ACKNOWLEDGEMENT

ACCA would like to thank and acknowledge the contribution and support of the distinguished panel of judges and partners, Talent Corporation Malaysia Berhad (TalentCorp) and Securities Industry Development Corporation (SIDC), as well as Bursa Malaysia Berhad for endorsing the Awards. Last but not least we would like to thank and congratulate all participating companies in the Awards. We believe that the participating companies deserve recognition for leading the way in advocating the importance and impact of sustainability reporting, communicating what matters to their stakeholders and communities at large.
12 ACCA MaSRA 2014 Winners

22 Judges’ Comments
55 Entries
26 Shortlisted
9 Winners
ACCA Malaysia has been a staunch advocate of sustainability reporting for many years, having rolled out the first Malaysian Sustainability Reporting Awards (MaSRA) back in 2002. MaSRA provides a platform for ACCA and our partners to recognise and celebrate leading organisations which report on their sustainability performance and impacts across the triple bottomline of profit, people and planet. ACCA MaSRA also aims to encourage more organisations to embrace sustainability reporting through different channels and media, raising awareness on business challenges around environmental, social and governance (ESG) issues impacting sustainability. These include talent and resource scarcity that may give rise to operational risk or even reputational risk due to adverse reactions from affected stakeholders and investors.

Today, MaSRA is in its 11th cycle and continues to influence and educate organisations on the business case and benefits of sustainability reporting. We are pleased to report that MaSRA 2014 attracted a total of 55 entries, up from 48 in the MaSRA 2013 cycle. We thank these organisations for their participation and their commitment to enriching corporate reporting in Malaysia.
ACCA sees genuine sustainable organisations as those which integrate sustainable practices into each component of its value chain and strategies in order for it to create value not only to the organisation itself, but to the people and environment as well.

Disclosure and reporting of it, on the other hand, is seen as an effective means to encourage companies to improve sustainable practices, since what is measured and reported usually gets managed.

We are heartened to note that over the years, sustainability reporting has been embraced as a valuable tool for organisations in identifying and managing their current and future impacts on the triple bottomline of economy, society and environment, and subsequently drives their performance and value creation. As of 2013, it was estimated that over 6,000 organisations globally now produce sustainability reports benchmarked against the Global Reporting Initiative’s (GRI) sustainability reporting framework.

Regionally, a PwC survey of 200 companies within the ASEAN-5 – Malaysia, Indonesia, Thailand, Vietnam and the Philippines found that 64% of those surveyed reported publicly on sustainability, either as part of their annual report, in a stand-alone report or in an integrated report.

The awareness about sustainability practices and reporting among Malaysian investors is still at a nascent stage, but it is growing fast. With the launch of ESG Index by Bursa Malaysia in the coming months, enhancing the quality of sustainability reporting will be essential. High quality sustainability reporting is a yardstick for socially responsible investment (SRI), which is gaining traction as international investors becoming more discerning about the markets and companies in which they invest, in response to public and social pressure. The Global Sustainable Investment Review 2012 reported that over US$13.6 trillion of assets representing approximately 21.8% of the professionally managed assets globally has actually incorporated ESG factors into their investment selection and management. We hope with the increased sustainability reporting by Malaysian-domiciled companies, supported by the ESG Index, Malaysia will be one of the favourable locations for these global SRI funds as well as add depth and breadth to our local capital markets.

As the pace of regionalisation picks up with the ASEAN Economic Community (AEC) looming in next year, the concept of inclusiveness will be a pillar and imperative for success. To rise above the rest, organisations must actively engage all their stakeholders to capture market share and win hearts and minds not only in Malaysia, but in the new AEC which aims to bring together ten of Southeast Asia’s most culturally diverse countries into an integrated marketplace of 600 million consumers. The stake is high – not only will they need to engage the current and potential consumers, the organisations will need to up their game in engaging its talents, the regulators and the public at large. They must strive to optimise the interests and wellbeing of these stakeholders to ensure their market acceptance, legitimacy and sustainability.
Being able to successfully engage the diverse stakeholders and genuinely responding to their issues and concerns can make the difference between enduring success and abject failure. What better way to address this but an equally motley yet harmonious workforce that is in tune with their stakeholders’ concerns. We often heard that the business case for diversity is that well-managed organisations which successfully integrate their talent in the workplace, regardless of gender, ethnicity or age, deliver superior results. In an effort to encourage good workplace practices and diversity and inclusion, MaSRA has included this as a new category to the Awards. This is aligned with the new Bursa Malaysia requirement for all listed companies to disclose their diversity policy for their boards, management and workforce in annual reports issued after 1 January 2015. To strengthen transparency and comparability, companies are encouraged to emulate global best practices in diversity and inclusion by disclosing the breakdown of their workforce in terms of gender, ethnicity and age.

Apart from diversity and inclusion disclosure, there has also been development in the evolution of corporate reporting. Integrated Reporting <IR> is set to become the way forward for companies to report their financial and non-financial (including sustainability) information. The concept of <IR> requires a company to report its strategy, governance, performance and prospects in the context of its external environment, leading to the creation of value in the short, medium and long term. In other words, it pulls together financial and non-financial data, bringing them together in a meaningful and coherent way. However, <IR> does not replace sustainability reporting. Instead, sustainability reporting is part of <IR>. Sustainability reports provides its intended stakeholders information about a company’s environmental, social and governance performance which is an important transparency measure. Integrated Reporting then seeks to catalyse a change in thinking and behaviour which results in a concise communication of value to its stakeholders. ACCA believes that the development of the integrated reporting concept offers a significant opportunity for the quality of corporate reporting to be improved by giving investors and other stakeholders a more complete and interconnected view of the entity and its prospects over a longer time frame than is usually covered in traditional corporate reporting.

It is our hope that future MaSRA can further stimulate sustainability reporting in the Malaysian context, which in turn can promote sustainable and inclusive business, facilitate analysis and decision-making and position Malaysia as a globally competitive marketplace and location of choice for global investors. Special thanks must be extended to our partners and supporting organisations Talent Corporation Malaysia Berhad (TalentCorp) and the Securities Industry Development Corporation (SIDC) as well as our endorser Bursa Malaysia Berhad for their commitment towards ensuring the success of MaSRA 2014.

We look forward for more participation in the ACCA MaSRA 2015.
<table>
<thead>
<tr>
<th>2014 Entrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance Micro Devices Global Services (Malaysia) Sdn Bhd</td>
</tr>
<tr>
<td>2013/2014 Corporate Responsibility Report</td>
</tr>
</tbody>
</table>

| AirAsia Berhad |
| Annual Report 2013: More than you can imagine |

| AirAsia Foundation |
| Video Annual Report: Finding Our Voice |

| AirAsia X Berhad |
| Annual Report 2013: Going The Distance, A Journey To Global Leadership |

| Allianz Malaysia Berhad |
| Annual Report 2013: Delivering In Moments Of Truth |

| Allianz Malaysia Berhad |
| Sustainability Booklet 2013: Our Sustainability Journey From A To Z |

| Astro Malaysia Holdings Berhad |
| Annual Report 2014: Go |

| Axiata Group |
| Sustainability and National Contribution Report 2013: Our Commitment To Development |

| British American Tobacco (Malaysia) Berhad |
| Annual Report 2013: A New Chapter |

| Carlsberg Brewery Malaysia Berhad |
| CSR Report 2013 |

| Cenviro Sdn Bhd (formerly known as UEM Environment Sdn Bhd) |
| Sustainability Report 2013: Evolving |

| CIMB Group Holdings Berhad |
| Sustainability Report 2013: Into A New Era |

| Citibank Berhad |
| Annual Report 2013 |

| DiGi.Com Berhad |
| Annual Report 2013: Delivering The Best Internet Experience |

| DiGi.Com Berhad |
| Sustainability Report 2013: Delivering The Best Internet Experience |

| Felda Global Ventures Holdings Berhad |
| Annual Report 2013: Anchoring Growth Towards Success |

| Felda Global Ventures Holdings Berhad |
| Sustainability Report 2013: Enriching Values A Continuous Journey |

| Fraser & Neave Holdings Bhd |
| Annual Report 2013: The Way Forward |

| Fraser & Neave Holdings Bhd |

| Fuji Xerox Asia Pte. Ltd. (Malaysia Operations) |
| Sustainability Report 2013: Create... Connect... Into The Future |

| Guinness Anchor Berhad |
| Corporate Responsibility Report 2013: Inspiring Change, Creating Impact |

| Indah Water Konsortium Sdn Bhd |
| Sustainability Report 2012-2013: Cleaning the Unseen For A Sustainable Future |

| KPJ Healthcare Berhad |
| Annual Report 2013: Care for Life, Patient-Centric & Technology-Driven |

| Kulim (Malaysia) Berhad |
| Annual Report: New Dimension for Growth |

| Kulim (Malaysia) Berhad |
| Sustainability Report 2012/2013 (Plantation Division): Expanding Horizon, Affirming Commitments |

| Lafarge Malaysia Berhad |
| Annual Report 2013: Building Better Cities In Malaysia |
Shortlisted Reports

26 Short-listed Reports
STAND-ALONE CATEGORY

WITHIN AN ANNUAL REPORT CATEGORY
WINNER: BEST SUSTAINABILITY REPORT
Malayan Banking Berhad

RUNNER-UP: BEST SUSTAINABILITY REPORT
Axiata Group Berhad

BEST FIRST-TIME REPORTING
MISC Berhad

BEST REPORTING WITHIN AN ANNUAL REPORT
Allianz Malaysia Berhad

BEST WORKPLACE PRACTICES
Malayan Banking Berhad

COMMENDATION: SUSTAINABILITY REPORTING IN SMEs
Nets Printwork Sdn Bhd

COMMENDATION: REPORTING ON STAKEHOLDERS ENGAGEMENT
Cenviro Sdn Bhd
(formerly known as UEM Environment Sdn Bhd)

COMMENDATION: REPORTING ON SUSTAINABILITY STRATEGY
Sime Darby Berhad

COMMENDATION: REPORTING ON DIVERSITY & INCLUSION
PwC Malaysia
WINNER: BEST SUSTAINABILITY REPORT
Malayan Banking Berhad
Building Sustainable Linkages Across Asia

- The report demonstrates completeness, whereby it addresses almost each component in the judging criteria, with clear organisation of subsections, linking back to each criterion.
- Messages from Chairman and Managing Director set the tone, articulate sustainability development strategies and demonstrate board commitment to sustainability initiatives.
- Clearly explains its governance systems, and profiles the board members and senior managers responsible for sustainability development.
- Conducts impact analysis studies and applies GRI principles of materiality and completeness to define report content and boundaries.
- Communicates Maybank’s business ethos of ‘Humanising Financial Services Across Asia’ and links it back to sustainable development.
- Reports extensively on the Maybank Foundation, which aims to empower communities through sustainable development and value creation.
- Discloses its total 2013 sustainability spend of RM66.5 million in five core areas – Healthy Living, Education, Community Empowerment, Arts and Culture, and Environmental Diversity.
- Material issues which relates back to their core business were identified, e.g. access to finance, financial literacy and talent risks.
- Addresses access to finance risks through Maybank One, which helps lower-income customers understand financial services, rural outreach programmes and agency or shared banking services.
- Addresses the risk of rising household debt through money management and early intervention financial literacy programmes aimed at youth.
- Addresses financial inclusion for SMEs through the Retail SME business model and the SME Clean Loan Product, which drove Maybank SME loan growth of 23.1% in 2013.
- Builds gender diversity and women’s access to finance through the Women’s Empowerment Programme through Micro Financing Services.
- Discusses its low-carbon commitment through management of direct environmental impacts (e.g. green building initiatives, e-banking, paperless environment and its first solar-powered ATM in Bali) and supporting biodiversity (Asian tiger conservation).
- One of the few reports to disclose its digital footprint, namely its impact through virtual banking and its commitment to security and data protection.
- Explains its product stewardship within the financial services supply chain, such as Islamic finance leadership and renewable energy project finance.
- Tabulates comparative five-year data from 2009 to 2013 on its material performance indicators for environment and workplace.
- Indexes to GRI G4 and externally assured.
- A well-organised report which is visually appealing and utilises high-quality photos, graphics and narratives, enabling easy navigation and comprehension.
RUNNER-UP: BEST SUSTAINABILITY REPORT

Axiata Group Berhad
Sustainability and National Contribution Report 2013:
Our Commitment To Development

• Message from President & Group Chief Executive sets the tone, articulates sustainability approach and demonstrates support for sustainability agenda.
• Approach to sustainability anchored on four pillars: Beyond Short-term Profits, Nurturing People, Process Excellence, and Planet & Society and clearly discloses efforts linking back to these pillars.
• Diagrammed the Enterprise Risk Management Process to explain the governance and accountability chain for risk management.
• Identifies and lists key risk areas: sustainability of long-term business strategy, regulatory and tax environment, competition, service substitution, technology obsolescence, system and network failure, leadership competency gap and investment risks, among others.
• Maps its material issues, explains their impact on business sustainability, summarises how management is addressing these, and sets 2014 targets e.g. supply chain risks are addressed by establishing a group procurement framework.
• The only report to disclose National Contribution research (conducted by a third party) which explains how Axiata impacts its markets e.g. contributed between USD1.48 to USD2.14 billion to annual GDP between 2008 and 2013 and created an average of 23000 jobs annually.
• Enhances credibility by explaining the methodology and computational formula for the National Contribution Report.
• Explains social impact of digital inclusion initiatives e.g. free insurance for mobile subscribers with limited access to insurance, mobile social networking using SMS, M-Education for online learning, and eZ cash for financial inclusion.
• Axiata Talent Factory strategy develops a regional talent pool to address talent risks.
• Discloses diversity and inclusion indicators such as gender and turnover not just at Group level but across its business units: Celcom, XL, Dialog, Robi, Smart and Corporate Centre.
• Indexes to the GRI G4 sustainability reporting framework and externally verified by an Australian assurance provider.
• Visually appealing, well-structured report which utilises colour, attractive infographics and simple narrative to ease navigation and comprehension.
BEST FIRST-TIME REPORTING

MISC Berhad
Sustainability Report 2013:
Charting A Sustainable Future

• Articulates its sustainability approach in a dedicated section: ‘Sustainability at MISC’ which discusses governance, the sustainability reporting framework, materiality and stakeholder engagement.
• Developed its Sustainability Reporting Framework through a benchmarking process with international peers and stakeholders.
• Evidence of a clear sustainability governance reporting chain, whereby sustainability performance is reported to the Management Committee, the Sustainability Steering Committee and/or the MISC Group HSE Council.
• Sustainability reporting focuses on the key areas of governance, business conduct, sustainable shareholder value, health and safety and climate change and reports.
• Addresses ethical business risks through best practices such as eradication of corruption, whistleblowing, and a ‘no gift’ policy.
• Discusses the global challenges affecting shipping sector sustainability such as socio-economic changes, rise of local governance and rights, demand for transparency, climate change and resource constraints, energy prospects, and maritime regulations.
• Discusses relevant marketplace risks, such as security and piracy, overcapacity and fuel price volatility which link directly back to its core shipping business.
• Highlights its procurement philosophy and commitment to sustainable value creation by engaging with vendors and suppliers.
• Reports adequately on workplace and diversity, such as disclosing nationalities and number of women employed, and explains that its nature of business necessitates recruitment of more males.
• Chooses to report extensively on its environment and climate change initiatives as a significant portion of carbon emissions are derived from its core shipping business.
• Tabulates comparative data for environmental performance indicators such as energy use, carbon emissions and waste management which directly impact its business.
• Highlights its green initiatives: the “I Save Fuel” energy efficiency programme, green fleet maintenance and management, and marine conservation in line with global regulations.
• Community investment focuses on youth talent development initiatives such as its wholly-owned maritime academy ALAM, Cadet Sponsorship Programme, and Navigate Your Career which links back to managing talent risk.
BEST REPORTING WITHIN AN ANNUAL REPORT

Allianz Malaysia Berhad
Annual Report 2013: Delivering In Moments Of Truth

- The mini booklet on “Our Sustainability Journey from A to Z” sets the tone for sustainability and discloses material issues at a glance: access to finance, safety, demographic change, employee engagement, good governance, and carbon footprint reduction.
- Dedicated CEO statement for the sustainability section supports commitment to sustainability.
- Identifies four focus areas where it intends to utilise its financial and business expertise to affect change: Safety, Financial Literacy, Environment and Community.
- On-going engagement with customers through the Net Promote Score to measure customer loyalty and satisfaction.
- Engaging with underserved customers to promote financial inclusion through Kampungku to offer entry-level insurance to rural populations.
- Addresses demographic risks through new products: Allianz RetirePlus to instil a retirement savings habit and Life@70, an app to create retirement awareness.
- Manages environmental impacts through targeted strategies to reduce carbon footprint: Global Print Policy to reduce paper use, and Global Travel Regulation and teleconferencing to reduce business travel, among others.
- Discloses investment in carbon projects that finance climate protection to offset emissions: its 2013 investment in Rimba Raya in Southern Borneo.
- Engages with community through targeted road safety advocacy campaigns and My Finance Coach and Global Money Week programmes which link back to its Safety and Financial Literacy foci respectively.
- Engages with staff through annual Allianz Engagement Survey which achieved an Employee Engagement Index of 84% in 2013 and uses feedback for improvement.
- Identifies its first female independent director Datuk Dr. Rafiah Salim as the champion of gender equality and women’s empowerment.
BEST WORKPLACE PRACTICES
Malayan Banking Berhad
Building Sustainable Linkages Across Asia

- The report demonstrates extensive discussion of workplace best practices and diversity and inclusion initiatives which engage talent across key markets and demographics.
- Focuses people development on four key areas – employee engagement, building a high-performance culture, diversity and inclusion, and safety, health and wellbeing – and measures progress from 2011 – 2013.
- Comprehensive diversity and inclusion programmes encompass development of women, Generation Y (Gen Y), and older employees.
- The report shows how the organisation tracks the impact of its talent development policies through initiatives like People Dashboard monitoring, and Creation of Pipeline Pools.
- Demonstrates strong tone from the top through Townhalls and Group Exco Leaders Teaching Leaders sessions where leaders engage staff.
- Engages women employees through the Maybank Tiger Cubs Childcare Centre and the formalisation of its Flexible Work Arrangement (FWA) policy in 2013.
- Empowers women employees through Women Mentoring, and tracks women’s career and leadership development and representation in senior management.
- Engages senior employees by raising retirement ages from 55 years to 60 in line with the Minimum Retirement Age Act 2012.
- Builds inclusiveness through the Career Transition programme which finds the right job match or reskills staff whose careers are disrupted by organisational change.
- Report addresses health and performance risks by creating a safe, healthy and conducive working culture, through conducting the Traumatic Stress Management Debrief programme for staff in Tawau and Lahad Datu, and organising Trim & Fit programmes, monthly health talks and the Pedometer Challenge.
- Tabulates comparative five-year data from 2009 to 2013 on workplace performance, including the disclosure of turnover rates, ethnicity, women’s representation in management and top management, and ages of employees.
- Report demonstrates transparency by disclosing its failure to meet internal hiring targets of 80% for 2013 to fill vacancies.
COMMENDATION: SUSTAINABILITY REPORTING IN SMES

Nets Printwork Sdn Bhd
Sustainability Report 2012/2013: Co-exist With Nature

- Message from the managing director sets tone at the top and supports company’s commitment to sustainability.
- References GRI G3.1 Sustainability reporting framework and ISO 26000: Guidance on Social Responsibility.
- Sustainability agenda is driven by a Sustainability Manager heading a Sustainability Department.
- Developed a materiality matrix to identify significant issues and set reporting boundaries.
- Links business risks – lower demand for paper-based printing, reduced advertisement budgets, health risks for printing operators, competition – to new opportunities for differentiation promoting eco-printing and use of safer vegetable-based inks.
- Provides comparative consumption and wastage data for materials, energy and carbon emissions.
- Discloses targets to use more than 30% FSC*-certified paper in production by end of FY2013, which were not achieved.
- Discloses plans to develop a Sustainability Roadmap, Sustainability/CSR Policy and Green Purchasing Policy among other sustainable workplace initiatives, but did not explain strategies, targets and timelines.
- Reports on diversity indicators, including equal pay, age, gender, turnover, ethnicity and employees’ state of origin.
- Initiates the Green Supplier Circle and drafted a Green Purchasing Policy to ensure sustainable procurement and support sustainable supply chain management.
- Initiates the Product Development unit to engage the community on how to reduce environmental impacts through choosing eco-products.
- Engages customers through annual customer satisfaction analysis and creating awareness of eco-printing.
- Discloses workplace and diversity indicators such as equal pay, gender, ethnicity, and employees’ state of origin, and provides one day annual CSR leave for employees to promote CSR activism.
- Discloses its financial allocation for sustainability development which amounts to 33% of the total company budget.
- Reports allocation of environmental expenditures through the Environmental Investment Ratio.

*FSC – Forest Stewardship Council
COMMENDATION: REPORTING ON STAKEHOLDER ENGAGEMENT

Cenviro Sdn Bhd (formerly known as UEM Environment Sdn Bhd)
Sustainability Report 2013: Evolving

• CEO message sets the tone by focusing on stakeholder engagement and sustainability agenda e.g. disclosure of sustainability discussions with shareholder Khazanah, work with local communities surrounding its waste management centres, and engagement with regulators and government.

• Articulation of sustainability strategy and goals focuses on stakeholders: positive community relations; green technology to manage environmental impact, and economic benefit through sustainable business.

• Clearly maps out its diverse stakeholders, the methods and frequency of engagement, and common areas of interest e.g. engages customers through annual surveys and daily hotlines on issues like fair pricing, service quality and assurance.

• Maps materiality of issues according to stakeholders’ interests: innovative business and continuous growth, regulatory compliance, and environmental impact are ranked as the most material issues.

• Highlights sustainability milestones for 2013, explains stakeholder impact and indicates the way forward: engages community through Flood Relief Mission, internal recycling and English literacy programmes for 2013 and will focus on community partnerships and volunteerism in the future.

• Highlights feedback from customers like PETRONAS Carigali and Raub Australian Gold Mining to drive customer service improvement.

• Engages with community in projects that utilise its expertise, such as the disposal of school laboratory waste for 312 schools in 2013.

• Clearly explains the governance chain and profiles the board and management team.

• Conducts Sustainability Survey to gauge employees’ perception of sustainability: workplace and diversity and inclusion policies, service quality and fair pricing policies, among others.

• Tabulates extensive environmental data on quarterly and yearly bases to track environmental impact: emissions, noise, air quality, groundwater quality and others.

• Discloses impact on biodiversity through its Flora and Fauna indices, which lists the types of flora and fauna affected according to their statuses: vulnerable, critically endangered and least concern.

• Indexes to the GRI G3.1 sustainability reporting framework and independently assured.
COMMENDATION: REPORTING ON SUSTAINABILITY STRATEGY

Sime Darby Berhad
Sustainability Report 2013: A Deep Dive Into Plantation

• The President and Group CEO’s message summarises the Group’s strategic sustainability goals and the issues and challenges it faces in the emerging sustainable palm oil market.

• Appointment of Group Sustainability Advisor, Jonathan Porritt, Co-Director of the Prince of Wales’s Business & Sustainability Programme, sets the tone and demonstrates top support for sustainability.

• The report clearly explains its sustainability governance structure, where the Main Board is the highest authority for the Group, supported by flagship subsidiary boards which oversee individual Divisions.

• Articulates how its sustainability approach is linked to its core values, business principles and sustainability principles.

• Guided by a Five Year Strategic Blueprint which incorporates five Strategic Sustainability Goals – value creation, risk management, leadership, reporting, and performance culture - which in turn drive the Group’s actions.

• Its Group Performance Summary summarises the progress made in FY2013 and delivery of its Strategic Sustainability Goals.

• Linked future actions and targets to these Goals e.g. RM50 million savings in Lean Six Sigma projects in FY2014, 100% RSPO certification for all Plantation Strategic Operating Units.

• Engages various stakeholders for feedback on material issues, which determined the focus of disclosure on Plantation’s approach, performance and prospects.

• Explains its participation in sustainability organisations: Roundtable on Sustainable Palm Oil, Malaysian Sustainable Palm Oil Standard, World Business Council for Sustainable Development, etc. - to help shape the sustainability agenda.

• Benchmarks report against the GRI3.1 Sustainability Reporting framework and the principles of the United Nations Global Compact.
COMMENDATION: REPORTING ON DIVERSITY & INCLUSION

PwC Malaysia
CR Report 2013: We’re Part of It, Creating Value Through Responsible Business

- The report discloses their diversity and inclusion milestones for 2013 which link back to talent risks and retention: volunteering, return-to-work, flex benefits, extended maternity and paternity leave, and secondment of a senior employee to TalentCorp to support local talent development.
- It clearly reflects that diversity and inclusion is embedded in the firm’s 2-year plan from 2014 – 2016.
- Feedback from regular engagement with partners and staff used to identify material issues.
- Report clearly discloses extensive efforts to engage women, through the Worklife Plus Programme (covering flexiwork arrangements, career breaks and time-out options), FlexSpace (work from anywhere), Back2Work (encouraging former female employees to return to work), the Parents Network Group (a work-life balance support group), breastfeeding room and reserved parking lots for pregnant employees.
- Extensive disclosure on employee volunteerism and measures volunteerism impact based on indicators like number of activities, number of volunteers and volunteer hours, supported by comparative data from FY09 - FY13.
- Detailed discussion of staff volunteering projects: literacy, coaching, mentoring, and pro-bono or discounted audit services.
- Reports two years’ comparative data on diversity and workplace indicators: turnover and recruitment, learning and development hours logged, gender, senior management, and applications for maternity and paternity leave.
- Encourages staff environmental awareness by linking carbon footprint reduction to electricity consumption and air travel miles logged.
Panel of Judges

Final Judges

CHAIRMAN OF JUDGING PANEL

Mr Goh Ching Yin
Executive Director, Market Development, Securities Commission Malaysia

Ms Selvarany Rasiah
Chief Regulatory Officer, Bursa Malaysia Berhad

Encik Johan Mahmood Merican
Chief Executive Officer, Talent Corporation Malaysia Berhad

Puan Sharifatu Laila Syed Ali
Chief Executive Officer, ValueCap Sdn Bhd

Encik Salleh Hassan
Director, Examinations & CPE and Corporate Governance, Securities Industry Development Corporation (SIDC)

Short-listing Judges

Dr Faizah Darus
Head Asia-Pacific Centre for Sustainability (APCeS), Accounting Research Institute/Faculty of Accountancy, Universiti Teknologi Mara

Mr Ng Kean Kok
Deputy Dean, Department of Accountancy, Universiti Tunku Abdul Rahman

Dr Ho Jo Ann
Associate Professor, Faculty of Economics and Management, Universiti Putra Malaysia
Judges’ Comments

The reporting quality for MaSRA 2014 continues to advance and the judges acknowledged that it was much harder to evaluate and pick the winners this year. Among the leaders in sustainability reporting, there continues to be significant improvements but there are new leaders showing much potentials too. This year, we also noted slight increase in number of stand-alone sustainability report submission – a testament that companies are going beyond regulatory compliance.

Interestingly, MaSRA 2014 also saw the increasing dominance of homegrown companies, which attest to the rising maturity and international competitiveness of Malaysian public-listed entities. The efforts of companies embracing GRI 4 reporting framework is commendable and definitely makes their reports a more meaningful read.

To further improve the reporting quality disclosures in Malaysia, the judges shared some recommendations for considerations. These areas are quite fundamental and something the judges look out for when evaluating the reports this year.
Completeness of reporting and breadth of scope continued to be a major area for improvement for the majority of reporting organisations. Failure in clearly articulating their sustainability strategy and goals, and linking it back to the business strategy were much criticised by the judges. Initiatives that are not properly aligned to their business strategies may be perceived as merely ‘green wash’ of CSR activities or environmental conservation campaigns, they said.

The winning reports were seen as outstanding in terms of being able to concisely identify and convey the key material issues and impacts of their businesses. Many included a materiality matrix which prioritised risks according to feedback and impact from their multiple stakeholders. The outstanding ones also conducted stakeholder analyses in identifying issues which resonated the most with their stakeholders, and incorporated the resulting feedback into subsequent strategy and initiatives.

Regrettably, many companies fell short by omitting disclosure or discussion on more controversial issues which are definitely key concerns for their stakeholders and could compromise their long-term prospects. For example, judges felt that sustainability reports originating from high-impact sectors such as plantations companies, breweries, food and cigarette manufacturers should consider expanding disclosure on issues impacting health, social wellbeing and the environment while stating their companies’ strategies for managing these concerns.

For example, cigarette manufacturers may want to share on their product innovations in minimising health concerns from smoking or education in placed for their consumers in addition to reporting on cigarette smuggling and the sale of illegal cigarettes which affect profit margins and thus shareholder value. Plantations companies could perhaps consider disclosing the environmental impact of their business activities and their strategies in mitigating its impact on climate change, air pollution and haze. Meanwhile, food manufacturers could follow suit by acknowledging the potential health impact of sugar and additives in their products, and share how they plan to reduce those ingredients in light of product stewardship.

Understandably, this perceived reluctance to identify and address negative yet material issues relates directly to the natural inclination to report only good news. However, research has shown that balanced reporting as well as an organisation’s willingness to transparently report and manage its material concerns builds credibility, trust and stakeholder confidence.

In line with the encouragement for disclosures on best workplace practices as well as diversity and inclusion, judges were in view that the best reports provided extensive disclosure on their talent management practices and policies, along with comparative data on diversity indicators, such as gender, ethnicity, pay discrepancies, numbers of women in management and the board, for example. However, many reports omitted these disclosures or provided minimal information or it was somehow mentioned in their annual report but not in the sustainability report. Going forward, judges recommended that organisations enhance disclosure on these fronts in compliance with the new reporting requirements and uplifting their reporting quality. Preparers should clearly disclose diversity indicators, preferably supported by comparative data and statistics.
CREDIBILITY

Some of the reports were deemed more credible by disclosing both good and bad news; benchmarking actual performance against objectives; presenting historical and trend data to support statements and claims; publishing feedback from stakeholders and demonstrating how the feedbacks were taken into their sustainability strategy; compliance with reporting frameworks; and including external assurance statements.

The judges would also like to see more information on accountability and governance in place. Robust messages from top leaders and statement explaining the organisations’ sustainability focus and strategy at the start of the reports is seen as good reflection of tone from the top. More profiling of board members and management team who is leading the sustainability strategy as well as diversity and inclusion agenda is a plus point.

Judges also appreciate comparative past and present-years data which offer insights into trends and achievement of objectives, e.g. waste management, carbon emissions, materials consumption, energy consumption, carbon footprint calculations and talent diversity measures.

Overall, most of the participants made commendable efforts to comply with the Global Reporting Initiative (GRI) reporting principles. The shortlisted reports were mostly benchmarked against GRI G3.1 or the more recent GRI 4.0 reporting framework which focuses on materiality and stakeholder inclusion. Where certain disclosures against GRI were omitted, the leading companies usually explain their reasons for omission in the GRI content index. However, judges criticised certain companies for their textbook compliance where it became less meaningful and merely ‘ticked the boxes’ rather than telling a compelling story of the organisations’ sustainability strategy and effort. The GRI framework should be used as a guide to help organisations prepare a materially significant report which facilitates analysis and decision-making, and not a checklist to be completed, they said. More importantly, do ensure that reference pages for the GRI content index table at the back of the report are correctly cross-indexed to prevent readers’ confusion.

Judges highly recommend that organisations consider verifying their reports through a third-party assurance provider in enhancing credibility and trustworthiness, and bringing it to a higher level of reporting standards. Many of the leading reports were verified by external and independent assurance providers.
While completeness and credibility is a given must-haves, reports must also be succinct and provides easy navigation. Judges noted that reporting presentation and navigation needs to be improved to provide greater clarity for readers on sustainability initiatives. Preparers were advised to focus on materiality and strike a fine balance between information overload and sufficient disclosure to make the most impact on the readers.

The winning reports went the distance to ensure that they were aesthetically appealing and engaging. The best reports used attractive colour schemes, relevant photographs, appealing infographics to communicate performance metrics with clear and readable fonts and layouts. Some of the companies even experimented with non-conventional media of reporting with embedding videos, e-books and mobile applications. The reports were also well-structured and easy to navigate, enhancing useability and understanding. Do make sure that language is simple yet grammatically correct, since errors affect the final quality of the report.

While judges encourage innovation in presentation, do put some thought into the comfort and ease of the reading experience. Reports of unorthodox size can be awkward to post via snail mail, to hold in one’s hands, and to read.

Sustainability reporting is vital in raising the bar of corporate reporting, which in turn will strengthen business performance and support Malaysia’s agenda of economic transformation. Looking ahead, sustainability reporting will become more complex as the business landscape becomes more complex and harder to navigate. Reporting organisations will have to take emerging developments and risks into account when preparing disclosure, such as diversity and inclusiveness challenges, the war for talent, demographic change, stakeholder pressures, environmental challenges, resource scarcity, geopolitical crises, and capital flight to product innovation, among others. Only then can organisations capture a holistic picture of their sustainability vision to accurately guide their strategy and operations.

Despite the challenges, the judges are encouraging more organisations to report on the sustainability of their performance and business models, consequently raising transparency and giving credibility and legitimacy to Malaysia as a leading business and investment destination. Organisations are also encouraged to produce more stand-alone reports for more extensive picture of their sustainability strategies as opposed to the limitations of reporting within an annual report.

As we move forward, we will continue to innovate and refresh ACCA MaSRA judging criteria and groupings to ensure its relevance to the market and achieves its overarching objective of championing sustainability reporting and business sustainability.

The judges also recommended splitting entries into the categories of small-cap, medium-cap and large-cap reporting organisations to level the playing field in future MaSRA. This will hopefully make the competition more equitable for small- and medium-cap entities which may be constrained by limited resources, and large-caps which face the challenge of overcoming silos and size to present a complete and integrated picture of their sustainability impacts.
FORMULA OF WINNING REPORTS

Credibility
- **Governance**: board/CEO participation, sustainability committee – tone from the top
- **Management process**: system in place, dedicated person and team, in-house effort in coming up with reporting content
- **Stakeholder inclusion**: evidence of stakeholders’ feedback considered into sustainability strategy and reporting
- **Performance**: quantifiable, trend data and target, current state and future plans to meet target
- **Assurance**: references to sustainability reporting frameworks e.g. GRI and UNGC; independent external assurance obtained

Communications
- **Presentation & structure**
  - Visually engaging
  - Effective layout, easy navigation
  - Incorporate various media, e.g. video, mobile apps
  - Good usage of infographics
  - Simple layman terms
  - Good handy size

Completeness
- **Strategy**: clear sustainability strategy and goals, linking it to the business strategy
- **Materiality**: materiality matrix, disclosing what matters where it matters
- **Risk management**: disclosure on risk management, linking back to sustainability strategy
- **Objective**: giving objective view on issues, not only safe, non-controversial matters
- **Diversity & inclusion**: more disclosure on workplace practices policies in place/plan
- **Product stewardship**: commitments and plans for product stewardship
Supporting Organisations

Partners

Talent Corporation Malaysia Berhad (TalentCorp) was established on 1 January 2011 under the Prime Minister’s Department to formulate and facilitate initiatives to address the availability of talent in line with the needs of the country’s economic transformation. Collaborating closely with relevant Government agencies and employers in priority economic sectors, TalentCorp develops demand-driven initiatives to enhance graduate employability, promote talent diversity, engage Malaysians abroad and facilitate foreign talent.

The Securities Industry Development Corporation (SIDC) is the leading capital markets education and training provider in ASEAN. It was established as the training arm of the Securities Commission Malaysia (SC) in 1994 and incorporated in 2007.

The SIDC has been developing and delivering capital market training and investor education for two decades, covering basic to advance capital market skills as well as policies and development issues. It serves regulators, intermediaries, investors and directors in both local and international markets.

The SIDC works closely with the SC in setting the competency standards for the capital market industry and also plays a significant role in developing the talent pipeline for the Malaysian capital market. Through its unique talent development programmes, the SIDC has successfully produced quality professionals for both the conventional and Islamic capital market.
Bursa Malaysia is an exchange holding company established in 1973 and listed in 2005. Today, it is one of the largest bourses in ASEAN, hosting more than 900 companies across 60 economic activities. Companies from the economic sectors are listed either on the Main Market for large-cap established companies, or on the ACE Market for emerging companies of all sizes. Bursa Malaysia adopts the FTSE Bursa Malaysia KLCI values as its main index.

Bursa Malaysia operates a fully-integrated exchange, offering a comprehensive range of exchange-related facilities including listing, trading, clearing, settlement and depository services. Bursa Malaysia offers a diverse spread of offerings covering equities, derivatives, Islamic products, bonds as well as offshore, and provides a various range of investment choices globally.

In assisting the development of the Malaysian capital market, Bursa Malaysia is committed to provide the infrastructure needed to create a globally competitive and vibrant marketplace.
About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We seek to open up the profession to people of all backgrounds and remove artificial barriers, innovating our qualifications and their delivery to meet the diverse needs of trainee professionals and their employers.

ACCA works to strengthen a global profession based on the application of consistent standards, which we believe best supports international business and the desire of talented people to have successful, international careers. We champion the needs of small and medium sized business (SMEs) and emerging economies, and promote the value of sustainable business.

To achieve this we work with global bodies such as the International Federation of Accountants (IFAC) and with over 80 global partnerships. Above all, we seek to bring long-term value to economies in which we develop and support professional accountants.

We support our 170,000 members and 436,000 students in 180 countries, helping them to develop successful careers in accounting and business, with the skills required by employers. We work through a network of 91 offices and centres and more than 8,500 Approved Employers worldwide, who provide high standards of employee learning and development. Through our public interest remit, we promote appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.

ACCA works in the public interest, assuring that its members are appropriately regulated for the work they carry out and, promoting principles-based approaches to regulation. We actively seek to enhance the public value of accounting in society through international research and we take a progressive stance on global issues to ensure accountancy as a profession continues to grow in reputation and influence.
AN INVITATION TO PARTICIPATE

The ACCA Malaysia Sustainability Reporting Awards 2015 timetable as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2015</td>
<td>Announcement of the 2015 Awards</td>
</tr>
<tr>
<td>August 2015</td>
<td>Entry submission deadline</td>
</tr>
<tr>
<td>November 2015</td>
<td>Final judges meeting</td>
</tr>
<tr>
<td>December 2015</td>
<td>Awards presentation ceremony</td>
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</tbody>
</table>

If you have any questions about the Awards, please contact:

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