

# **INSIGHTS FROM GREATER KUALA** LUMPUR: STRONG GOVERNANCE, SUSTAINABLE GROWTH

## **Case Studies**

**Best Practices from Partners** 

# Introduction

The ESG & Sustainability ConneXion Centre (ESGS CXC) serves as a dedicated hub for advancing sustainable business practices in Greater Kuala Lumpur (Greater KL). Through this programme, InvestKL together with leading global companies and strategic partners, unlocks new opportunities in community engagement, policy advocacy, and capability building by facilitating the exchange of industry knowledge in sustainability.

The Centre aims to catalyse collective action, amplify impact, and inspire meaningful change towards a more sustainable Malaysia. This publication presents a curated collection of case studies from industry leaders, showcasing the positive outcomes driven by their commitment to sustainable business practices.



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## **MPC: GOOD GOVERNANCE** FOR PRODUCTIVITY



#### ESG INITIATIVES

- Seminars, meetings, and workshops
- Engagement with shareholders on policies
- Advocating and promoting Energy Efficiency



#### SUSTAINABILITY AWARDS

- Special Recognition Excellence Award, Malaysia GPM Sustainability Awards 2023
- Sustainability Leadership Award, Malaysia GPM Sustainability Awards 2023

Malaysia Productivity Corporation (MPC) is at the forefront of the Malaysian government's commitment towards sustainable growth of employment and business-building. With a mandate focused on talent development and driving digitisation and innovation, MPC operates at the national, sectoral, and enterprise levels, serving as a vital bridge that connects various stakeholders.

The agency has spearheaded initiatives towards good governance and sustainability in Malaysia, including the promotion and application of ESG principles, which are in turn deeply embedded in national development plans such as the Twelfth Malaysia Plan (2021-2025), New Industrial Masterplan (NIMP 2030), and Madani Economy Framework. These principles also contribute to the nation's long-term ESG goals, such as achieving net-zero carbon emissions by 2050, by balancing social progress, environmental health and economic prosperity.

# ENERGY EFFICIENCY'S EFFECT ON THE NATION

A key focus of MPC is to promote and facilitate the adoption of Energy Efficiency (EE) measures, such as Energy Performance Contracts (EPCs). These legally binding agreements ensure energy savings and efficiency improvements, with investments recovered through service revenues.

"This initiative is crucial for improving Malaysia's Energy Intensity (EI) ranking and overall competitiveness on the global stage," said Mohd Yazid Abdul Majid, Director of Modern Management and Technology at MPC. He highlighted that Malaysia has advanced 11 spots in the IMD World Competitiveness Rangking 2025, moving up from 34th to 23rd out of 69 economies, its highest position since 2020. This improvement is driven by notable gains in Government Efficiency, Business Efficiency, and Economic Perfomance.

"However, a key structural challenge remains. Malaysia currently ranks 60th for energy intensity, measured by energy consumed per US\$ GDP, indicating continued inefficiencies, particularly in energy-intensive sectors such as manufacturing, logistics, and commercial services," Yazid added.





## WHERE GOVERNANCE COMES IN \_

Governance plays its part by ensuring that best practices and principles for sustainability are integrated and properly applied into the operational frameworks of the various sectors. Fostering transparency, accountability, and ethical behaviour will lead to positive outcomes, including mitigated environmental risks, reduced carbon emissions, and conserved natural resources.

Yazid also proposed several governance improvement measures to support the government in achieving its competitiveness ranking goal. These take the form of increased awareness through targeted instruction and consultations, the improvement of regulatory support in implementing and enforcing measures such as the upcoming Energy Efficiency and Conservation Act, and the facilitation of banks and financial institutions in offering more attractive financing options for EE projects, such as eliminating collateral requirements.

The agency has also implemented measures for better governance practices within itself, such as the launch of a five-year anti-corruption plan for internal action and good governance, which allows the agency to monitor and evaluate activities to enhance productivity. MPC also conducts energy efficiency audits at all of its complexes, leading by example in adopting better EE practices.

### STAKEHOLDER ENGAGEMENT AND CROSS-SECTOR COLLABORATIONS \_\_\_\_

MPC has strong connections with a wide range of stakeholders, from government agencies, NGOs, and the local community, making the agency a strong platform for connecting stakeholders to better address challenges. The engagement takes the form of discussions, workshops, and collaborative efforts, generally aimed at EE adoption.

One particular example of this engagement is a series of sessions organised by MPC from December 2023 to May 2024, where the agency brought together subject matter experts, government representatives, and financial institutions to address challenges and develop strategies to improve EE adoption.

Another example of MPC's collaboration with local authorities and state governments in creating liveable, low-carbon cities through the implementation and enforcement of specific by-laws for commercial buildings, which encouraged the incorporation of reduced energy consumption into the design, construction, operation and maintenance of both new and existing buildings. This will advance sustainable urban development across the country. MPC has also worked with the state governments of Selangor, Penang, Kedah, and federal territories such as Putrajaya on pilot projects for sustainable city development.

The private sector is an important stakeholder as well, with energy service companies playing a strategic role in MPC's cross-sector initiatives. Public-private partnerships, which include banking institutions and MPC partners, primarily focus on EE models, conduct necessary training programmes, and addressing financial challenges faced by the various industries.



#### WHAT'S NEXT?

With plans on its way to implement several governance initiatives meant to support Malaysia's sustainability initiatives, including its goal of 8% annual cumulative energy savings, MPC aims plans to encourage large energy users in the commercial and industrial sectors to prepare themselves for the upcoming Energy Efficiency and Conservation Act. The agency also plans to enhance public-private collaboration by engaging with multinational corporations and local companies in joint projects and strategic partnerships towards achieving mutual sustainability goals.

Additionally, as of early this year, the Selangor State Government and its local authorities, in collaboration with the Energy Commission (EC), the Sustainable Energy Development Authority (SEDA), and MPC, has initiated efforts to amend the Uniform Building By-Laws (UBBL) to adopt the full Malaysian Standard MS 1525. This initiative supports the Energy Efficiency and Conservation Act (EECA 2024) and aims to mandate energy-efficient design across all new commercial buildings.



"Through strategic initiatives, robust stakeholder engagement, and strong public-private partnerships, Malaysia is on a path to embedding sustainability within its governance framework, thereby driving long-term ESG goals and enhancing its global competitiveness."

Mohd Yazid Abdul Majid, Director of Modern Management and Technology, MPC

# GOOD GOVERNANCE STARTS WITH STUDENTS AT TAYLOR'S UNIVERSITY



#### ESG INITIATIVES

Purpose-led Learning through Impact Labs



#### SUSTAINABILITY AWARDS

- Overall Education Winner, 10th QS Reimagine Education Awards
- Gold Winner for Sustainability Education, 10th QS Reimagine Education Awards

Taylor's University is a strong advocate for fostering positive habits in youths, and how a good foundation makes all the difference. The university invests significantly in guiding its students to be purposeful leaders who prioritise governance and sustainability while challenging them to understand and develop solutions for societal needs.

The university incorporated ESG principles into its curriculum through the rigorous guidance of its academic team that led to the launch of the "Purpose-led Learning through Impact Labs" initiative in 2023. This initiative provides students with a platform not only to study their craft but also to learn how to apply their skills to improve society and the environment.

According to Dr Thian Lok Boon, Project Leader, Purpose-led Learning through Impact Labs at Taylor's University, the initiative integrates real-world challenges into the students' curricula. The programme features 11 Impact Labs, specialising in areas such as Liveable Urban Communities, Clean Technology, Food Security and Nutrition and Sustainable Tourism, among others. The initiative has earned the university the Overall Education Winner and Gold Winner award for Sustainability Education at the QS Reimagine Education Awards in 2023.





"Our students are the foundation for building a sustainable future. By educating and empowering young people with the knowledge, skills and values of sustainability, we lay the foundation for a more resilient, equitable and environmentally responsible society"

Dr Thian Lok Boon Project Leader, Purpose-led Learning through Impact Labs, Taylor's University

#### Since its inception, the Impact Labs initiative has seen:



#### **COLLABORATIVE EFFORTS**

Part of governance is reaching out to entities in both the public and private sectors and engaging governmental bodies and other stakeholders, and Taylor's University offers ample opportunities for its students to work with diverse stakeholders. Since its inception, the Impact Labs initiative has integrated over 230 Impact Projects into the university's curriculum. These projects have involved over 16,000 students engaging with more than 21,300 individuals and 222 organisations, including government agencies, non-governmental organisations, and established partner companies.



These collaborations have borne fruitful, sustainable solutions to societal issues, made possible by the exchange of expertise and sharing of resources. A stand-out example is the partnership between the university's Food Security and Nutrition Impact Lab and local company Entomal Biotech Sdn Bhd, which specialises in sustainable insect farming for food and feed production. The collaboration looked into potential alternative protein sources to meat to create clean, edible food, with the aim of promoting sustainable food consumption and production in Malaysia. The collaborators are currently exploring the use of Black Soldier Fly Larvae as a possible meat alternative.

Another notable effort is from the university's Clean Technology Impact Lab, which was awarded a grant by Solarvest Holdings Bhd to develop a "rain or shine" solar cell. The goal is to find a solution to increase the efficiency of harvesting solar energy as solar cells only generate about 10% of its maximum power when it rains.

### **PUBLIC-PRIVATE PARTNERSHIPS**

Taylor's University believes that strategic partnerships with both the public and private sectors enhance the quality of the solutions its students can offer. The university leverages the public sector's understanding of policy implementations and on the ground experience, and taps into the private sector's expertise in advanced technology, efficient processes, and financial investments. This alignment between the public and private sectors underscores their shared objective of achieving sustainability in Malaysia.

Such partnerships have enabled students of the Liveable Urban Communities Impact Lab to build sustainable bamboo structures as additional fixtures in neighbourhood parks with the guidance of local councils, and with the support of companies such as SEAD Industries Sdn Bhd and Iramo Bamboo Resources.

Other notable public-private partnerships between the university and its stakeholders include collaborations through its Digital Health and Medical Advancement Impact Lab. These partnerships saw the university working with the Selangor State Government, the National Cancer Society of Malaysia, and the Lions Club to provide public community health screening programmes.

Another example of a successful partnership is the collaboration between the Ministry of Tourism, Arts, and Culture with Taylor's University's Sustainable Tourism Impact Lab. Together, they launched the "Journey of Present to Past" project, aimed at promoting heritage tourism while also advocating for responsible tourism.





## **GOVERNANCE BY EXAMPLE**

In addition to engaging with diverse stakeholders and providing valuable resources to its students, Taylor's University believes in leading by example through the implementation of good governance in its ongoing efforts to advance sustainability.

This is monitored through the university's annual Carbon Emissions Report where it tracks and reports efforts to reduce energy consumption and utilise alternative sources of energy, such as the installation of solar panels and the implementation of energy-saving measures, devices, and other initiatives. These efforts support environmental sustainability and align with the government's goal of reducing carbon intensity by 2030.

The university also leverages the campus as a living laboratory, providing a dynamic, hands-on learning environment for students. This space also serves as a hub for students, partners, and stakeholders to collaborate, create, test, and refine sustainable solutions.





# **UMSDC:** TEACHING & INSPIRING THROUGH POLICY & COMMUNITY



#### ESG INITIATIVES

- UM Campus Sustainable Living Lab programme
- Sustainable Campus Initiatives and Enculturation practices
- UM Education for Sustainable Development Mobility programme
- Strategic Agreements with stakeholders, such as InvestKL



#### SUSTAINABILITY AWARDS

- Highest-ranked Malaysian university for QS World University Rankings: 2026
- Dirimes Higher Education Impact Rankings: 25th place



As the leading research university in Malaysia, Universiti Malaya (UM) is at the forefront of the sustainability space. The university launched its UM Eco-Campus Blueprint in 2016 followed by the UM Sustainability Policy 2021 and the Universiti Malaya Sustainable Development Centre (UMSDC) in 2021. These frameworks underscore UM's commitment to accelerating sustainability in Malaysia.



UMSDC serves as an integrated campus sustainability coordinating entity, guiding the sustainability enhancement of the university's key operations and implementation of best practices as it transitions to a green campus. These operations encompass education, research, and university operation, while also considering the university's governance aspect of the institution and external leadership for the betterment of the campus community.

"The 'campus community' encompasses our staff and students, the diverse flora and fauna on campus, and the surrounding local communities that are directly impacted by UM's activities," explained Associate Professor Dr Zeeda Fatimah Mohamad, who serves as Director for UMSDC and as Associate Professor at the Department of Science and Technology Studies of the Faculty of Science at UM.

### **THE IMPORTANCE OF GOVERNANCE.**

UM firmly believes that effective governance plays a pivotal role in advancing Malaysia's sustainability agenda as it ensures initiatives are well-planned, adequately resourced, and properly implemented, as well as transparent and accountable.

Good governance is also essential to promote transparency and accountability, as it builds trust between stakeholders and facilitates meaningful engagements and collaborations. A robust reporting system not only improves transparency but also enables proper progress monitoring and outcome evaluations, which allows for data-driven decisions for continuous improvement and advancement towards long-term ESG goals.

UM strives to achieve its goal of inspiring good governance by equipping its staff and students with the skills and know-how needed for sustainable development. This is achieved through workshops and training sessions, such as its signature UM Education for Sustainable Development Mobility Programme. The institution also encourages its on - campus community to practice sustainable and carbon-neutral lifestyles, preparing students to become "sustainable-ready graduates".

Another key initiative that fosters students for cross-sector collaborations is the UM Campus Sustainable Living Labs, UMSDC's flagship research programme. The Living Labs serves as a platform for interdisciplinary and translational action research while engaging researchers and students to develop and experiment with innovative solutions to address urban sustainability challenges.

### **STAKEHOLDER ENGAGEMENT**

The university and UMSDC also pursue their governance initiatives, such as their outreach and stakeholder engagement programmes, enabling them to capitalise on the strengths of both the private and public sectors. The university also believes that public-private partnerships in all its forms are essential in driving good governance and advancing sustainability in Malaysia.

UMSDC takes a proactive approach when it comes to engaging and partnering with stakeholders to implement its sustainability initiatives. These stakeholders cover both the public and private sectors, along with local communities and non-government organisations (NGOs), with the centre looking to forge agreements and collaborations in key sustainability areas.

Some of the strategic agreements inked cover a number of key sustainability areas and feature private sector partners, such as a partnership with InvestKL for the Industry-Academia Partnership Program 2024, which looks to help graduates be better prepared with specialised and industry-relevant skills. Another example is the collaboration between UM's Faculty of Pharmacy with Caring Pharmacy to improve the safe disposal of unwanted and unused medicines with the "Do It Right" campaign.

UMSDC also has its share of public-private collaborations, with a notable example being the development of the Air Selangor Water Conservation Handbook and organised the Kita Jaga Air Challenge with Pengurusan Air Selangor Sdn Bhd through the centre's Water Warriors Living Lab. The handbook provides comprehensive guidelines for individuals and organisations looking to enhance their conservation practices, while the challenge incentivises users to set long-term conservation goals.

## **UMSDC ON THE INTERNATIONAL STAGE**

Besides engaging local policymakers, UMSDC also serves as an active member in national, regional, and international sustainability networks as it aims to make practical, meaningful contributions to key sustainability-related policies.

The centre holds roles and memberships in several prestigious circles, having been tasked with coordinating the Regional Centre of Excellence (RCE) for Central Semenanjung under the global United Nations RCE Network on Education for Sustainable Development as well as holding significant positions in the Malaysia Chapter of the UN Sustainable Development Solutions Network, the ASEAN University Network (AUN) Sustainability Taskforce, as well as the AUN's Network on Ecological Education and Culture.

Universiti Malaya also scored highly at 79.5 for a Good Governance score in the Sustainability portion of the QS World University Rankings: 2025, which assessed the university on various indicators like ethical culture, inclusion, open access to knowledge, and transparent reporting. This marks the institution as the highest-ranked among Malaysian universities for the segment.



"UMSDC plays a pivotal role in steering UM's journey towards becoming a green campus by integrating sustainability into every facet of our operations. Our commitment is not only to embed best practices within the university but also to lead by example in shaping a more sustainable future."

Associate Professor Dr Zeeda Fatimah Mohamad Associate Professor at the Department of Science & Technology Studies of the Faculty of Science, UM

#### THE NEXT STEP

UMSDC has collaborations in the pipeline with various stakeholders planned for the future, with key initiatives such as the implementation of the UM Sustainable Development Goals (SDGs) Living Labs as the latest addition to their Living Labs programme. The new Living Labs aims to expand the impact of the programme to the broader community, offering a place where interested partners can provide matching funds, expertise, and resources to increase the impact of the Living Labs' solutions.

Another new addition will be a recently completed facility being added to UMSDC's 'UM Zero Waste' campaign, which will turn the Living Lab into a full-fledged zero waste centre. The goal is to turn the centre into a one-stop location for sustainable waste management open to stakeholders and the general public.



## UNGCMYB: GOVERNANCE LOCALLY, CONTRIBUTING GLOBALLY



#### ESG INITIATIVES

- ∞ Accelerator programmes
- Knowledge and skill training programmes
- ✤ Digital tools
- Transformational governance programmes

The UN Global Compact Network Malaysia & Brunei (UNGCMYB) is the local chapter of the United Nations Global Compact (UNGC), which unites businesses worldwide in aligning their operations and strategies according to the compact's Ten Principles covering human rights, labour, environment, and anti-corruption.

The organisation prioritises governance as a key driver of sustainability and believes that governance ensures the overall effectiveness of an entity, be it a business, government, or multilateral institution. UNGC has two dedicated initiatives: (1) an anti-corruption programme and (2) a transformational governance programme.



#### SUSTAINABILITY AWARDS

Organiser of the Forward Faster Sustainability Awards

## **THE 3 CRITICAL TOPICS OF GOVERNANCE**

UNGC understands that advocating good governance is itself a multidimensional challenge which requires mutually solutions. reinforcing efforts and According to the organisation, the three critical topics are boiled down to Anti - corruption, Peace, and Rule of Law, all of which are essential to good governance and sustainable development. Anti-corruption is essential to the rule of law and peace-building, while peace itself is necessary for the establishment of the rule of law and combating corruption. The rule of law comes into address violence drivers and stop corruption through the provision of an impartial legal framework.

As part of its efforts to promote good governance, UNGC is open to engaging with companies on any of these three critical topics above. Companies can enhance good governance either at the micro level, where they integrate corporate sustainability principles into their operations and relationships, or at a macro level by contributing to the development and implementation of international norms and standards.





"By focusing on the ways companies can contribute to anti-corruption, peace and rule of law, at both the global and local levels, UNGC can harness the power of responsible business to respect and support the promotion of accountable and inclusive institutions and ensure just and peaceful societies for all"

Shanta Helena Dwarkasing, Head of Programmes of UNGCMYB

#### ADVOCATING POLICIES, LEADING CONVERSATIONS

The local chapter of the agency works at both the micro and national levels in engaging stakeholders. Micro-level work engagements capacity building for businesses, providing a platform for meaningful connections and relevant learning opportunities. At the national level, UNGCMYB provides an avenue for collaboration that allows engagement opportunities between its business participants, ministries, and other stakeholders, including leading discussions at the ministerial level.

UNGCMYB collaborates with the Brunei Prime Minister's Office and Invest Sarawak to support the implementation of best governance practices. Additionally, the local chapter partners with Bursa Malaysia and Maybank to promote good governance and provide capacity-building opportunities for businesses.



UNGCMYB remains focused on its primary stakeholders - businesses - by customising its programmes and engagements to meet the specific needs of both corporates and SMEs. Recognising that corporates often require support with regulatory compliance and long-term sustainability strategies, while SMEs face resource constraints and seek practical sustainability pathways, UNGCMYB has designed dedicated programmes to address these distinct challenges.

## **ESTABLISHED INITIATIVES**

UNGCMYB offers many tools and programmes that help businesses enhance their governance policies and build up their abilities to better implement sustainability measures. One such initiative is the Anti - Corruption Collective Action programme, which seeks to address anti-corruption in the supply chain. UNGCMYB engages and collaborates with various stakeholders to support the integration of anti-corruption measures and enhanced governance in businesses, which in turn addresses the sustainability issues that corruption tends to intersect with, including human rights or labour rights issues. Other measures include the ESG START and PROGRESS assessment tools. ESG START helps companies evaluate their ESG maturity levels, especially in the area of sustainable supply chains and procurement. As part of UNGC-MYB's sustainability supply chain programme, ESG START enables businesses to assess the sustainability of their vendors. Businesses share an assessment link with vendors, who use a dedicated code to complete the evaluation. This process provides vendor's ESG data, facilitating due diligence and ensuring sustainability of supply chains.

Meanwhile, PROGRESS is designed to help companies assess their climate maturity and performance, in turn allowing decision-makers to factor climate-related risks and opportunities into their strategies.



## LEADING, SHAPING, COMMITTING

UNGCMYB aspires to be the leading advocate in shaping the business sustainability space in its jurisdiction of Malaysia and Brunei by empowering businesses with the knowledge, connections, and tools to bring about a collective sustainable future. By leveraging its practical pathways and inclusive approaches, the local chapter of UNGC looks to support businesses to increase performance and drive value in their sustainability agenda.

"Our commitment is twofold: to ensure that companies are not only fit for the sustainability challenges of today but are also primed for the ESG opportunities of tomorrow; and to be the the steadfast partner that walks alongside willing and ambitious stakeholders" said Dwarkasing.





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