

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
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# Business sustainability key to progress in CR

Companies should exist in a holistic manner to take account for the impact to the environment, society and stakeholders

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**PETALING JAYA:** The corporate responsibility (CR) agenda has well been promoted to Malaysian-listed companies in recent years via various channels, including the media, but how far ahead or below the “curve” are we in making CR impactful, beyond a public relation exercise?

And what lessons have we learnt so far to improve the CR agenda to ensure that at least listed entities understand that CR initiatives are critical factors to the development of a sustainable business model, beyond being charitable or caring for the environment?

According to the Minority Shareholder Watchdog Group (MSWG) chief executive officer Rita Benoy Bushon (*pic*), among the pressing issues of CR relate to business sustainability whereby companies should exist in the holistic manner to take account for the impact to the environment, society



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and stakeholders in operating their businesses.

Bushon said to tackle these issues, we probably have to impose an obligation on all entities to report on the consequences of their operations on the economy, society and the environment.

“We believe sustainability towards CR issues is the moral economic imperative and integrated reporting is a step towards making sustainability a reality,” she noted.

Bushon said greater awareness campaigns/programmes on CR are vital to promote and encourage more participation by public-listed companies (PLCs), especially with the authorities such as Bursa Malaysia spearheading them or providing strong support.

“The recent launch of sustainability in businesses augurs well for CR; and moving forward, it will be even more promising when a sustainability index for PLCs is set up,” she said.

Bushon suggested that there should also be more engagements with companies or presentations, documentation and education

programmes to enlighten PLCs further on how CR not only can assist PLCs to contribute meaningfully to the four core areas of environment, community, workplace and market-place, but also drive their businesses towards better performance and sustainability.

On lessons learnt, she said companies needed to incorporate CR issues within their risk evaluation processes and their corporate strategies. “For instance, how effectively are they engaging with stakeholders to fully consider risks, while trying to stay on top of emerging risks?”

On the bright side, she said CR had certainly been gaining immense attention and growing in importance. “This has been reflected in more comprehensive and better quality reporting of CR activities in the annual reports by PLCs. There has also been an increasing number of forums, seminars and workshops on CR and surveys and competitions were carried out to award PLCs with good CRs.”

She added that there had also been a move towards emphasising on sustainability and some PLCs had even published separate CR or sustainability reports.

On the overall performance of PLCs with regards to CR, Bushon said although companies are getting to be more aware, many had not come out with policy measures emphasising on the crucial aspects of climate change and showed how they tackle this CR issue.

“We would like to see all listed companies’ CR



programmes to have outreach activities beyond the bottom line, not a catch-all label. It needs to be real than a concept in which an organisation considers the interests of society and act beyond the pursuit of bottom line to improve the lives of the local community and society at large,” she noted.

Bushon said though progress had been seen in PLCs tackling CR, there was a lot of room for more concerted efforts in this area particularly among smaller companies.

She said generally, there could still be a perception among PLCs that CR was a PR exercise or for charitable cause. “This is where the challenge lies in terms of providing more education to enlighten PLCs particularly, on the link between how CR can drive its business and promote sustainability.”

On penalising companies without CR initiatives/programmes, she said the board should consider CR as their important agenda and act responsibly to address the relevant issues.

“In this regard, it is their obvious responsibility to ensure business is being carried out with good CR and operated with the ultimate business sustainability in mind,” Bushon said.