

Corporate Social and Environmental Disclosure Among Malaysian Listed Companies

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Abstract : *The studies related to the Corporate Social Responsibility (CSR) related to environment is very limited, especially in the Malaysian context. This study attempts to explore the status of the environment related CSR disclosures in the Malaysian listed companies. The study used a content analysis method to explore the environmental disclosure. The study included all the 928 companies listed in Bursa Malaysia. The analysis was conducted on the online published annual reports and other related CSR reports published between the year 2014 – 2017. The results of the study show that about 82% of the companies listed in Bursa Malaysia have disclosed some of the CSR activities related environment. These environment related CSR programs were related to waste management, energy efficiency, reduction of carbon foot print, conservation of resources and environment awareness. The findings of this study will contribute to the literature related to the CSR in environment, especially in the Malaysian context. It also aligns with the goals set by the 11th Malaysia plan related to the environment issue in Malaysia.*

Indexterms: *Corporate Social Responsibility; Environmental disclosures; Malaysian companies; Bursa Malaysia, Climate change*

I. INTRODUCTION:

The rapidly changing global environment has influenced the business leaders to rethink about the sustainability of their organization. Business leaders are increasingly realising the importance of the social and the environmental responsibility International standards such as the Global Reporting Initiative (GRI) have set the tone for the CSR and the environmental management The present study is undertaken to assess the current situation of the CSR disclosures in the area of environment in Malaysia.

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II. LITERATURE REVIEW:

Globalization has brought about changes in the global environment and this has influenced the institutional settings of different countries across the globe. This has resulted in drawing a new direction for the corporate accountability. The increasing acceptance of some of the international standards related to the best practices and the corporate sustainability guidelines has influenced CSR and environmental management The expectation from the stakeholders involved have increased and this has compelled the companies to consider the social and the environmental dimensions in their business strategies., [5]. Past studies have highlighted that companies focus on powerful stakeholders' expectation and engage with them actively Corporate Social and Environmental Responsibility of the company will enhance its ability to handle some of the critical issue like climate change (Hamzah & [1]. Climate change has increased the risk of natural disasters and this has become of the main agendas for the governments, especially in the developing countries. This is considered as one of the major challenges for humanity since the last century. Climate change has changed the weather patterns globally, resulting in the change of the global ecosystem. Hence the climate change has become an issue which is difficult to cope (Pitt, 2008).

III. METHODOLOGY:

The study included all the 928 Malaysian companies listed in Bursa Malaysia. The qualitative research method was used for this study. A content analysis method was used for the analysis of the data. The content analysis is one of the common methods of analysis used in the CSR related studies (Dissanayake *et al.*, 2011, Ramakrishnan *et al.* 2016, Ramakrishnan *et al.*. Content Analysis is the method of extracting a meaning or a theme from a set of messages [3]. This study analysed the CSR related online published documents from 2014-2017 to explore the CSR activities of the companies related to the environment. The online published documents included the company's annual reports, sustainability report, CSR report etc. All the online published documents related to CSR was analysed by the researchers and coded to come up with the themes which



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highlights the environment related CSR of the Malaysian companies. The NVivo 12 data management software was used for the analysis of the data. Finally, the data was interpreted, and the discussion and conclusion of the study was presented.

The initial analysis also revealed that most of the companies have divided their CSR activities into four main areas i.e. the environment, workplace, market place and community. The findings revealed that 96% of the companies which disclosed their CSR related programs had CSR programs targeting all the four areas. The findings are represented in the graph shown in Figure 2. The results

Area	Activities included under this area
Environment	The environmental issues are one of the most common practiced and widely used CSR agenda, the CSR activities under this group includes activities such as raw material use, waste management, recycling, emissions and consumption and use of chemicals.
Workplace	This includes the commitment to their employees, in other words to ensure the wellbeing of the employees and providing them a good environment to work.
Marketplace	The marketplace includes both the areas i.e. sourcing of the goods and services from the suppliers and the sales of goods to the customers. The four main issues involved under this area are ethical trading, sourcing and working in a legal framework.
Community	These are the CSR activities which impact or contribute to the wellbeing of the community. These activities are mainly focused on the external stakeholders of the company.

Findings&Discussions:

There are total of 928 companies listed in the Bursa Malaysia. All the company websites of the listed companies were analysed to identify the companies which had CSR activities related to flood disaster. The findings show that only 353 companies published some details related to CSR in their company’s website and the remaining 575 companies was either not accessible or they did not have any information about CSR in their company’s website. The breakup is shown in Figure 1. The findings concluded that 38% of the companies listed in Bursa Malaysia have disclosed their CSR activities on their corporate websites. This is very low percentage considering that more than 90% i.e 855companies of the listed companies had their own corporate website. However, some companies might reveal their CSR activities only in the annual report and not in the website. This does not imply that the companies were not involved in the CSR activities. Some companies may not consider it an important information to be revealed in its company website.

infer that the companies have focused on all four areas of CSR equally and majority of the companies design their CSR programs in the four areas of the CSR domain.



Figure.2 Different Area of CSR

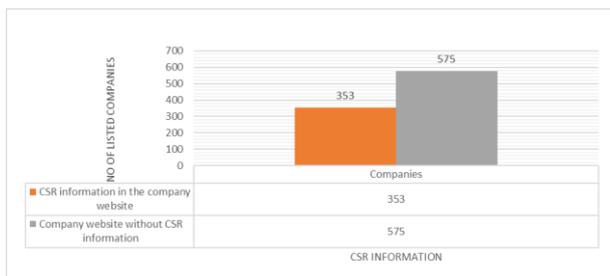


Figure.1 CSR information in the company website

However, the activities varied from one organization to another based on their nature of business, customers and products. Some of the CSR engagements of the Malaysian companies under each area are shown in Table 1.

Table.1 Area of CSR Initiative

The content analysis on company websites of the 353 companies that disclosed the information about their CSR has shown that all the companies have disclosed CSR activities which focus on the area of environment and workplace. However, 345 companies also disclosed CSR related to market place and 348 companies disclosed CSR information related to the community engagement.

Since the focus of this study is only on the environment related CSR activities further analysis was conducted on the environment related CSR of the Malaysian companies. Environment is one of the important areas of CSR and the CSR programs under this area is disclosed by all the companies which has disclosed their CSR initiatives in their company website. This includes the CSR engagement of the companies related to the environment. The findings show that the most common CSR initiatives related to environment are related to the green initiatives like reforestation and 3Rs (Reduce, Reuse and Recycle) concept. The environment programs like earth clean up drive, environmental awareness programs, sustainable building initiatives like use of solar energy to reduce electrical consumptions, rain water harvesting etc are also part of the company’s environment related CSR. The companies which have the environment related CSR is spread across all the sectors like services, manufacturing and agricultural sector. It was observed that 100% of the companies that have CSR programs have some initiatives which focus on the saving the natural environment and reducing the carbon footprints[7]. Some of the companies which are involved in these types of initiatives are AEON Co. (M) Bhd., Asia Media Group Bhd., BIMB Holdings Bhd., Box-Pak (Malaysia) Bhd., FGV Holdings Bhd., Prudential Assurance Malaysia Bhd. etc.

The CSR disclosure under environment can further be categorised into five sub categories namely, waste management, energy efficiency, reduction of carbon foot print, conservation of resources and environment awareness. The CSR activities related to waste management includes the 3Rs concept, waste segregation and treatment of waste materials and water. Energy efficiency related CSR disclosures included investment on design, product and process efficiency within the organizations, investment on new technology, improvement and product modification. Reduction of carbon foot prints with the process, conservation of energy through investment in afforestation, renewable energy and solar energy. Some of the CSR activities were focused on the environmental awareness like investment on awareness training programs, implementation of ISO standards and compliance to environmental laws. Table 3 shows a summary of some of the common CSR initiatives of the Malaysian companies based on four dimensions.

Table.1 Summary of CSR activities of the Malaysian companies

No.	CSR Area	No. of Companies	Examples of the CSR Initiatives
1	Environment	353	Green Initiatives <ul style="list-style-type: none"> ▪ Reforestation ▪ Recycling (3Rs Reduce, Reuse, Recycle) Earth Clean up

No.	CSR Area	No. of Companies	Examples of the CSR Initiatives
			Eco Action
			Sustainable building initiatives
			Harvesting
			Environment awareness program
			Environment information airtime

IV.CONCLUSION:

The study concludes that the environment is one of the focus of all the Malaysian companies’ CSR programs. It clearly highlighted that the Malaysian companies give importance to the environment related CSR and focus on conservation of the environment. The findings of this study will contribute to the literature related to the CSR in environment, especially in the Malaysian context. It also aligns with the goals set by the 11th Malaysia plan related to the environment issue in Malaysia. Hence , this research recommends that the government should take some regulatory steps to motivate and involve some of the companies which have not disclosed their CSR practices.

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