

23/02/2000

Proposal on environ accounting

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SERI KEMBANGAN, Tues. - The Government wants company annual reports to include information on the impact of their economic activities on the environment.

Science, Tecnology and Environment Minister Datuk Law Hieng Ding said today they should develop and improve their environmental accounting system.

He said this was only advice from the ministry which had no plans to make it mandatory.

"I encourage all companies to develop and improve their environmental accounting system and begin providing annual reports on the impact of their economic activities on the environment."

Speaking at the Prime Minister's Hibiscus Award 1998/1999 for Environmental Performance presentation ceremony, Law said there was an emerging trend, particularly among international companies, to report their environmental policies, objectives and programmes to the public.

He said local companies like Golden Hope Plantations Bhd had also done so.

He said just like financial reports, environmental reports were basically disclosures by a company on environment-related information.

"Investors want such information to protect themselves from unexpected losses incurred by environmental costs that would be detrimental to their investment in a company."

He said bankers also require such information to evaluate their credit risks and the public wants to evaluate the social commitment of the companies.

Asked whether the ministry planned to provide a guideline on how companies should develop their environmental reports, he said: "We will see how it can be defined. It is relatively new.

"Most importantly, there should be a change in the mindset, a re-orientation, education, motivation and commitment of manpower resources."

He said the level of environmental awareness among people in the country was higher compared with neighbouring countries.

"According to a recent survey by a private company on environmental concerns among the public, 92 per cent of the Malaysian public was environmentally consciosus."

Earlier, Law presented a challenge trophy to Fairchild Semiconductor (M) Sdn Bhd managing director Tan Kong Toh, who received it on behalf of the company which won the Prime Minister's Hibiscus Award under the exceptional achievement category.

Eighteen other companies won the award under the notable achievement category.

The award, which was launched in 1996, is the premier private sector environmental award for business and industry in Malaysia.

Previously known as "Hibiscus Award", it was upgraded to the Prime Minister's Hibiscus Award following approval by Datuk Seri Dr Mahathir Mohamad in June 1998.

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