in assets by 2022.

These developments highlight the growing importance of sustainability in the Malaysian market.

By adopting SIRIM 55, SMEs and mid-tier companies can better prepare themselves for aligning with these market trends, becoming more attractive to investors and better positioned for growth.

With the support of SIRIM and government resources, they can successfully navigate their ESG journey more effectively.

Structured, scalable approach

Adha emphasises that SIRIM 55 provides a structured, scalable approach that empowers SMEs and mid-tier companies to integrate ESG into their operations without overwhelming resources.

"It not only boosts their reputation but also raises their competitiveness and readiness by demonstrating their commitment to sustainability," he adds.

"When SMEs and mid-tier companies adopt SIRIM 55, they not only enhance their business operations but also contribute to Malaysia's broader sustainability goals. By aligning with ESG principles, they help drive the nation's agenda for carbon neutrality and social equity."

Elaborating further, Adha explains that SIRIM QAS International, supported by agencies like MIDA and HRD Corp, empowers businesses to implement ESG practices, ensuring that they play a role in shaping a more sustainable future for Malaysia.

"This alignment with national goals strengthens their market positioning while contributing to long-term environmental and social impact."



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Empowering SMEs with ESG adoption

SIRIM Academy is embarking on ESG training and consultancy, empowering businesses to enhance sustainability practices while fostering a greener future.

As Environmental, Social, and Governance (ESG) becomes more mainstream, it is increasingly integrated into everyday business practices. This heightened awareness encourages businesses to adopt more sustainable and ethical practices, enhancing their overall compliance and reputation. These criteria look set to become a more integral part for businesses, including small and medium enterprises (SMEs).

SIRIM Academy is poised to support this development, anticipating that sustainability reporting will increasingly become standard practice within the broader supply chain. SIRIM Academy has been recognised as a Registered Training Provider for Asia and the Pacific by the Global Reporting Initiative (GRI), an independent international organisation that is widely seen as the benchmark for sustainability reporting.

Initially, SIRIM Academy's CEO, Nik Sazali Nik Hussin (*pic*), states that its sustainability training will focus on exporters or the companies within a global supply chain, though it will also be relevant to other companies. Increasingly, global supply chains require such sustainability reports to gauge ESG adoption levels among companies.

"Sustainability is a new focus area for us at SIRIM Academy. It can help companies strengthen their internal quality management systems, reduce risks in data

reporting, and concurrently increase data value. GRI is well recognised in this, especially concerning ESG matters," says Nik Sazali.

"SMEs need someone in the company to coordinate sustainability practices – the report is a tool to measure sustainability practices. For example, how is a company going to measure its carbon footprint?"

Nik Sazali further elaborates on this new direction for SIRIM Academy:

How do you foresee the Academy influencing sustainability on a larger scale?

We acknowledge the government's commitment to the Sustainable Development Goals (SDGs) 2030 and support initiatives by the Ministry of Investment, Trade & Industry (MITI) and other ministries. Accordingly, SIRIM Academy is positioning itself as a leading training and consultancy solution provider in sustainability.

Guided by the National Industry Environmental, Social & Governance (i-ESG) framework developed by MITI and the SIRIM ESG Management System Certification (SIRIM 55), our commitment is to enhance the capabilities of local industries and society at large in sustainable practices.

What do your training modules cover?

We not only train personnel but also

provide coaching and handholding to the trainees. Employees will be guided on how to develop and implement from data gathering, information management and finally producing the reporting in accordance to the international standards. Our consultants at SIRIM Academy are qualified in this area and will provide handholding within the respective companies.

SIRIM Academy offers training and consultancy services across all pillars of ESG adoption. What specific niche areas within ESG do you focus on when designing programmes for industries?

With the extensive expertise of our internal specialists, our training, consultancy, and advisory services cover all pillars of ESG adoption for industries, and guided through the related Quality Management System and our home grown SIRIM's Best Practices, SIRIM Recognition Scheme, and the SIRIM Industry Standard. We are also prepared to assist government bodies and agencies in formulating their long-term sustainability roadmaps.

Given the increasing importance of sustainability, how do you envision the future of SIRIM Academy's role in promoting sustainability practices within the Malaysian context?

Our vision is to lead the nation as the premier training solutions provider and to revolutionise the industry by fostering a



culture of sustainability across Malaysia. To achieve this vision, we invite government agencies, higher learning institutions, industry players, and local training providers to collaborate with us in promoting sustainability practices among government bodies and local companies.

How is SIRIM Academy positioning itself to develop competencies in emerging roles such as AI engineers, data analysts, data scientists, and sustainability coordinators?

In relation to sustainability related roles, we have developed our own Certified Sustainability Executive (CSE) and partnering with globally recognised GRI Certified Sustainability Professional (CSP) programmes, with the ambitious goal of producing 10,000 certified sustainability practitioners nationwide in various organisations by the end of 2030.





Objective

- Second Mission of the New Industrial Master Plan (NIMP) 2030, which aims to establish 3,000 smart factories by the year 2030.
- SMART TECH UP program aims to encourage local small and medium-sized enterprises (SMEs) and mid-tier companies in the manufacturing and related service sectors to adopt advanced technologies and transition into smart factories.
- 4 Key Components technology assessment, project implementation, advanced tech training, and financial assistance.
- SIRIM Role
 - Provides guidance and ongoing monitoring for qualifying companies.
 - Ensures companies meet criteria to be recognized as smart factories.

Transform Your Business into SMART Factories

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MAJLIS SIRIM INDUSTRI 2024



Enhancing skills in manufacturing

SIRIM is planning a Centre of Excellence to support bumiputra industries with advanced manufacturing technologies and talent development initiatives.

PLANS are afoot by SIRIM National Precision Tooling (NPT) for the establishment of a Centre of Excellence (CoE) to cater for bumiputra-owned industries that utilise tools, dies and moulds (TDM).

With this centre, these companies in the TDM segment can have ready access to a Smart Factory that employs Industry 4.0 technologies.

It would serve as a hub of innovation, offering a scalable and adaptable environment where small and medium enterprises (SMEs), industry leaders and even academic institutions could collaborate seamlessly under one roof.

Recent developments with more modern manufacturing machines such as 3D printers would allow companies to combine such resources and utilise smart manufacturing technologies like the Internet of Things, artificial intelligence (AI) and machine learning to improve their manufacturing processes.

It would also be possible for them to monitor production in real-time, predict maintenance needs and optimise resource use with the use of these latest factory technologies.

These plans follow the success of the TDM 2.0 Project which saw selected beneficiary bumiputra-owned companies undergo capability developments under SIRIM NPT's Coaching and Certification Building Program, Equipment Acquisition Program and Design Capability



'Initially we started with the automotive sector, but now we are expanding it to cover three other industries – aerospace, medical devices and rail,' says SIRIM NPT chief executive officer, Ts. Mohd Fauzi Ismail.

Development Program.

"Initially we started with the automotive sector, but now we are expanding it to cover three other industries – aerospace, medical devices and rail.

"So far, NPT has helped more than 40 companies – mainly SMEs from these four sectors – by providing access to modern equipments or machine tools such as the

Computer Numerical Control (CNC) machine, which is crucial in the TDM sector," NPT's chief executive officer Ts. Mohd Fauzi says.

The planned CoE is to be equipped with modern facilities which can communicate over the Internet cloud for product development.

"This serves as a heart for innovation,

where the industry can collaborate seamlessly through a digital platform – the design can be done elsewhere and be manufactured here, for example.

"It will also be a centre for learning, especially for younger talents, to acquire knowledge and new technologies in the various industries," Ts. Mohd Fauzi says.

SIRIM NPT also highlights its aim to develop 1,000 high-skilled talents in the TDM sector within five years.

"Let's say there are 100 companies and each one develops two talents per year – in five years this will be 10. So from 100 companies, this will amount to 1,000 talents. The plan is for NPT to subsidise half of their salaries during the one-year period," Ts. Mohd Fauzi says.

He notes that companies which hire talents from Technical and Vocational Education and Training (TVET) centres may find this useful.

"With this type of training, these are considered high-value added kind of jobs. This would also help to attract younger talents to the industry to ensure its sustainability moving forward," he adds.

Ts. Mohd Fauzi hopes these initiatives can start in the year 2026.

"This is planned under the 13th Malaysia Plan. We have grown from 15 companies when we started this under TDM 1.0.

"And these latest plans will see NPT aim for 100 companies," he adds.

Testimonies of companies that have taken part in TDM 2.0

DK Composites

DK Composites Sdn Bhd is a premier Malaysian-based company specialising in the design, fabrication and installation of advanced composite structures.

With over 27 years of experience, the company has established itself as a leader in delivering high-tech, custom-built solutions across various industries, including construction, marine, transportation and architecture, both in local and international markets.

The company has been involved in high-profile projects including the Art Science Museum in Singapore and all of Putrajaya's Domes, such as the Prime Minister's Office, Putra Mosque, Prime Minister's Residence and the High Court building. DK Composites has also completed the installation of 124 domes for the Conference Palace Hotel in Abu Dhabi and contributed to the Imam Abbas Shrine, along with various projects in Madinah, Australia, Brunei and Indonesia.

In the marine sector, DK Composites has built over 3,000 boats and racing yachts, including the renowned DK46 and Farr52, tailored for export markets. The company has also supplied the



LRT and MRT seats designed and manufactured by DK Composites.



DK Composites Sdn Bhd chief executive officer Maziah Mohamad.

Monorail Cab mask, interior panelling and seats for LRT and MRT systems, and developed an electric jet ski for the US market.

How has the TDM programme helped your business grow and create new opportunities?

The TDM programme under the SIRIM initiative has been instrumental in enhancing DK Composites' manufacturing capabilities. By investing in advanced tooling and moulding technologies, it has allowed us to improve precision and efficiency in our production processes, resulting in higher product quality and reduced lead times.

It also opened new opportunities by enabling DK Composites to enter industries with highly specific requirements. With enhanced tooling and moulding capabilities, we've been able to take on more intricate, large-scale projects and provide custom solutions that meet the evolving needs of our clients.

Additionally, the grant has helped us innovate in materials processing, paving the way for more sustainable and lightweight composite solutions, expanding our offerings and increasing our appeal to environmentally conscious markets.

Limpahan Engineering

LIMPAHAN Engineering is a forward-thinking company specialising in precision parts manufacturing, with a notable focus on the hydrogen manufacturing sector.

Incorporated in March 2020, the company has rapidly established itself as a key player in the industry. By focusing on innovative engineering solutions, Limpahan Engineering is committed to advancing hydrogen technology and contributing to sustainable energy initiatives.

The company's expertise in precision manufacturing enables it to produce high-quality components that are essential for hydrogen production and related applications, positioning it as a valuable partner in the transition to cleaner energy sources.

How has TDM helped your company and what are your company's hopes for the new TDM project?

The TDM programme has significantly



Limpahan Engineering Sdn Bhd managing director Kamarul Hafiz Muhamed.

improved our manufacturing capabilities in terms of workflow and quality. With the surface grinder, we've achieved higher tolerances and better surface finishes. The Coordinate Measuring Machine (CMM) has boosted our confidence and that of our clients.

Moreover, our new 3D printing capability positions us to become a market leader in rapid moulding manufacturing, combined with our existing high-precision machining.



The Wenzel XC 107-CMM is designed for high precision and versatility in measuring components in manufacturing and quality control environments.