

Making progress in CR

More firms are aware of it and documenting their efforts

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PETALING JAYA: Malaysia is making good headway in corporate responsibility (CR) as more companies are becoming aware of it and taking steps to document their involvement in this area.

PwC Advisory Services Sdn Bhd associate director for sustainability & climate change Ng Yin Ching says that companies are beginning to see the benefits of reporting their CR activities, either in stand-alone CR reports, their annual reports or on websites.

“Over the last year (see chart), we’ve seen an increase in the number of Malaysian public listed companies choosing to document their CR efforts in a stand alone report.

“Another area we’ve seen improvement is the understanding among management and boards that CR is more than just philanthropy and social responsibility. Focus of CR efforts in the environmental and marketplace dimensions have also increased,” she tells *StarBizWeek*.

Ng says that although there have been improvements over the last few years on the level of CR awareness, there is a common view that companies are looking at the Government to set targets and specify actions that should be taken.

“For example, what emissions reduction targets companies in a given industry should commit to or should CR practices be considered in tender evaluations of proposals?”

“Companies are seeking more understanding on the broader benefits of having a robust CR framework. More effort should also be focused on addressing the misconception that CR only involves an increase in costs,” she says.

Ng adds that the media has been playing a more active role in creating awareness through their coverage on CR issues and initiatives

undertaken by the public and private sector.

“Khazanah Nasional Bhd’s Silver Book advocacies also help both the GLCs (Government-linked companies) and non-GLCs understand their role in CR better and how they can operate more responsibly.

“PwC is also supporting Bursa Malaysia’s Corporate Sustainability Programme which is targeted at putting sustainability on the board’s agenda through the launch of the guide for directors as well as director-training sessions.”

Bursa Malaysia Bhd chief regulatory officer Selvarany Rasiah said the general level of awareness of CR among Malaysian listed companies is high.

“The 2010 Asian Sustainability Ratings Report by CSR Asia ranked Malaysia third among 10 countries. I believe that we have already gained good ground on this agenda and due credit should be given to industry associations, the media, and of course, the listed companies.

“The collective efforts of all these parties have elevated the standing of CR in Malaysia,” she said.

Selvarany says the report acknowledges that Malaysian companies are the strongest within the “social category,” with leading companies reporting diligently on their stakeholders’ engagement with customers, employees, suppliers and the communities in which they operate.

CSR Asia (Malaysia) director Rikke Netterstrom also believes that



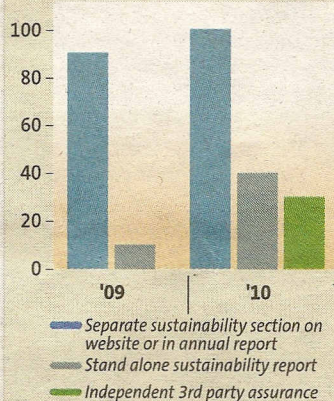
CORPORATE RESPONSIBILITY

A W A R D S

2010

Malaysia's sustainability reporting trends

(2009-2010)



Source: PwC analysis

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the awareness of CR in Malaysian companies is relatively high, compared with neighbouring countries.

“Due to the ongoing initiatives from regulators, such as Bursa Malaysia and the high level of media coverage, most companies now understand the importance of CR. However, there seem to be an increasing split between the really active companies and the rest. A few dozen companies are reaching international standards, while there are still hundreds of companies that appear to be doing very little,” she says.

Of the key CR areas, environmen-



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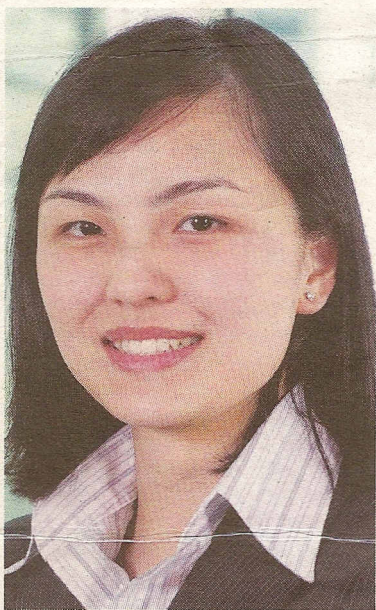
tal awareness seems to be most progressive since last year. More companies now have some level of environmental activity, according to Netterstrom.

“But there are still not many companies that measure their impacts and set quantifiable targets for reductions in emissions and resource use.

“Malaysian companies have always shown strong performance in the workplace area – with a host of training and development initiatives and family friendly practices. Around 50% have good health and safety programmes too,” she says.

Netterstrom says that she would like to see more of the leading companies become more vocal and sharing their journeys in CR.

“There are really great companies in Malaysia which choose to keep silent on their experiences and achievements. For example, we know that many companies in the palm oil sector are investing heavily in CR, and have very strong practices, but they do not report or



Ng Yin Ching says there is an improvement in the understanding among management and boards that CR is more than just philanthropy and social responsibility.

communicate on these in a meaningful way.”

On another note, Netterstrom says CR award shows, such as the upcoming *StarBiz-ICRM Awards*, helps to highlight the leadership in Malaysian companies in CR.

“The shortlists for this year’s *StarBiz-ICRM Awards* show that the good companies are moving quickly and are addressing CR in a structured and proactive manner.

“Encouragingly, there are many small to mid-cap in this group, which shows that CR leadership is relevant and possible whatever the size,” she says.

● *The StarBiz-ICR Malaysia Corporate Responsibility Awards is a partnership between The Star and Institute of Corporate Responsibility Malaysia, and is supported by the Securities Commission and Bursa Malaysia. The working partners are PricewaterhouseCoopers and the Securities Industry Development Corp, while the co-sponsor is Canon Marketing.*

The awards ceremony will be held on March 29 (Tuesday), 8am at InterContinental Hotel (formerly Nikko Hotel), KL. For more information, please contact Eric / Juliana at 03-7967 1388 ext 1436 /1475.