

M'sian firms' disclosure good

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KUALA LUMPUR: South Korean companies came up tops in the 2011 Asian Sustainability Rating (ASR) while Malaysian firms ranked third.

South Korea scored an average 48% followed by Thailand, 43%, and Malaysia, 39% for disclosure on environmental, social and governance issues among 10 Asian countries (excluding Japan), according to a release from CSR Asia.

The inclusion of new, poorly performing companies held back Malaysia's score, resulting in a decline in the average score from 42% to 39%, although the ranking remained the same.

The ratings covered 750 companies from 10 Asian countries, selected according to free-float market capitalisation.

The overall average score for companies benchmarked in the 2011 ASR increased by 36% compared with an average score of 35% last year.

CSR Asia chairman Richard

Welford said that while there were a few star performers, a lot of companies in Asia were not even a third of the way in reaching high scores.

CSR Asia executive director Rikke Netterstrom said that interestingly, Malaysia had 25 to 30 good companies.

"Although they may not score 90% or 100%, they have a much bigger group of above-average companies," she said, adding that it was considered good by Pan-Asian standards.

She said that CSR Asia was seeing less sustainable reports than it used to but they were much better reports.

On lessons that Malaysians could learn from South Korea, Rikke said it would be in the area of environmental reporting.

"South Korea has for decades done environmental reporting while few Malaysian companies do so," she said.

The other areas Malaysia lagged behind were in reporting on supply chain and contractors in the construction and property development industry.