Exploring the Involvement of Malaysian Companies in Sustainable Development Goals (SDGs)

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Abstract
Purpose: This study aimed to explore the involvement of Malaysian companies in the Sustainable Development Goals (SDGs) and to examine the factors that cause Malaysian companies to engage in SDGs.
Design/methodology/approach: This study used the content analysis of the corporate annual report based on a sample of 219 public listed companies. The SDGs reporting in the annual report was used as the proxy for corporate involvement in SDGs. There were four independent variables tested in the analysis: corporate size, board size, board independence, and women on board. The industry type was included as a control variable.
Findings: The quantitative results showed that the overall Malaysian corporate involvement in the SDGs was limited. The findings also revealed that the corporate involvement in SDGs was related to corporate size, board size, and women on board.
Research limitations/implications: This study was limited to the investigation of the involvement in SDGs based on any related SDGs information reported in the corporate annual report.
Practical implications: The study contributes to the academic and practical understanding of factors related to the decision to be involved in SDGs.
Originality/value: This is among the earliest study to explore Malaysian corporate involvement in SDGs.

Keywords: SDG, Malaysia, Public Listed Companies, Annual Report

Introduction

The United Nations' (UN) *Transforming Our World: The 2030 Agenda for Sustainable Development* (United Nations, 2015) has outlined 17 Sustainable Development Goals (SDGs) intended to stimulate actions in areas of critical importance for the people and planet. In Malaysia, the commitment on SDGs has been aligned with the Eleventh Malaysia Plan 2016-2020, embedded in all facets of Malaysia's development (11th Malaysia Plan, 2015). There are 17 Sustainable Development Goals (SDGs) with 167 targets, tackling critical global challenges including climate change, social inequality, and environmental degradation (United Nations, 2015). The goals also highlight the determination to end poverty and hunger, combat inequalities, build peaceful, just and inclusive societies, protect human rights, promote gender equality, and ensure the lasting protection of the planet and its natural resources in order to create conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all (United Nations, 2015).

A holistic approach in achieving the SDGs agenda is not exclusively relevant to the governments of the UN member states but it also involves the participation of many players. Corporations play a vital role in incorporating SDGs by increasing awareness at the board level, embedding the SDGs agenda in their core values and business value chain, and formulating the business operations for the SDGs implementation (Ern, 2017). Companies are ultimately and explicitly called upon to play their role in meeting the goals.

According to a KPMG survey, only 40% of the world's 250 largest companies applied the SDGs in their sustainability reports (KPMG, 2018). The SDG Index and Dashboards Report 2018 indicated that none of the UN member states is on track to meet the SDGs by 2030 (Sachs et al., 2018). Thus, all UN member states, including Malaysia, need to immediately take the appropriate steps. Unfortunately, there is yet a relatively limited study of corporate involvement in SDGs practices especially in developing countries like Malaysia. There is limited evidence on the situations in which companies engage in the SDGs, and empirical studies are scarce. From the literature review, the corporate involvement in SDGs signifies a research gap. Hence, this research aimed to explore the Malaysian companies' involvement in SDGs. In particular, the study examined the extent of Malaysian companies' involvement in SDGs using the corporate reporting and determined the influence of corporate characteristic and governance on the companies' involvement in SDGs.

Literature Review

The 17 goals of SDGs are increasingly being referred in many publications, including in the UN Global Compact and the Global Reporting Initiatives (GRI) with their released report *Integrating the SDGs into Corporate Reporting: A Practical Guide* (UNGC, 2018), which may shape corporate disclosure (Huber et al., 2018). The SDGs also emphasize new areas for empirical research, innovation and accounting to contribute to sustainable development (Bebbington & Unerman, 2018).

A study on the 2000 largest stock listed corporations showed that the involvement of corporates in SDGs is very limited, with the involvement being largely symbolic and intentional rather than substantive (van der Waal & Thijssens, 2020). In other words, most corporations treat SDGs as a scheme with non-committal implications. This is supported by Cho et al. (2015) whom have suggested that the SDGs reporting is mainly symbolic because companies intend to only gain a good impression of their management by engaging in SDGs. This result is also consistent with a survey by PWC in 729 countries worldwide in 2018; the survey found that even though 72 percent of the corporations mentioned the SDGs in their corporate and sustainable reporting, only 27 percent included SDGs as part of their business strategy. Another study by United Nation Global Compact (UNGC) found that, 1,584 corporations worldwide also showed that 71 percent of the corporations recognized their vital roles in achieving SDGs, and only 21 percent believed that they were actually playing that role (UNGC, 2019).

However, Izzo et al. (2020) found that SDGs awareness among the Italians business community was high. The study also demonstrated that the disclosure of SDGs has taken place in the majority of highly traded, liquid and highly-capitalised corporations in Italy. Although the exact nature and requirements of the SDGs, and the definition of specific key performance indicators (KPIs) related to SDGs are still ambiguous, the aforementioned results are better compared to a study by Van Zanten & Van Tulder (2018). Their study on 81 multinational enterprises (MNEs) listed in the European and North American Financial Times Global concluded that most MNEs only engaged with SDGs target that were easy to be implemented within their operations and ignored goals unrelated to them. They also tended to focus on initiatives that avoided harms rather than initiatives of doing good.

In Malaysia, studies on the involvement of corporations in SDGs initiatives are very limited. However, in a global survey by HSBC in 2019 on more than 9100 corporations all over the world, including 202 corporations from Malaysia, 74 percent of Malaysian corporations were aware of their roles in delivering SDGs initiatives. Interestingly, this result was above both the global and Asian Pacific average which was 63 and 67 percent, respectively. According to HSBC (2019), most of Malaysian corporations perceived that industry, innovation and infrastructure, good health and well-being and quality educations are relevant goals to their businesses. Meanwhile, improvement of operational efficiency, transparency and traceability, and growth in sales are the three main outcomes of implementing sustainability initiatives for Malaysian corporations.

Some SDGs are emphasized by most corporations worldwide. UNGC Report (2019) indicated that decent work and economic growth (66%), gender equality (61%), and good health and wellbeing (60%) are the three most emphasized goals by the corporation. In order to achieve these goals, the most common actions taken by the corporations are aligning the SDGs with core business, social investment and philanthropy, collaborations and partnerships, and advocacy and public policies (UNGC, 2019). These actions are also observed among Malaysian corporations as depicted in the 2019 report by Sustainable Square (an advisory firm). The study observed corporate responsibility practices in the published reports and websites of the top 30 largest companies in Malaysia. The findings indicated that in Malaysia, social investment and philanthropy were the most common actions taken by the corporations, with almost 90 percent of the observed corporations made social investments based on the focus areas that aligned with business priorities connected to a SDG. Meanwhile, 30 percent of the corporations have already aligned their core businesses with the SDGs (Sustainable Square, 2019).

Theoretical Framework and Hypothesis Development

Stakeholder Theory

The stakeholder theory focuses in creating value to stakeholders as an essential matter to ensure the success of a company (Freeman, 1984; Freeman et al., 2010). Freeman (1984) argues that managers need to recognize trends and demands among internal and external stakeholders. Corporate involvement in SDGs is a recent trend of corporate responses to the global demands in sustainability issues. This involvement requires a commitment in the companies' management practices that contribute to social and environmental progress (Lopez, 2020), incorporating the commitment in their reports. Stakeholder theory has been applied to non-financial reporting such as sustainability reporting, in order to provide enough information to the stakeholders to make their decisions (Mitchell et al., 2016). Corporates are responsible to develop the standards of reporting on information that is important to the stakeholders other than shareholders and creditors. Stakeholder theory also relates to ethical or philosophical strategies for companies to attend to their stakeholders' interests. The theory claims that all stakeholders have rights that should be well managed for the benefits of all stakeholders, consequently leading corporations to contribute to certain social practices (Garriga & Melé, 2004).

Hypothesis Development

There is various literature focusing on identifying factors that influence companies to involve and report sustainable development matters. Among the factors found in prior study was corporate size (Cormier & Magnan, 2014). A recent study by van der Waal & Thijssens (2020) reported a positive association between corporate size and SDGs among companies in Forbes Global 2000 universe, containing the 2000 largest stock listed companies in the world. Similarly, Van Zanten & Van Tulder (2018) examined 81 European and North American multinational companies and found that the companies particularly engaged with SDGs. Larger companies publish more sustainability reports because they are more visible, impactful and subjected to stakeholder attention than smaller companies. With regards to reporting, company size is consistently found to be related to the level and extent of disclosure (Denis Cormier et al., 2011). Past studies revealed that large companies tended to disclose more information and provided higher quality of reporting (Buniamin et al., 2011; Gallo & Christensen, 2011) implying that companies of larger size tend to engage more in SDGs practices. Thus, the first hypothesis is proposed as:

H_1 There is a significant relationship between corporate size and corporate involvement in SDGs.

Many previous studies have investigated how corporate governance dimensions determines the corporate involvement in social responsibility practices. Board size is one of the corporate governance dimensions, and it has been reported to influence companies in practicing and reporting sustainable development matters (Allegrini & Greco, 2013; Cuadrado-Ballesteros et al., 2017). Past literature has suggested that larger board can offer more expertise and capability for monitoring (M. Jizi, 2017), and promote a good corporate performance (Ali, 2018). Allegrini & Greco (2013) demonstrated that larger boards possessed more experience regarding sustainable strategies based on their broader directive knowledge, experience, and training. In addition to that, through a meta-analytic perspective of eighty related papers, Zubeltzu-Jaka et al. (2020) showed that larger boards had better representation of stakeholders' sensitivities and allowed companies to achieve their social objectives. On the other hand, Muñoz (2020) reported a negative association between board size and corporate social performance. However, other researchers did not find any association between board size and corporate social activities (Cucari et al., 2018). In Malaysian context, Germain et al. (2014) stated that board size remained globally stable over the period studied and suggested that board size was correlated with the operation level of the companies. For this present study, it was expected that the board size would impact the corporate involvement in SDGs agendas. Therefore, the second hypothesis is as follows:

H_2 There is a significant relationship between board size and corporate involvement in SDGs.

The MCCG (2017) suggests that at least half of the board must comprise of independent directors, and for large companies, there must be a majority of independent directors because they are believed to give more objective assessment about corporate operations. The higher the proportion of independent directors, the more likely the board can challenge the top management and the higher the level of effective monitoring by the board. Independent directors tend to have a long-term perspective and thus, tend to pursue sustainable development. Independent boards were strongly engaged in corporate responsibilities to fulfil their stakeholders' interests (Jizi, 2017; Liao et al., 2015), and the independent directors were also related to board monitoring effectiveness (Herda & Taylor, 2012). Since external directors tend to show overall broader accountability to stakeholders, they are expected to encourage firms to disseminate and convey a wider range of information to ensure congruence between organisational decisions and societal values (Prado-Lorenzo & Garcia-Sanchez, 2010). Thus, the presence of independent directors was positively related to general voluntary disclosure as well as specific CSR and environmental disclosures (Chau & Gray, 2010). The theoretical arguments and empirical evidence in the literature also suggest that independent boards favour a mechanism geared towards undertaking objective accountability processes before the interest of the groups, improving a firm's reporting system and leading to a higher level of environmental transparency (Michelon & Parbonetti, 2010). Therefore, the following third hypothesis is proposed:

H_3 There is a significant relationship between board independence and corporate involvement in SDGs.

The MCCG 2017 (Part 4.4) encourages companies to include women participation not only at board level, but also in senior management. The Code suggest that large companies should have at least 30% women directors (MCCG, 2017). Gender is one of the considerably debated characteristics of board diversity because women and men are traditionally, culturally, and socially different. The participation of women in the management may positively impact an organisation's socially responsible behaviour (Barako & Brown, 2008). For instance, Glass et al. (2016) reported that gender diversity in the management team promotes environmental strategies. They support the view for practicing and reporting sustainability elements, such as energy efficiency, green building and climate change to enhance the shareholders' social welfare and to build a good corporate image (Jizi, 2017). Moreover, Fernandez-Feijoo et al. (2014) showed that higher proportion of women on boards led to better quality of corporate social responsibility reporting because women demanded higher levels of sustainability (Rosati et al., 2018). Thus, the following fourth hypothesis is developed:

H_4 There is a significant relationship between women on board and corporate involvement in SDGs.

Method

The population of this study included all 788 public companies listed on the Main Board of the Bursa Malaysia as of 30 June 2020. The final sample of 219 companies was randomly selected using the random number generator available in Excel. The corporate involvement in the SDGs was the dependent variable, and this data was obtained using content analysis. This was operationalized in two steps. First, we identified either of the following specific words in each report: "SDG" or "sustainable development goals". This step produced the SDG variable, indicating whether the company was involved with the SDGs or not. Second, the extent of SDG involvement was determined by the statement related to SDG 1 to SDG 17. Corporate reporting on the SDGs was used as the proxy for corporate involvement because corporate reporting on the SDGs formed an important part of the 2030 Agenda, and companies involved in SDGs would communicate their involvement in corporate reports as this action might be considered as a good practice (Bansal et al., 2014).

There were four independent variables: company size, board size, board independence, and women on board. Following Dang et al. (2018), this study applied a common natural logarithm of the total assets as the proxy for company size. For governance factors, board size was measured by the number of board members, board independence by the proportion of independent directors to the total number of board members, and women on board by the number of female directors on the board over the total number of board members. Industry type was also included in the analysis as a control variable. For industry type, all companies in the sample was classified according to Bursa Malaysia Industry Classification. The data was analysed with descriptive and logistic regression analysis using Statistical Package for Science Social (SPSS) software.

Findings and Discussions

Table 1 presents the information on corporate involvement of the sample companies in SDGs reporting for the year 2020. The involvement of Malaysian companies in SDGs was low as only 22.4 percent (49 companies) out of the total sample of 219 were involved in SDGs reporting. However, Malaysia is not alone on that since until today no country is on track to achieve the SDGs by 2030 (Sachs et al., 2018). There is still a long way to go for Malaysia to encourage involving SDGs among the Malaysian companies, which are considered as one of the important players in achieving SDGs.

Table 1: Corporate Involvement in SDGs Reporting

SDGs Reporting	Frequency	%
Yes	49	22.4
No	170	77.6
Total	219	100

Table 2 describes the descriptive statistics for the independent variables of the study. As shown in Table 2, the natural log of total assets of the company was used as a proxy to measure the size of the company. The low standard deviation of 1.54 indicated that the data tended to be close to mean; thus, the size of the sample companies was in the close range. On average, the sample companies had seven members in the board, with the majority of them being independent. The result indicated that most of the companies met the Bursa Malaysia listing requirement to have at least one third of the board members to be independent with an average score of 51 percent of the total board members. Additionally, with a minimum score of zero for board independent, it dictated non-compliance to the listing requirement by certain companies in the sample. The result also showed that most of the members in the board were male, with an average percentage of female members of only 18.2 percent of the total board members.

Table 2: Descriptive analysis

	N	Minimum	Maximum	Mean	Std. Deviation
lnasset	219	17.4	25.35	20.4235	1.53548
BSize	219	3	14	7.26	1.812
BInd	219	0	100	51	13.333
BWomen	219	0	56	18.21	13.631
Valid N (listwise)	219				

Detailed analysis of SDGs in corporate reporting is presented in Table 3. The first column of the table specifies the list of SDGs, followed by the frequency of companies that disclosed the SDG information and its percentage of the total sample. The result showed that the most common reported SDG was SDG 8, which focused on decent work and economic growth with the score of 41 companies or 12 percent of the total sample of the study. This result was consistent with Izzo et al. (2020) whom reported that the majority of the companies in their sample study were concerned on the economic growth and improvement of labour condition. The next most reported SDG involvement was SDG 3 which focused on good health and well-being, with 9 percent of the total sample companies. Next was SDG 12, responsible consumption and production, and SDG 13, climate action, with 8 percent of the total sample; followed by SDG 4, quality education, and SDG 9, industry, innovation and infrastructure at 7 percent of the total sample. The remaining 11 SDGs ranged between 3 to 6 percent of the total sample companies. The lowest involvement of SDG goals was SDG 2, zero hunger, SDG 14, life below water, SDG 15, life on land, and SDG 17, partnership to achieve the goal at only 3 percent of the total sample.

Table 3: SDGs in Corporate Reporting

SDGs	Frequency	Percentage
SDG 1 No Poverty	13	4%
SDG 2 Zero Hunger	12	3%
SDG 3 Good Health and Well-being	33	9%
SDG 4 Quality Education	26	7%
SDG 5 Gender Equality	20	6%
SDG 6 Clean Water and Sanitation	18	5%
SDG 7 Affordable and Clean Energy	17	5%
SDG 8 Decent Work and Economic Growth	41	12%
SDG 9 Industry, Innovation and Infrastructure	23	7%
SDG 10 Reduced Inequality	22	6%
SDG 11 Sustainable Cities and Communities	16	5%
SDG 12 Responsible Consumption and Production	29	8%
SDG 13 Climate Action	28	8%
SDG 14 Life Below Water	10	3%
SDG 15 Life on Land	10	3%
SDG 16 Peace and Justice Strong Institutions	19	5%
SDG 17 Partnerships to achieve the Goal	11	3%
Total	348	100%

Table 4 shows the distribution of SDG reporting by the sample companies according to industries. The distribution was based on the total reporting of SDG 1 to SDG 17 as derived in Table 3. The result showed that companies under the industrial products and services (IPNS) industry had the highest involvement in SDGs reporting with a total score of 60 reported SDGs involvement. The most reported goal for this industry was SDG 8, decent work and economic growth. This result reveals that the companies in this industry are concerned about improving the economic and labour condition. The second highest score of SDGs involvement was the companies under the property (Prop) industry, with a total score of 58 reporting SDGs involvement. The companies under this industry focused more on SDG 8, decent work and economic growth, SDG 9, industry, innovation and infrastructure, and SDG 3, good health and well-being. Next was construction (Cons) industry with the score of 43 reporting SDG involvement. The main focus of the companies was mainly on SDG 8 and SDG 13, climate change. While the remaining other 10 industries had a score below 30 in terms of reporting SDGs involvement, the plantation (Plan) industry had the lowest score of only 11 reported SDGs involvement. The lowest involvement score for plantation is most probably because this industry is less critical in achieving the SDGs, and inherently, the industry provides positive impacts on the economy, society and the environment. For example, the palm oil trade may lead to the improvement of farmer's income, economic benefit for smallholders, employment in rural areas, improved livelihood, and economic and GDP growth (Ayompe, Schaafssma & Egoh, 2021).

Table 4: SDGs Reporting According to Industries

SDG Reporting	Cons	CPNS	Ener	Fina	Heal	IPNS	Plan	Prop	REIT	Tech	Tele	Tran	Util
SDG1	2	1	0	2	1	1	1	1	1	1	1	1	0
SDG2	2	3	1	1	0	1	1	1	1	0	1	0	0
SDG3	3	3	3	2	2	7	1	6	1	2	1	1	1
SDG4	3	0	2	3	2	4	0	5	1	1	2	1	2
SDG5	3	1	2	2	2	3	0	3	0	2	1	1	0
SDG6	3	2	0	0	2	4	1	3	1	1	0	1	0
SDG7	2	1	1	1	1	4	0	3	1	1	1	1	0
SDG8	4	4	3	3	2	8	2	6	2	2	2	1	2
SDG9	2	0	0	3	2	3	0	6	1	2	2	1	1
SDG10	3	1	1	3	2	2	1	3	1	1	3	1	0
SDG11	2	0	0	2	1	2	0	5	1	0	2	0	1
SDG12	3	4	0	2	2	7	2	4	0	1	1	1	2
SDG13	4	3	1	2	2	5	1	4	2	0	1	1	2
SDG14	1	0	2	1	0	2	0	1	0	1	0	1	1
SDG15	1	1	0	0	1	2	1	1	1	1	0	1	0
SDG16	2	1	1	3	2	3	0	4	2	0	0	1	0
SDG17	3	0	0	0	2	2	0	2	0	1	0	1	0
TOTAL	43	25	17	30	26	60	11	58	16	17	18	15	12

Note: Cons-Constructions; CPNS-Consumer products and services; Ener-Energy; Fina-Financial services; Heal-Health care; IPNS-Industrial products and services; Plan-Plantation; Prop-Property; REIT-Real estate investment trusts; Tech-Technology; Tele-Telecommunications and Media; Tran-Transportation and Logistics; Util-Utilities

Logistic Regression

The results of the logistic regression are shown in Table 5. The four independent variables tested were company size, board size, board independence, and women on board. Industry type was included as a control variable. Nagelkerke R Square indicated reasonable goodness of fit of the model at 31.1 percent. The value of Cox & Snell R Square indicated that 20.4 percent of the company's involvement in SDGs was explained by these four variables in the model.

The company size, board size and women on board were significant (at $p < 0.05$) in explaining the company's involvement in SDGs. The board independence and the control variable, type of industry was not significant. These results provided evidence supporting hypotheses H_1, H_2 and H_4.

Table 5: Logistic Regression Results for the Involvement in SDGs

	B	S.E.	Wald	Sig.	Exp(B)
Constant	-11.665	3.382	11.9	0.001	0
CoSize	0.362	0.153	5.63	0.018*	1.436
BoardSize	0.246	0.123	4.03	0.045*	1.279
BIndependence	0.024	0.016	2.043	0.153	1.024
BWomen	0.050	0.016	9.585	0.002*	1.051
Industry			9.848	0.629	
Industry (1)	-0.316	1.185	0.071	0.789	0.729
Industry (2)	-1.906	1.175	2.629	0.105	0.149
Industry (3)	-1.912	1.265	2.283	0.131	0.148
Industry (4)	-0.184	1.484	0.015	0.901	0.832
Industry (5)	-1.477	1.51	0.957	0.328	0.228
Industry (6)	-1.091	1.149	0.901	0.343	0.336
Industry (7)	-1.166	1.346	0.75	0.386	0.312
Industry (8)	-1.445	1.169	1.529	0.216	0.236
Industry (9)	-0.881	1.401	0.395	0.53	0.415
Industry (10)	-0.663	1.447	0.21	0.647	0.515
Industry (11)	-0.135	1.452	0.009	0.926	0.874
Industry (12)	-1.620	1.407	1.325	0.25	0.198
-2 Log likelihood 182.924					
Cox & Snell R Square 0.204					
Nagelkerke R Square 0.311					

**Significance level $p<0.05$*

The results indicated that companies of larger size had a higher possibility of corporate involvement in SDGs. Consistent with Rosati & Faria (2019) and van der Waal & Thijssens (2020) whom reported that company size played an important role in SDGs reporting. Larger companies report sustainability information more frequently because they are more visible, impactful and dealing with greater stakeholder groups (Gallo & Christensen, 2011). These reasons seem to apply to the context of SDGs. Additionally, Alhayali et al. (2017) stated that sustainability practices were very costly and therefore, smaller companies which normally were concerned with the cost constraints would limit their involvement in SDGs (Hahn & Kühnen, 2013).

The finding suggested that corporate involvement in SDGs also depended on board size, with larger board size yielding impacts on involvement. This implies that larger board would have better workload distribution and broader mutual experience with different backgrounds. These characteristics would encourage companies' involvement in SDGs, covering various social needs. Similarly, previous studies also found association between board size and corporate social responsibility commitment (Allegrini & Greco, 2013; Cuadrado-Ballesteros et al., 2017). A larger board can offer more expertise and capability for monitoring (Jizi, 2017), and promote a good corporate performance (Ali, 2018).

The results suggested a positive significant relationship between SDGs involvement and having a higher percentage of women on board. This is consistent with previous studies in the corporate sustainability literature which showed that the presence of women director influenced the involvement in sustainability practices. It has been reported that gender diversity on the management team promotes environmental strategies (Glass et al., 2016). In particular, women on boards create new viewpoints, and support the practices and reporting for example, on energy efficiency, green building and climate change, to enhance the shareholders' social welfare and to build a good corporate image (Jizi, 2017). Moreover, Fernandez-Feijoo et al. (2014) demonstrated that higher proportion of women on boards produced better quality corporate social responsibility reporting because women demanded higher levels of sustainability (Rosati et al., 2018).

Interestingly, board independence was found to have insignificant effects on corporate involvement in SDGs. This finding is similar to Cucari et al. (2018) and García-Sanchez et al. (2011). In contrast, previous studies such as by Jizi et al. (2014) documented that independent boards were strongly engaged in corporate responsibilities to fulfil their stakeholders' interests (Jizi, 2017; Liao et al., 2015) and they were also related to board monitoring effectiveness (Herda & Taylor, 2012). The possible explanation for the insignificant result is that involvement in SDGs requires a substantial financial commitment and therefore, the decision must be made by all directors, both dependent and independent. In fact, independent directors are less aligned to corporate management, and they may be more inclined to encourage companies to practice and report more information to the public. On top of that, not only the presence is essentials, but also the skills, experience, and regulatory knowledge of directors (Handajani et al., 2014).

Conclusion

The aim of this study was to explore Malaysian corporate involvement in SDGs through corporate reporting. In particular, the study provided the descriptive statistics of the current state of SDGs involvement and examined the initial understanding of why Malaysian companies engaged in SDGs based on the suggested factors. The quantitative results showed that Malaysian corporate involvement in the SDGs was overall still limited. The findings also revealed that corporate involvement in SDGs was related to corporate size, board size, and women on board. Meanwhile, board independence had no influence on the corporate involvement in SDGs. The findings should be useful for top managers and regulators in improving Malaysian corporate involvement in SDGs and drive the country in achieving the United Nation SDGs agenda. This study provides an initial understanding of the current corporate practice, as well as clues for theorising this largely unexplored research field. While this study provides some important contributions to the emerging literature on the SDGs, it also presents some limitations that must be considered in interpreting its findings. This study restricted the investigation of the involvement in SDGs through only corporate annual reports and it did not include assessment in other corporate reports such as sustainability. Thus, future study needs to look at the wide corporate report, such as sustainability report or corporate social responsibility report. Moreover, future research might benefit from measuring the actual corporate performance in SDGs involvement, and describing corporate involvement in a more meaningful term, which can include corporate intentions, strategic plans, and opportunities.

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