

***INSPECTION GUIDELINES FOR
INDUSTRY USING IMPORTED
RECOVERED MATERIALS***

1. Scope

This document specifies inspection requirements for industry that using imported recovered materials as material input for their production:

- (a) Non-ferrous:
- (b) Iron and steel:
- (c) Recycle paper industry
- (d) Other industry that requires importation guideline

Application for inspection can only be made by:

- (i) Manufacturers approved with Manufacturing License from MITI.
- (ii) Manufacturers who are exempted from Manufacturing License from MITI but issued with Exemption from Manufacturing License from Malaysian Investment Development Authority (MIDA) (ICA10).

2. Terms and definitions

For the purposes of this document, the following terms and definitions apply.

2.1 Recovered material

Material that would have otherwise been disposed of as waste or used for energy recovery but has instead been collected and recovered as material input, in lieu of new primary material, for a recycling or a manufacturing process.

2.2 Solid waste

Any scrap materials or unwanted surplus substance or rejected products arising from the application of any process / any substance required to be disposed of as being broken, worn out, contaminated, or otherwise spoiled.

2.3 Scheduled waste

Any waste falling within the categories of waste listed in the First Schedule of Malaysian Environmental Quality (Scheduled Wastes) Regulations 2005.

3. Requirements

3.1 General requirements

3.1.1 Production process shall comply with relevant environmental regulations such as the following, but not limited to:

- a) *Environmental Quality (Schedule Wastes) Regulations 2005;*
- b) *Environmental Quality (Industrial Effluents) Regulations 2009; and*
- c) *Environmental Quality (Clean Air) Regulations 2014;*

3.1.2 The organization shall establish, implement, maintain, and continually improve their waste management system, including process needed and their interactions. Documented procedure on determining type of waste, classification on type of waste, handling of waste and treatment of waste shall be established by manufacturer.

3.1.3 For industry that fall under Prescribed Activities in the Environmental Quality (Prescribed Activities) Environment Impact Assessment order 2015, approved Environmental Impact Assessment (EIA) from the Director General of Department of Environment and approval from MITI / MIDA shall be obtained.

3.1.2 Manufacturing plant shall have relevant approval from local or relevant authority.

3.2 Management of imported recovered materials

Records for the imported recovered materials shall be maintained. The source for imported recovered materials shall be listed and updated. Only imported recovered materials sourced from the approved list can be accepted. Amount of imported recovered materials, and the amount used in production shall be recorded and accordance to the approved importation quota and issuance of Certificate Of Approval (COA).

3.3 Management of recovered materials derived from manufacturing process

Documented procedure and records on handling of recovered material derived from manufacturing process shall be established by manufacturer. This includes the management of the recovered materials to outsourced party, if any. Amount of the recovered materials generated, and the amount of products generated from the recovered materials shall be recorded.

3.4 Determining of quota for importation

3.4.1 Calculation for determine the importation quota for recovered materials shall be as below.

Import Quota (tonnes per year) =

$$\frac{\text{Production capacity per day} \times \text{No. of days per year}}{\text{Yield ratio}} \times \text{Imported recovered materials}$$

where :

Production capacity per day = Designed production capacity per day (tonnes)
*calculated of each paper machine / furnace/machine

No. of days per year =. 365 *minus* (Average Number of preventive maintenance days per year + public holidays)

Yield ratio = $\frac{\text{Actual total production output per year (tonnes)}}{\text{Total raw materials per year (tonnes)}}$

Imported recovered materials =. $\frac{\% \text{ Total raw materials (100\%)} \textit{ minus} \text{ Average \% local recovered materials} \textit{ minus} \text{ Average \% Other raw materials}}{100}$

Or

% agreed with authorities

3.4.2. For industry that fall under Prescribed Activities in the Environmental Quality (Prescribed Activities) Environment Impact Assessment order 2015, value for production capacity per day, shall follow the value calculated in the approved Environmental Impact Assessment (EIA) from the Director General of Department of Environment

3.5 Nonconformity and corrective action

When a non-conformity occurs, the organization shall:

- a) react the nonconformity and, as applicable:
 - 1) take action to control and correct it
 - 2) deal with the consequences, including mitigating adverse environmental impacts
- b) evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
 - 1) reviewing the nonconformity
 - 2) determining the causes of nonconformity
 - 3) determining if similar nonconformities exist, or could potentially occur
- c) implement any action needed

3.6 Test equipment

- a) This includes all test equipment used in inspection, measuring and testing such as platform scale, weighing balance, etc.
- b) calibrated or verified or both at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded. Records of the calibration and verification shall be maintained;
- c) adjusted or re-adjusted as necessary;
- d) safeguarded from adjustments that would invalidate the measurement result;
- e) protected from damage and deterioration during handling, maintenance, and storage

3.7 Solid waste

Solid waste generated during the manufacturing process, shall be handled according to Solid Waste and Public Cleansing Management Act 2007

3.8 Scheduled waste

Scheduled waste generated during the manufacturing process shall be handled according to Environmental Quality (Schedule Wastes) Regulations 2005.

4 Records

Records shall be maintained and established to provide evidence of conformity to requirements and of the effective operation of the quality control system. Records shall be legible, identifiable, stored, protected, and readily retrievable and retained for a minimum of three year. Records shall be provided whenever inspection is being carried out.

REFERENCES

1. *Environmental Quality (Scheduled Wastes) Regulations 2005.*
2. *Industrial Co-Ordination Act 1975.*
3. ISO 14021 : 2016, *Environmental labels and declaration – Self-declared environmental claims (Type II environmental labelling)*
4. ISO 9001 : 2015, *Quality management systems — Requirements*
5. MS ISO 14001 : 2015 – *Environmental management systems – Requirements with guidance for use (Second Revision)*
6. *Solid Waste and Public Cleansing Management Act 2007*