

THE CORPORATE MELTING POT

LEVERAGING DIVERSITY IN THE WORKPLACE

MALAYSIA'S multi-ethnic and multi-cultural society provides one of the most conducive environments for diversity. For generations, people of different races, religions and cultures have intermingled and interacted with one another, creating a harmonious blend that serves to strengthen our economy.

To tackle the modern challenges of globalisation, various strategies are adopted to promote and encourage companies to improve on their diversity policies with regards to ethnicity, gender and age.

Beginning January 2015, Bursa Malaysia has required all listed companies to establish and disclose in their annual reports their diversity policies, covering gender, ethnicity and age for board and management.

The sharing of best practices in managing and supporting diversity in the workplace is aimed to further strengthen the application of the diversity policies.

To incentivise the adoption of diversity policies in Corporate Malaysia, Talent Corporation Malaysia (TalentCorp) supported several awards for companies that demonstrate exemplary effort in their diversity policies such as the **National Annual Corporate Report Awards (NACRA)** and the **ACCA Malaysia Sustainability Reporting Awards (MaSRA)**, by introducing new awards for best practices in diversity and inclusion.

DIVERSITY IN MALAYSIAN COMPANIES: WHERE DO WE STAND?

In a collaboration with PwC Malaysia, TalentCorp has recently published the findings of its "Diversity in the Workplace 2015" survey. The survey provides us with the current diversity landscape in Corporate Malaysia.

The survey was derived from 130 respondents including 67 of the largest 100 listed companies by market capitalisation, representing 70% of Bursa's total market capitalisation.

GENDER

While women make up 60% of local university graduates according to the *World Bank Malaysian Economic Monitor*, the National Female Labour Force Participation Rate stands at 53.6% as at 2014, which is one of the lowest in the region.

The survey shows that men still outnumber women in top management across various industries.

Citing various reasons for leaving the workforce such as starting a family, many women face problems re-entering the labour force after a long hiatus, thus hurting their career prospects.

Women make up a portion of the workforce that is just as large as that of men. Sidelining women, especially those who seek work-life balance or a more family-friendly work environment,

would lead to a narrowing of the talent pool available to employers.

International experience suggests flexible work arrangements (FWA) is an effective tool to retain women talent. However, only a minority of companies implement FWA or plan to enhance work-life practices.

Additionally, the growing dominance of women as a consumer base also makes the input of women in leadership positions crucial. A mix-gendered workforce could offer different viewpoints, ideas and market insights which enable better problem-solving to gain a competitive advantage in serving the increasingly diverse customer base.

Women account for an average of 22% of top management, and this percentage varies significantly by sector (see Figure 1).

Results of the TalentCorp-PwC survey show that:

31% of companies have no board members under the age of **50 years old**.

24% of companies have top management made up of a **single race**.

10% of companies have **single-race boardrooms**.

DIVERSITY MOVING FORWARD

While some companies are striving towards diversity, the survey shows that much remains to be done to create a workplace that is less stratified and more inclusive, as the gender, ethnic and age make-up of the Malaysian population is still not well-reflected in the corporate environment.

As we march towards a high-income

economy, initiatives that promote diversity will continue to be improved and perfected upon so that we can achieve a prosperous and socially just future.

■ To find out more about best workplace practices for companies, visit <http://flexworklife.my/resources/case-studies>



Our mix of religion and ethnicities could have divided us, instead our diversity has strengthened us. In line with this spirit, Bursa Malaysia has made disclosure of diversity policy mandatory for listed companies beginning 2015 and has encouraged disclosure on composition of workforce."

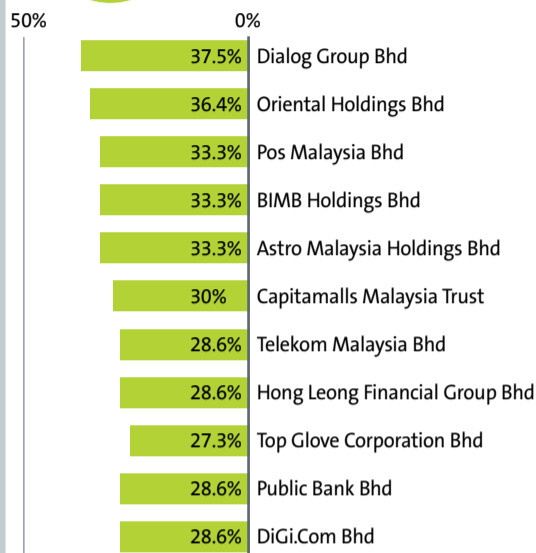
— Prime Minister Datuk Seri Najib Tun Razak

WOMEN REPRESENTATION AT BOARD LEVEL

On average, women account for 13% of board members. However, 31% of companies have no women in their board.



Amongst **top100** listed companies, **only 11** with **>25% women** on board



Based on Top 100 listing as at August 2015



While **25** of the **top 100** listed companies have **0% women** on board

- | | |
|-----------------------------|--------------------------------|
| IOI Corporation Bhd | Cahaya Mata Sarawak Bhd |
| Genting Bhd | Boustead Holdings Bhd |
| Genting Malaysia Bhd | Magnum Bhd |
| Kuala Lumpur Kepong Bhd | Carlsberg Brewery Malaysia Bhd |
| RHB Capital Bhd | UOA Development Bhd |
| IJM Corporation Bhd | Hong Leong Capital Bhd |
| Batu Kawan Bhd | Berjaya Auto Bhd |
| IOI Properties Group Bhd | Alliance Financial Group Bhd |
| Genting Plantations Bhd | QI Resources Bhd |
| Fraser & Neave Holdings Bhd | Berjaya Sports Toto Bhd |
| Hartalega Holdings Bhd | Berjaya Land Bhd |
| United Plantations Bhd | IJM Plantations Bhd |
| | OSK Holdings Bhd |

GENDER COMPOSITION BY INDUSTRY (TOP MANAGEMENT)

On average, women account for 22% of top management however with significant variation by sectors.

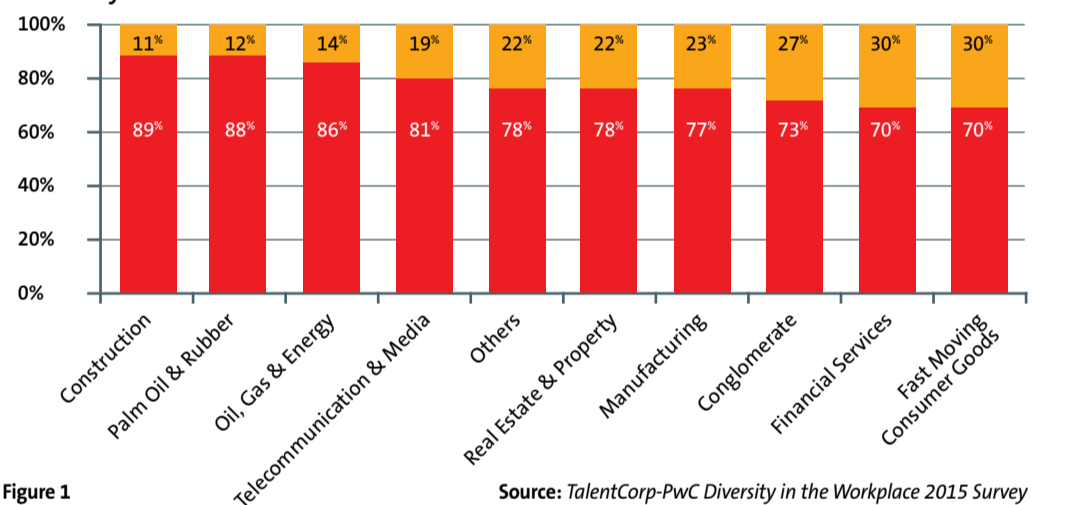


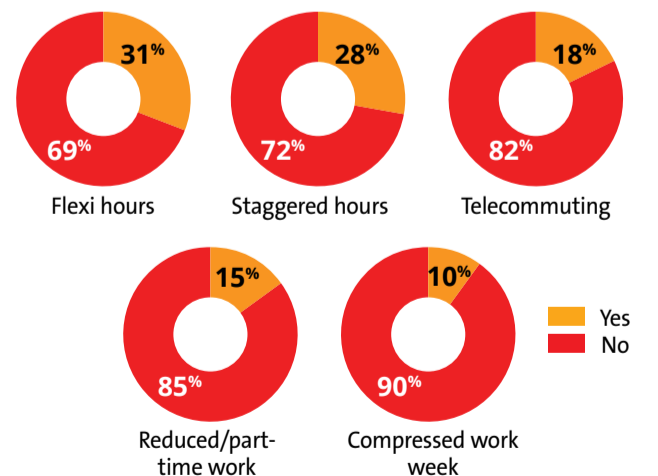
Figure 1

Source: TalentCorp-PwC Diversity in the Workplace 2015 Survey

WORK-LIFE PRACTICES

Percentage of companies that offer flexible work arrangements (FWA)

Minority of companies surveyed have forms of FWA commonly practised internationally



Percentage of companies with future plans to enhance or implement work-life practices

Only 10% of companies surveyed plan to enhance or implement work-life practices within a year

Source: TalentCorp-PwC Diversity in the Workplace 2015 Survey

NACRA 2015

RECOGNISING EXCELLENCE AND BEST PRACTICES IN CORPORATE REPORTING

By LIM LAY HSUAN
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In this day and social media age, the clarion call for greater accountability and transparency gets louder at a personal, corporate and national level.

Launched in 1990, the **National Annual Corporate Report Awards**, or NACRA, has remain relevant in promoting excellence and best practices in annual corporate reporting.

Jointly organised by the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and Bursa Malaysia, NACRA continues its theme *Towards Accountability and Excellence* to raise the standards in annual reporting.

The five categories of awards offered through the years are: Overall Excellence Awards, Industry Excellence Awards for Listed Companies, Presentation Awards, Corporate Social Responsibility Reporting Awards, and the Special Award for Non-Listed Organisations.

NACRA'S OBJECTIVES

- To promote greater and more effective communication by organisations through the publication of timely, informative, factual and reader-friendly annual reports.

- To recognise and encourage excellence in the presentation of financial and business information.
- To create public awareness of the objectives of organisations, their operations and their financial performance.
- To promote higher standards of corporate governance.

EMBRACING DIVERSITY AND INCLUSION

What's unique is that NACRA has introduced the sixth category of award this year, the **Inclusiveness and Diversity Reporting Awards**, in a joint effort with Talent Corporation Malaysia (TalentCorp).

This is in response to Prime Minister Datuk Seri Najib Tun Razak's announcement in 2014 on the need for organisations to establish and disclose their diversity policies, covering gender, ethnicity and age for board and management.

This new category is timely to recognise and value the various talent from different backgrounds. By embracing diversity and inclusion (D&I) in the workforce, we bring more innovative ideas to the boardroom to drive an organisation to greater heights.

The winners for this category are:

- CIMB Group – Gold Award
- Nestlé Malaysia – Silver Award
- Astro – Silver Award



Winners at NACRA 2015.

3Cs CRITERIA FOR CONSIDERATION

COMPLETENESS

Companies would have to adhere to the Global Reporting Index (GRI) G4 standards which require in-depth reporting of their diversity. This includes data-year trend and disclosure based on GRI.

COMMUNICATION

The language used must be clear and concise to various stakeholders. Companies must communicate how D&I is important for their business and how it ties in the organisation's sustainability strategy. The intention is to have companies report beyond "ticking boxes" that the GRI G4 requires.

CREDIBILITY

Companies need to demonstrate how they 'walk the D&I talk' by making conscious effort in putting their policies into practice. This can be observed in their actual board and workforce composition/gender diversity practices.

■ To find out more about NACRA Awards and its collaboration with TalentCorp, visit www.talentcorp.com.my/our-work/industry-collaborations/nacra-awards



CIMB's Board reflects the diversity of their organisation, encompassing different nationalities, age and gender, in line with their regional presence.

SPEARHEADING THE D&I AGENDA

CIMB GROUP Gold Award

CIMB recruits based on organisational needs and the ability of the potential employee to excel where high performance is expected.

CIMB harnesses local talents and treats diversity as an asset. Its people policies do not discriminate on gender, race, religion, orientation or nationality.

Leadership training for universal bankers also focuses on diversity. This is referred as the 2x2x2 Principle: two functions, two businesses and two geographies. Senior leaders must serve in such capacities as they grow with CIMB.

Women make up 59% of total staff at CIMB. In 2013, the Ministry of Women, Family and Community Development awarded CIMB "The Preferred Workplace for the Advancement of Women" accolade.



Diversity is represented well in CIMB. These factors in the annual report stand out:

- Has a policy in place and also relates diversity to their business
- Well-communicated and easy to read especially on the gender diversity section
- Discloses on the breakdown by gender, age and country (representing the bank's diverse nature of operations across Asean)
- Special section on women in their workforce
- A diverse board and senior management team

"It is our ability to leverage on diversity and harness its value that has given us the competitive edge. Embracing diversity means we leverage on talents of different cultures, educational backgrounds, gender and age groups."
– Hamidah Naziadin, CIMB Group chief people officer

Figure 1: Women in decision-making roles

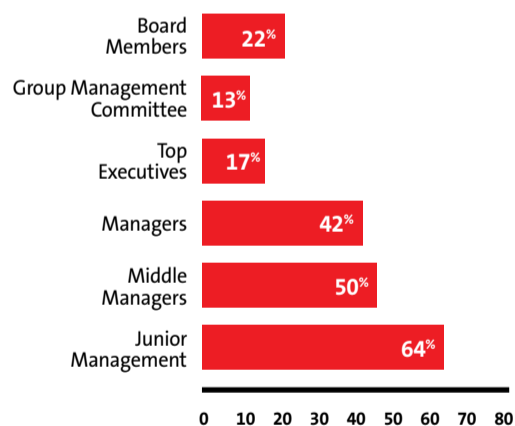


Figure 2: Percentage of women participants in various CIMB programmes

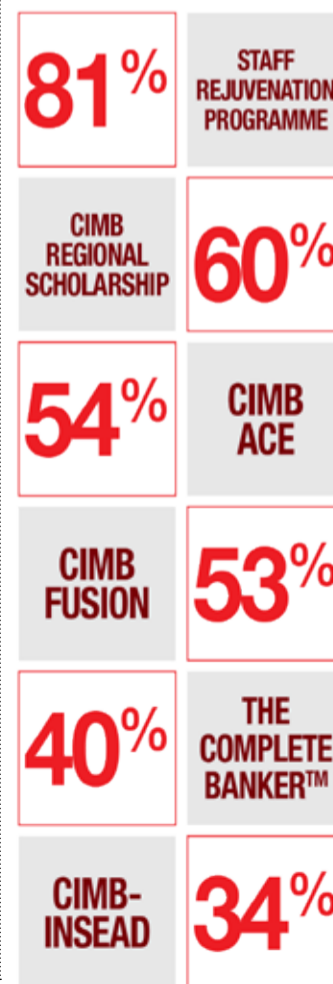
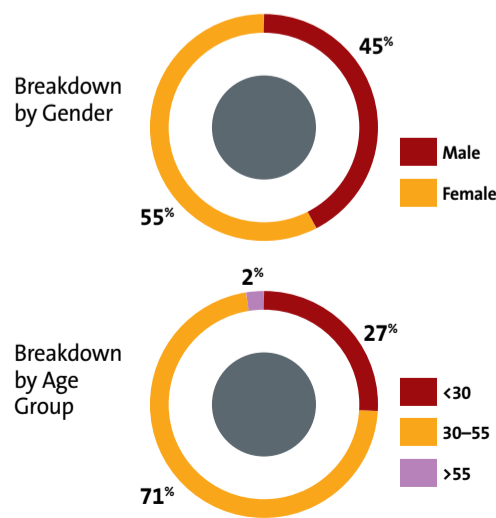


Figure 3: CIMB workforce by gender and age group



Source: CIMB Sustainability Report 2014

ACCA MALAYSIA SUSTAINABILITY REPORTING AWARDS 2015

CELEBRATING CORPORATE TRANSPARENCY IN SUSTAINABILITY REPORTING

By NINA TI
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In a dazzling tour de force at this year's ACCA Malaysia Sustainability Reporting Awards (MaSRA), seven organisations were unveiled as champions of corporate transparency – based on how they had communicated their sustainability performance.

More than 200 business leaders and guests attended the highly-anticipated ceremony on Dec 1, 2015, to celebrate the naming of this year's winners out of a field of 51 participating companies.

The ACCA MaSRA honours companies that demonstrate the highest standards in not only sustainability reporting but primarily in sustainability practices.

This year, the awards applauded organisations that had integrated the core elements of sustainability reporting – environmental, economic and social – into their strategy and value chain.

A 11-person judging panel chaired by Goh Ching Yin, executive director of Securities

Commission Malaysia, examined the annual reports of each participant to determine which ones had put sustainable and inclusive growth at the heart of their culture, and gave merit to those who reported their practices with the highest level of disclosure.

Deliberations by the judges focused on criteria outlined in the green growth agenda within the 11th Malaysia Plan, which aims to shift sustainability from a narrow focus on natural assets to wider production processes.

SURPASSING ALL EXPECTATIONS

The ACCA MaSRA is the longest-running sustainability reporting awards in the country. Since 2002, these awards have championed corporate social responsibility and sustainability in Malaysia.

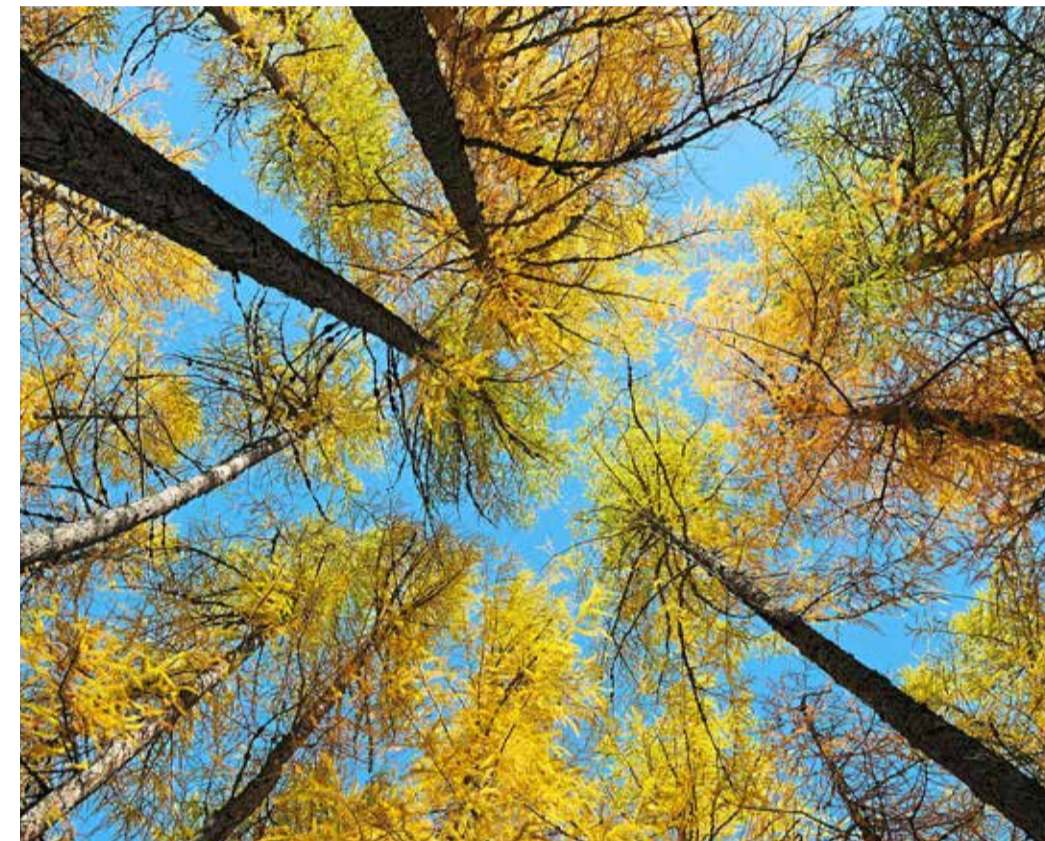
In his keynote address during the award-giving ceremony, Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar said: "The winners of the ACCA MaSRA have clearly demonstrated that profitability and sustainability need not be mutually exclusive."

"In fact, organisations that embrace inclusivity (including diversity) and sustainability, which are key components of the New Economic Model, have proven to perform better than their competitors in the long run."

In 2013, ACCA in partnership with Talent Corporation Malaysia (TalentCorp), introduced a new category of **Best Workplace Practices** to further align the awards to the rapidly evolving needs of Malaysian businesses in today's global economy.

What are the aims of the ACCA MaSRA 2015?

- Encourage the uptake of sustainability reporting
- Give recognition to those organisations which report and disclose full sustainability information, including environmental, economic and social matters
- Raise awareness of corporate transparency issues



ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015
Think Ahead ACCA Supported by TalentCorp MALAYSIA Endorsed by BURSA MALAYSIA



(L to R): Goh Ching Yin, executive director of market development, Securities Commission Malaysia; Sridharan Nair, managing partner, PwC Malaysia; Datuk Tong Poh Keow, group chief financial officer, Sime Darby Bhd; Tan Sri Syed Anwar Jamalullail, chairman, Nestlé (M) Bhd; David Chin, head, ACCA Malaysia; Mohamad Idham Nawawi, group chief corporate officer, Axiata Group Bhd; Datuk Seri Abdul Wahid Omar, Minister in the Prime Minister's Department; Datuk Dr Lukman bin Ibrahim, president, ACCA Malaysia Advisory Committee; Vimala Menon, independent non-executive director, DiGi.Com Bhd; Nor Azahar Husain, head, sustainability and quality management, Sime Darby Property Bhd; Teh Soo Tyng, director, sustainability strategy and programme, Nets Printwork; Johan Mahmood Merican, CEO, TalentCorp.

BEST SUSTAINABILITY REPORT Overall Winner Axiata Group Bhd

Axiata Group Bhd added another feather to its cap when it was named the overall champion of the ACCA MaSRA 2015 Awards.

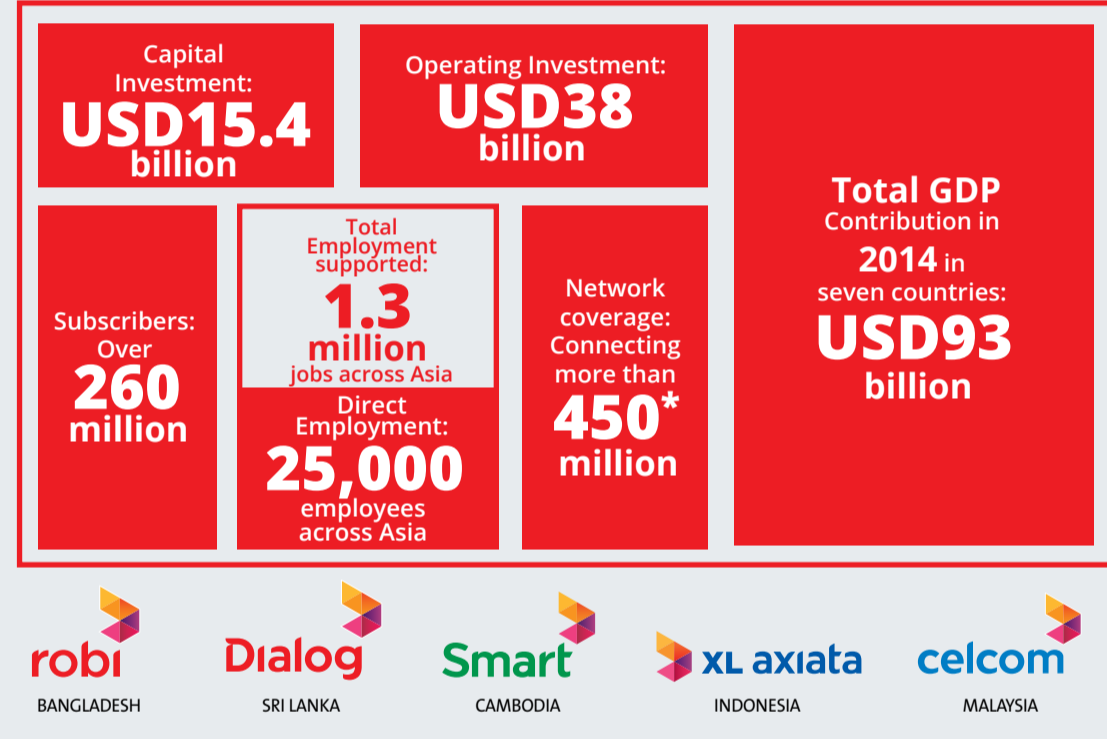
The organisation's submitted report impressed the judges for the level of disclosure, which was seen to be robust and showed a good understanding of sustainability-related risks in its business operations across various countries, each with its different sustainability reporting requirements.

According to Goh Ching Yin, chairman of the judging panel of ACCA MaSRA 2015 and executive director of market development, Securities Commission Malaysia: "Axiata came out on top this year due to its ability to link its long-term and short-term sustainabil-



ity goals and plans to Axiata's core business. "It was interesting to note how the report extended to cover the sustainability initiatives of its regional offices. The report also had a good identification of materiality analysis and stakeholder engagement." Beyond reporting, Axiata Group Bhd had also put in place policies and practices for not only its Malaysia operations but the group as a whole to ensure sustainable practices are adopted globally.

AXIATA GROUP BHD'S SUSTAINABLE PRACTICES HAVE PRODUCED ECONOMIC AND SOCIAL CONTRIBUTIONS FOR MANY DIFFERENT NATIONS.



(L to R): David Chin, head, ACCA Malaysia; Sridharan Nair, managing partner, PwC Malaysia; Datuk Seri Abdul Wahid Omar, Minister in the Prime Minister's Department; Datuk Dr Lukman bin Ibrahim, president, ACCA Malaysia Advisory Committee

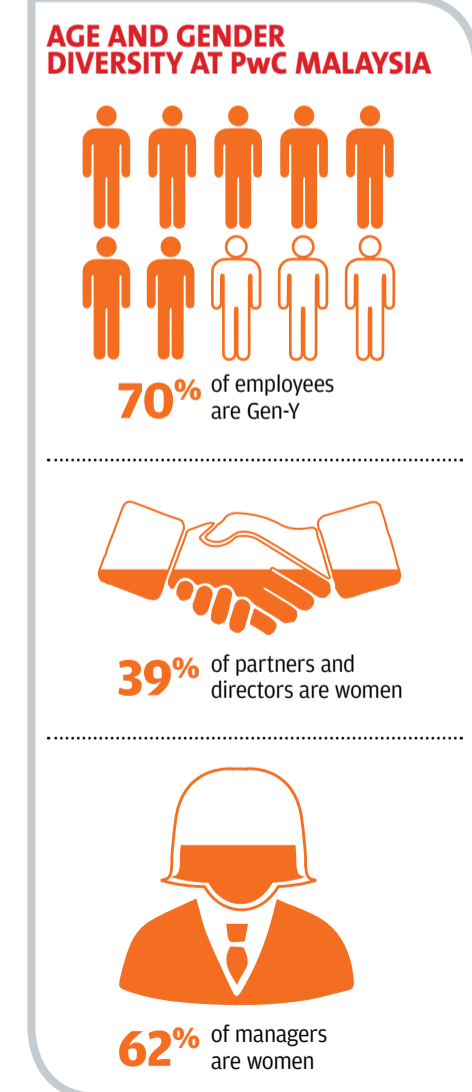
BEST WORKPLACE PRACTICES Winner PwC Malaysia

In collaboration with TalentCorp, ACCA awarded the Best Workplace Practices Award to PwC Malaysia for their continuous effort in ensuring a diverse and inclusive workplace policy and practices in terms of gender and age, and also in promoting

family-friendly practices. TalentCorp chief executive officer (CEO) and judging panel member Johan Mahmood Merican attributed the win to a strong diversity and inclusion policy within PwC Malaysia.

He said: "PwC's report is our choice for showcasing best workplace practices. Women in PwC's senior management positions exceed the national target of 30%, which clearly shows that the organisation

walks the talk. Its achievements are not accidental as it is supported by initiatives to enhance inclusiveness like mentoring programmes, extending maternity leave to three months, enhancing flexible work arrangements and targeting women to rejoin the workforce."



- ### KEY HIGHLIGHTS
- Diversity and inclusion**
 - 3 out of 8 newly appointed partners are women
 - 50% of executive directors promoted are women
 - Exceeded national target of 30% women representation in senior management positions
 - Work arrangements**
 - Employment for those with disabilities
 - Flexible work arrangements
 - FlexSpace programme allows for working away from office
 - Work-life benefits and family-friendly facilities**
 - Maternity and paternity leave provided
 - Nursing room
 - Designated carpark for pregnant women
 - Back2Work programme to help professionals rejoin the workforce
 - Health campaigns for employees
 - Fun committees run by staff for staff to ensure an enjoyable working experience for everyone

WHAT THE JUDGES SAY:



BEST SUSTAINABILITY REPORT Joint runner-up DiGi.Com Bhd

"DiGi.Com's report sent a clear message that sustainability was at the core of the organisation's business strategy, as reflected in its CEO's statement and a set of sustainability policies that were in place. Apart from adopting a structured and consistent approach in assessing its material sustainability issues, the organisation also made an all-out effort by monitoring and reporting a set of KPIs to the DiGi Board of Directors and its parent company, on a quarterly or annual basis."

Selvarany Rasiah, chief regulatory officer, Bursa Malaysia



BEST SUSTAINABILITY REPORT Joint runner-up Nestlé (M) Bhd

"Nestlé's report was thorough, benchmarking against GRI requirements. Key points were referenced, the report attractively presented and it possessed good signposting throughout the entire report. "Nestlé showed that it really understands lifecycle thinking and has done a lot to innovate within the business. Nestlé's global sustainability policies are well translated in its Malaysia operations and this is evident in all its reports."

Thiagarajan Nadeson, head of market & education, WWF Malaysia



BEST FIRST-TIME STAND ALONE SUSTAINABILITY REPORT Winner Sime Darby Property Bhd

"Sime Darby Property's sustainability report showcased the good things they are doing in terms of making townships more sustainable. It was also the only one which reported on corruption issues and the measures taken. It was quite transparent to that extent and provided a very clear overview of sustainability-related risks. The fact that it developed a sustainability index was also a positive from our perspective."

Rita Benoy Bushon, chief executive officer, Minority Shareholder Watchdog Group (MSWG)



BEST SUSTAINABILITY REPORTING IN SMES Winner Nets Printwork Sdn Bhd

"Nets Printwork has a good understanding of sustainability and its management is committed towards the adoption of sustainable practice. It is very important for the report to convey what drives sustainability, and it is clear for Nets Printwork that being sustainable and doing business are one and the same. For SMEs, the drive comes from the people at the top, and their aspirations are clearly seen in the company's operation and principles."

Sharifatu Laila Syed Ali, chief executive officer, ValueCap Sdn Bhd



BEST REPORTING WITHIN AN ANNUAL REPORT Winner Sime Darby Bhd

"Even though Sime Darby highlighted the decrease of 27% in lost time injury frequency rate, it was transparent in reporting the 12 fatalities and seven permanent disabilities that occurred in 2014. The company was also able to pinpoint the causes of those incidents and responded by holding training programmes to address high-risk activities. The company was also transparent in disclosing major delays and issues in its operating countries."

Salleh Hassan, director of Examinations & CPE and Corporate Governance, Securities Industry Development Corp (SIDC)