Greening Halal Businesses (GHB) Factsheet

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<td>What is GHB?</td>
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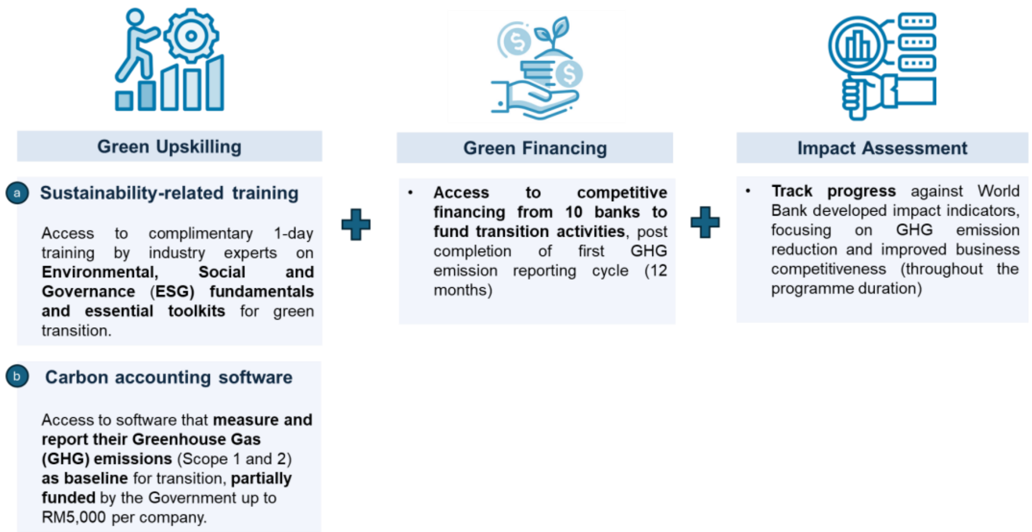
GHB offers Malaysian halal SMEs practical tools to implement green and sustainable practices that enhance their business competitiveness and resilience.



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<td>How GHB supports my business?</td>
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GHB helps halal SMEs to take practical first steps towards greener business practices relevant to their business operations. Support is provided through three main areas:

1. Improve operational efficiency and cost management
GHB helps SMEs better understand how resources such as electricity, fuel consumption and materials are used in their business:

- SMEs receive basic ESG and sustainability training to improve awareness of cost drivers, waste and common compliance considerations, including the latest ESG regulations; and
- Access to subsidised carbon-accounting software enables SMEs to linking GHG emissions to energy and resource use, enabling clearer visibility on operational inefficiencies, which will promote better cost management over time once addressed.

Did you know?

- The halal F&B and agriculture sectors make up 80% of halal SMEs in Malaysia and are resource-intensive businesses[1]. This means they face higher operating costs and greater sensitivity to rising energy and input prices, which ultimately impacts profitability.
- Measuring GHG emissions helps SMEs spot energy waste. Over time, small efficiency improvements informed by this data have delivered 30–50% savings in comparable programmes[2].
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[1] Source: World Bank report 2025, "Islamic Finance and Climate Agenda: From Green Sukuk Innovation to Greener Halal Value Chains"

[2] Source: UNDP and Asian Development Bank publication 2025, "Building Supply Chain Resilience: Insights into Greening Value Chains for ASEAN' Playbook"

2. Expand business opportunity through compliance

As sustainability considerations become more prevalent in procurement and supply-chain decisions, GHB provides SMEs with organised and supported pathway to respond more favourably. SMEs that adopt greener practices and report sustainability information, including GHG emissions may:

- Be more likely to be considered by buyers that incorporate sustainability criteria into supplier selection; and
- Experience smoother engagement in supply-chain assessments where sustainability performance is considered alongside price and quality.

This helps SMEs' stay competitive and continue participating in markets and supply chains where sustainability is increasingly used as a differentiating factor.

> **Did you know?**
>
> Malaysian businesses risk up to USD65.7 billion (RM292 billion) in export losses if fall to comply to ESG requirements of trading partners[3].

3. Future-proof business against rising global ESG demands

Joining GHB helps SMEs adapt before these requirements become mandatory:

- From 2027, public listed companies will need to disclose their Scope 3 emissions under the National Sustainability Reporting framework. This means that SMEs that is part of the supply chain will be required to report their Scope 1 and 2 emissions

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[3] Source: Sustainable Finance Institute Asia 2022 report

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<tr><td rowspan="12">How to get started?</td><td colspan="2">Ready to green your business? Just S.T.A.R.T.:</td></tr>
<tr><td rowspan="2">S</td><td>See if your business meets programme eligibility criteria</td></tr>
<tr><td>✓ Must be a Malaysian business registered with the Companies Commission of Malaysia (SSM) or any other relevant authority for Sabah and Sarawak; AND
✓ Must be a SME (defined under SME Corporation Malaysia’s Guideline for SME Definition); AND
✓ Must meet at least one of the following criteria:
• Holds a valid and active halal certification; OR
• Committed to undergo halal certification process; OR
• Involved in the halal supply chain or provision of halal-related services.</td></tr>
<tr><td rowspan="2">T</td><td>Talk to your preferred participating bank (PB) and enrol in the programme</td></tr>
<tr><td>List of banks: Affin Islamic Bank, Agrobank, Bank Rakyat, CIMB Islamic, EXIM Bank, Hong Leong Islamic Bank, Maybank Islamic, MBSB Bank, SME Bank, and Standard Chartered Saadiq. PBs list are available on the microsite.</td></tr>
<tr><td rowspan="2">A</td><td>Attend one mandatory training session (physical or virtual)</td></tr>
<tr><td>Upskill your ESG fundamentals through complimentary training delivered by sustainability experts. Please consult your preferred participating bank to sign up.</td></tr>
<tr><td rowspan="2">R</td><td>Report your carbon emission</td></tr>
<tr><td>SMEs are required to report their GHG emissions using the software provided by participating banks (PBs) for 12 months. This will serve as the baseline for planning and implementing subsequent transition activities and will be included as part of the impact evaluation conducted by the World Bank. No payment is required to access the software.</td></tr>
<tr><td rowspan="2">T</td><td>Transition your business with financing support from PBs</td></tr>
<tr><td>PBs may offer competitive financing to support your sustainability transition. Eligible activities may include, but are not limited to:
i. purchase/use/rental/maintenance of green certified and sustainable premises/equipment/plant/materials and machineries
ii. hiring of consultant to advise on and expenses for transformation to sustainable business, and
iii. expenses to obtain sustainability certification.</td></tr>
<tr><td colspan="2">Please visit GHB microsite (https://www.bnm.gov.my/sme-financing/ghb) for more details.</td></tr>
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