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COMPANIES-ENVIRONMENT

COMPANIES ASKED TO INCLUDE ENVIRONMENTAL REPORTING IN ANNUAL REPORTS

KUALA LUMPUR, Feb 22 (Bernama) -- Science, Technology and Environment Minister Datuk Law Hieng Ding has urged local companies to include environmental reporting in their annual financial reports.

"I would like to encourage all companies operating in Malaysia to develop and improve their environmental accounting system and to begin providing annual reports on the impact of their economic activities on the environment," he said at the presentation ceremony of the Prime Minister's Hibiscus Award 1998/99 here today.

He said it was not too early for companies to recognise environmental reporting as an emerging trend of management tool that might one day prove vital for the company.

According to Law, just like financial reporting through financial statements, environmental reporting was basically a disclosure by a company on its environmentally related information.

"For the companies concerned, such information will help them make better decisions about the cost impact of their environmental issues, thereby enabling them to use preventive approaches rather than curative ones," he said.

However, Law pointed out that environmental reporting was relatively new and was yet to be well defined.

"At this juncture, there is no plan to legislate on this and to make it mandatory for companies to disclose such information in their annual reports," he said.

Later at a press conference, the minister revealed that a few companies, mostly multi-national corporations (MNCs), had incorporated elements of environmental reporting in their financial reports.

"There were some (companies) who had already done it, including local companies like Golden Hope Plantations Bhd," Law disclosed.

He highlighted the fact that environmental reporting had indeed been an emerging trend, particularly at the international level, as companies reported to the public about environmental policies, objectives and programmes undertaken by them.

"Investors want such information to protect themselves from unexpected losses incurred by environmental costs that would be to the detriment of their investment in a company," he said.

Bankers also required such information to evaluate their credit risks, Law said.

In addition, he said the general public wanted environmental information to enable them to evaluate the social commitments undertaken by a company.

In Malaysia, Law said there was already a wind of change among the public at large on the awareness of environment protection and preservation.

"I would like to recall a recent study which indicated that 92 percent of the Malaysian public were environmentally conscious. I think this is a high figure compared to the situation in other countries," the minister said.

On the Prime Minister's Hibiscus Award, Fairchild Semiconductor (Malaysia) Sdn Bhd, a semi-conductor concern, had won the award under exceptional achievement while 20 other companies won awards under notable achievement.

Minister Law presented the award to the recipients.

The Prime Minister's Hibiscus Award, first launched in 1996, is the premier private sector environmental award for business and industry in Malaysia.

The award, previously known as "Hibiscus award", was upgraded to the Prime Minister's Hibiscus Award, following the approval of Datuk Seri Dr Mahathir Mohamd in June 1998. -- BERNAMA

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