

**CORPORATE SOCIAL RESPONSIBILITY IN MALAYSIA: ITS  
PRACTICE AND ITS CONCERN ON ENVIRONMENTAL PROTECTION**

By

Nurul Ikhlasurni Bt Ahmad (2005756670)

Zaneella Bt Zainudin (2005756688)

Nur Amalina Bt Badroldin (2005756537)

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The students confirm that the work submitted is their own and that appropriate credit has been given where reference has been made to the work of others.

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**ABSTRACT**

This research studies the role played by Corporate Social Responsibility practices in Malaysia. The aims of this research are to look at the application and implementation of Corporate Social Responsibility (CSR) in Malaysia and whether corporations in Malaysia practice CSR in their company. Environmental protection is the agenda of both the United Nation (UN) and the World Trade Organization (WTO) in all practices therefore it is also an important issue in CSR. This research also tries to look at the strengths and weaknesses of the CSR in Malaysia. There are many corporations that practices CSR in Malaysia i.e. Telekom Malaysia, TNB, Gardenia Malaysia, Tesco Malaysia, Microsoft Malaysia, Standard Chartered Bank Bhd, PIDM, Ikea, to name a few. CSR is not an authority; it is just a responsibility to practice. In this research, the data was gathered from interviews, reviews on some literature sources that have been published previously by accredited scholars and researchers, reported and unreported cases and the recent issues concerning the CSR. Thus, this study recommends that the government should make CSR as obligatory to every corporation in order to help in enhancing the standard and knowledge of the corporation in Malaysia especially with reference to environmental protection through sustainable development.

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## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background of Study

##### 1.1 Introduction

Everything has its own history on how it evolved and the same goes for corporate social responsibility (CSR). The history of social and environmental concern about business is as old as trade and business itself. Commercial logging operations for example, together with laws to protect forests, can both be traced back in almost 5,000 years.<sup>1</sup> In Ancient Mesopotamia around 1700 BC, King Hammurabi introduced a code in which builders, innkeepers or farmers were put to death if their negligence caused the deaths of others, or major inconvenience to local citizens.<sup>2</sup> In Ancient Rome senators grumbled about the failure of businesses to contribute sufficient taxes to fund their military campaigns, while in 1622 disgruntled shareholders in the Dutch East India Company started issuing pamphlets complaining about management secrecy and “self enrichment.”<sup>3</sup> With industrialisation, the impacts of businesses on society and the environment assumed an entirely new dimension.<sup>4</sup>

##### 1.1.1 History of Corporate Social Responsibility (CSR)

The history of CSR is almost as long as that of companies. The phrase “Corporate Social Responsibility” originates with H. Bowen, who wrote “Social Responsibility of Businessmen” in 1953. CSR is used to describe businesses integration of social and environmental issues into decisions, goals, and operations.<sup>5</sup> In 1919, the Michigan Supreme Court held in *Dodge v Ford* that a corporation must be managed for the benefit of its shareholders. The court thwarted

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<sup>1</sup> History of Corporate Social Responsibility and Sustainability <[www.brass.cf.ac.uk/uploads](http://www.brass.cf.ac.uk/uploads)> (12 April 2008)

<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Ibid.

<sup>5</sup> Brief History of CSR and Triple Bottom Line< [www.csrandthetriplebottomline.com](http://www.csrandthetriplebottomline.com)> (12 April 2008)