



CSR^{ASIA}

Corporate Social Responsibility in Asia
The issues as they emerge in the Asia-Pacific Region

CSR Asia Business Barometer 2008
The State of CSR Disclosure in Asia

An Introduction

The 'CSR Asia Business Barometer 2008' compares the Corporate Social Responsibility (CSR) disclosure of the 20 largest listed companies in Hong Kong, Malaysia, Singapore and Thailand.

With issues of global concern such as financial stability and governance as well as climate change, poverty and the spread of infectious diseases, continuing scandals over product responsibility and widespread corruption, the need for business to take the lead in developing improved corporate social responsibility strategies for their business operations has never been more apparent.

For the purposes of this project, information was gathered from a range of sources, all of which were publicly available. These included, but were not limited to, annual financial reports, CSR reports, corporate websites, press releases, brochures and presentations.

62 indicators were used to score each of the companies under six Indicator Section headings. Companies score 2 points for full disclosure and 1 point for partial disclosure.

Many companies in the region may be building a sustainable future for their investors, employees and other stakeholders. Unless material information is disclosed in a continuous and timely way it is hard to determine whether this is being achieved.

The Indicator Sections

1 Company (Codes and Policies)

The availability and communication of company policies and codes of conduct in relation to key CSR factors including corporate governance, risk management, anti-corruption, labour and human rights issues.

2 CSR Strategy and Communications

Company strategy on CSR and how activities are communicated to stakeholders through reporting, CSR training and awareness and alignment with voluntary CSR standards in company operations.

3 Marketplace and Supply Chain

The indicators in this section assess the supply, delivery and distribution of products and services and customer focused activities. This includes the areas of health and safety management, supply chain standards and supplier engagement.

4 Workplace and People

For all organisations, people are an important asset. The indicators in this section assess how a company views its employees and how their actions are communicated both internally and externally. This includes health policies and human resource issues, training and lifelong learning, diversity and freedom of association.

5 The Environment

With climate change and environmental performance reaching the top of the agenda at public policy level around the region, the indicators in this section assess environmental data and targets set by the company and how they are reported to stakeholders. Indicators include environmental management systems, emissions data, the use of renewable energy and customer and employee focused environmental initiatives.

6 Community Investment and Development

Evidence of data collection and monitoring of impacts and longer term goals, monitoring systems and quantifiable impacts of the investment and related employee volunteering.

The Top Ten

Rank	Company	Exchange Listing	Score (%)
1	CLP (China Light and Power)	Hong Kong	92.7
=	HSBC	Hong Kong	92.7
3	China Mobile	Hong Kong	74.2
4	Hang Seng Bank	Hong Kong	73.4
5	PetroChina	Hong Kong	72.6
6	Siam Cement	Thailand	70.2
7	City Developments Ltd	Singapore	66.1
8	MTR	Hong Kong	63.7
9	BAT Malaysia	Malaysia	56.5
10	SembCorp Industries	Singapore	54.8
=	Telekom Malaysia	Malaysia	54.8

The Stock Exchanges

Companies listed in Hong Kong demonstrate a superior quality of CSR disclosure across all of the Indicator Sections. With an average score of 41.8% companies listed in Hong Kong were far ahead of those listed in the second highest average country score which came from Malaysia at 28.9%. Companies listed in Thailand, with 24.6%, and Singapore, with 24.1% were slightly further back. Although those listed in Hong Kong performed well against regional neighbours, the majority of companies listed in each of the countries have significant room for improved disclosure.

Indicator Section	Stock Exchange			
	Hong Kong	Malaysia	Thailand	Singapore
	Score	Score	Score	Score
Company (Codes and Policies)	69.1%	60.5%	55.7%	50.5%
CSR Strategy and Communications	30.7%	16.6%	17.7%	13.2%
Marketplace and Supply Chain	42.9%	23.2%	12.5%	14.3%
Workplace and People	30.0%	19.4%	11.5%	16.0%
The Environment	37.8%	17.5%	17.5%	20.6%
Community Investment and Development	32.5%	22.8%	19.4%	18.9%
Total	41.8%	28.9%	24.6%	24.1%

Companies need to act now and tackle emerging risks proactively. A strong and visible commitment to CSR disclosure can provide a useful tool for companies to attract the attention of international investors, allow civil society, suppliers and consumers to better understand their business and also better position companies to assess emerging risks.

The Top 5

Hong Kong

Hong Kong outperformed the other countries across all of the Indicator Sections. It also had the biggest scoring range of the four countries with a differential of 84.6% between maximum and minimum scores.

Rank	Company	Stock Exchange	Score (%)
1=	CLP	Hong Kong	92.7
1=	HSBC	Hong Kong	92.7
3	China Mobile	Hong Kong	74.2
4	Hang Seng Bank	Hong Kong	73.4
5	PetroChina	Hong Kong	72.6

CLP and HSBC topped the overall table and were the top performers in Hong Kong with 92.7%, the worst was Cheung Kong with 8.1%.

Malaysia

Companies listed in Malaysia scored, on average, 28.9% and this puts them in second place in terms of countries on the CSR Asia Business Barometer 2008.

Rank	Company	Stock Exchange	Score (%)
9	BAT Malaysia	Malaysia	56.5
10	Telekom Malaysia	Malaysia	54.8
13	CIMB	Malaysia	43.5
16	Tenaga Nasional	Malaysia	41.9
19	IOI	Malaysia	37.9

The best performing company was BAT Malaysia with a score of 56.5% whilst the worst was YTL Power with only 10.5%. There has been a lot of effort from the regulatory bodies in Malaysia to develop a strong strategic approach to CSR and whilst some companies have obviously taken this on board, this does not show up in the research results across the full representative range of companies.

Thailand

Thailand just managed to stay ahead of Singapore to take the third spot on the country comparison table. Companies listed in Thailand scored an average of 24.6%.

Rank	Company	Stock Exchange	Score (%)
6	Siam Cement	Thailand	70.2
17	PTTEP	Thailand	39.5
19	PTT	Thailand	37.9
28	PTT Aromatics and Refining	Thailand	30.6
31	Thai Oil	Thailand	29.0

The best performing company was Siam Cement, scoring 70.2% whilst the worst company, Land and Houses, scored only 11.3%.

Siam Cement is by far the most comprehensive CSR reporter in Thailand with the next best company, PTT Exploration and Production, scoring a total of 39.5%.

Singapore

Singapore companies achieved the lowest average score out of the four countries in the research study with 24.1%.

Rank	Company	Stock Exchange	Score (%)
7	City Developments Ltd	Singapore	66.1
10	SembCorp Industries	Singapore	54.8
23	Keppel	Singapore	34.7
23	Wilmar	Singapore	34.7
26	SingTel	Singapore	33.9

The best performing company was property developer City Developments Ltd, who have recently published Singapore's first Global Reporting Initiative report, with 66.1% whilst the worst performing company was Hong Kong Land with only 3.2% the lowest score of any company. The differential in the range of scores was therefore 62.9%.

Complete Table of Companies

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10	SembCorp Industries	Singapore	54.8
=	Telekom Malaysia	Malaysia	54.8
12	CCB	Hong Kong	52.4
13	CIMB	Malaysia	43.5
=	HK and China Gas	Hong Kong	43.5
15	ICBC	Hong Kong	42.7
16	Tenaga Nasional	Malaysia	41.9
17	PTTEP	Thailand	39.5
18	CNOOC	Hong Kong	38.7
19	IOI	Malaysia	37.9
=	PTT	Thailand	37.9
21	DiGi	Malaysia	37.1
22	Resorts World	Malaysia	35.5
23	Bank of Communications	Hong Kong	34.7
=	Keppel	Singapore	34.7
=	Wilmar	Singapore	34.7
26	Public Bank	Malaysia	33.9
=	SingTel	Singapore	33.9
28	PTT Aromatics and Refining	Thailand	30.6
=	SIA	Singapore	30.6
30	Shangri-La Asia	Singapore	29.8
31	Thai Oil	Thailand	29.0
32	Banpu	Thailand	28.2
33	Hutchison Whampoa	Hong Kong	27.4
=	MISC	Malaysia	27.4
=	Ratchaburi Electricity Generating Holding	Thailand	27.4
36	SHK	Hong Kong	26.6
=	Petronas Gas	Malaysia	26.6
38	Airports of Thailand	Thailand	25.8
=	SembCorp Marine	Singapore	25.8
=	YTL Corporation	Malaysia	25.8
41	Krung Thai Bank	Thailand	25.0
42	CapitaLand	Singapore	23.4
=	China Life	Hong Kong	23.4
=	PLUS Expressways	Malaysia	23.4
45	Hong Leong	Malaysia	22.6

Rank	Company	Stock Exchange	Score (%)
46	Central Pattana	Thailand	21.8
47	Maybank	Malaysia	21.0
48	Golden Agri-Resources	Singapore	20.2
=	OCBC	Singapore	20.2
=	Siam Commercial Bank	Thailand	20.2
51	Minor International	Thailand	19.4
=	UOB	Singapore	19.4
53	Bank of China HK	Hong Kong	18.5
=	Noble Group	Singapore	18.5
=	STEngg	Singapore	18.5
56	Bangkok Bank	Thailand	17.7
57	Bank of Ayudhya	Thailand	16.9
=	IRPC	Thailand	16.9
=	KLK	Malaysia	16.9
=	RHB Capital	Malaysia	16.9
61	Genting	Malaysia	16.1
=	Great Eastern Life	Singapore	16.1
=	Kasikornbank	Thailand	16.1
64	Sime Darby	Malaysia	15.3
65	AIS	Thailand	14.5
=	China Netcom	Hong Kong	14.5
67	PPB	Malaysia	13.7
68	Bank of China	Hong Kong	12.9
=	DBS	Singapore	12.9
=	PTT Chem	Thailand	12.9
71	China Unicom	Hong Kong	12.1
=	Total Access Communication	Thailand	12.1
73	Land and Houses	Thailand	11.3
74	Ping An Insurance	Hong Kong	10.5
=	YTL Power	Malaysia	10.5
76	Cheung Kong	Hong Kong	8.1
=	Jardine Matheson	Singapore	8.1
78	Dairy Farm	Singapore	6.5
79	Jardine Strategic	Singapore	4.8
80	Hong Kong Land	Singapore	3.2
Average % Score			29.86

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