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PRESS RELEASE

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Half the companies in Malaysia reduce electricity and paper wastage

Survey findings from Spire Research & Consulting show that two-thirds of the companies in Malaysia are involved in environmental conservation activities, slightly lower than the regional average of three quarters. Of those with internal policies, over 90% include reducing the use of electricity, water or paper as top priorities.

The findings of Spire's latest study, which focused on Asia-Pacific companies' internal policies, show that two in three of companies interviewed are currently engaged in environmental conservation activities. In Malaysia, more than half the companies surveyed make an effort to reduce wastage of electricity, water or paper, most of which were implemented in the last decade.

Government policies and the corporate bottom-line are apparently the biggest drivers for businesses in Malaysia, followed by social responsibility.

"The environment is an important agenda for many businesses," commented Spire's country manager Andy Djiwandono. "These findings demonstrate that Malaysian business recognizes that environmental concern makes good business sense, even though Malaysia is a little behind the region on this front."

What the MNCs say

Spire's survey was carried out among more than 100 global companies located in the Asia-Pacific region. Most of the respondents operate in at least three Asian countries, with nearly a third operating in seven or more. Highlights of the findings include the following:

Malaysia

- Two-thirds of companies based in Malaysia are involved in environmental accounting activities, 60 % of which have increased the intensity over the last two years

- Saving electricity, water or paper are the most important internal policies in Malaysian companies
- Others include reducing noise pollution, and the conscious efforts used in discarding e-waste
- Of the one-third that do not have such plans yet, 75% will begin environmental accounting in the next five years

It is noted that for companies in Malaysia, the measures mentioned stem from cost-saving efforts and government regulations. Corporate social responsibilities (CSR) are still far from the corporate agenda. This is in line with the other companies in the region, save for Korean firms which focus on CSR activities such as cleaning river banks.

Regional

- Air pollution and energy wastage are the most pressing issues for most of the companies, especially those in the energy/industrial and automotive sectors
- 67% respondents are currently engaged in environmental conservation activities
 - The healthcare (100%), energy/industrial (77%), automotive (75%), consumer durables (75%) and lifestyle and leisure (75%) industries are most engaged in environmental conservation activities in Asia
 - Of these, more than 80% plan to be more engaged with such activities in the near future
 - The most common internal policies implemented in companies are paper and electricity reduction
- The industries that are perceived to lead the way in terms of environmental conservation are, not surprisingly, energy/industrial and automotive
- Of the 33% that do not have such plans as yet, two-thirds of them intend to introduce conservation activities in the next five years
- Laws and regulations and consumer pressures are perceived as the biggest drivers of environment accounting.

The next big thing – Environmental Management Accounting

The development of environmental conservation activities in Malaysia has, over time, moved to higher levels. While progress has been made, evidence has thus far suggested that the accountants' role in CSR and/or environmental reporting is limited.

The Malaysian government has put in place extensive legislative devices to help protect the environment. A case in point is the environmental impact assessment (EIA), which is compulsory for major development projects (Mohd Nor 2000).

According to ACCA, many Malaysian companies have adopted the ISO 14001 Environmental Management System standards. The companies consisted of small and medium unlisted companies that were suppliers to foreign

multinational companies which insisted on ISO 14001 certification as a prerequisite for doing business with them.

The aforementioned phenomena indicate that Malaysian companies may be environmentally conscious, notwithstanding the fact that this is not necessarily reflected in their reporting. Size matters and the bigger the company, the more information is reported.

About Spire Research and Consulting

Spire Research and Consulting is Asia's leading strategic market intelligence consultancy. Spire's competitive advantage lies in its ability to deliver to its clients actionable intelligence on the external business environment in support of their strategic decision-making in marketing and business development. Spire is one of the few companies in its industry to be headquartered in Asia. Spire's clients include over 20 Fortune 500 organizations as well as Government agencies in ten countries. For more information, visit us at www.spireresearch.com.

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