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The Level of SDGs Disclosure Practice by Government Link Companies in Malaysia: A Conceptual Exploration

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Abstract

This concept paper explores the level of Sustainability Development Goals (SDGs) Disclosure practices by Government Link Companies in Malaysia in the current business environment. This study is designed to examine the level of SDG disclosure practices in companies' corporate reporting by examining the level of Malaysian Government Link Companies (GLCs) SDG disclosure practices with publicly listed companies based on their industry segments. Drawing from the stakeholder theory, this study highlights the influence of ownership structure and board diversity, which can play an essential role in shaping the companies' practices for SDG disclosure. Through a comprehensive review of the existing literature, the paper unravels the distinctive SDG commitments due to internal and external drivers, particularly in the country with higher concentrated ownership structures. Using stakeholder theory, a set of hypothesised relationships between SDG disclosure practices and drivers for disclosure are developed. The study emphasised the importance of nuanced understanding to improve corporate sustainability practices, accountability, and value creation. The study aims to guide future research for robust Sustainable Development Goal disclosure practices measurements framework and identify the challenges of such practices in a given economic situation. This paper's conceptual framework and discussions are intended to contribute to a broader academic discourse on the rising concern of SDG practices for economic decision-making.

Keywords: Sustainable Development Goals, Government Linked Companies, Ownership, Disclosure.

I. INTRODUCTION

In recent years, sustainability practices have become increasingly debated in corporate reporting. Sustainability reporting has become a concern of the stakeholders over the last three decades. Starting with the Millennium Development Goals (MDGs) in 2000, the World Health Organization targeted to improve the issues of poverty,

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hunger, disease literacy, environmental degradation, and discrimination against women. The MDGs were later superseded by the Sustainable Development Goals (SDGs) in 2015. The SDGs blueprint is meant to set a global goal related to the environment. Political and economic challenges that are currently facing us. The SDGs have made a significant effort by integrating all countries globally and universalising sustainable development goals. Based on a previous study such as Scholten and van Klooster (2019), the various sectors have marked a substantial move to achieve global economic sustainability. Along with the climate change initiatives and SDG goals, the aim for sustainable reporting and activities has become the growing interest in new socially responsible practices and applying proper governance.

The concept of corporate sustainability has undergone transformation as a result of economic expansion, the implementation of environmental regulations and stewardship practices, and a growing emphasis on social justice and equity. However, there has been a growing global interest among various stakeholders such as industry, governments, and non-governmental organizations to engage in collaborative efforts aimed at developing strategies for sharing responsibility and upholding the legal frameworks that safeguard and sustain the environment and its natural resources (Mombeuil et al., 2019).

In recent years, the global agenda has increasingly focused on sustainable development goals (SDGs), building upon the concepts of the triple bottom line (TBL), corporate social responsibility (CSR), and sustainability reporting. According to prior research conducted by Bebbington and Unerman (2018), it has been posited that the global agenda has the potential to influence both national and corporate institutions. In 2015, the member nations of the United Nations reached a consensus to embrace the implementation of 17 novel Sustainable Development Goals (SDGs). The Sustainable Development Goals (SDGs) encompass a comprehensive framework of 17 key objectives that nations are required to fulfil to attain the global agenda set for 2030. The transformation aims to integrate human welfare, economic advancement, and environmental preservation while ensuring that no individual is excluded from these endeavours. The primary objective of the SDGs framework is to enhance innovation and foster more economic growth and development on a more extensive scope than previously observed.

SDG reporting is a platform for businesses to transition towards sustainable growth by mitigating risk, maximising organisational benefits, and fostering innovation (Izzo et al., 2020). According to a survey by KPMG in 2015, a significant proportion of large firms, precisely 92%, had engaged in the practice of publishing corporate sustainability reports. This demonstrates that adopting corporate sustainability reporting emphasises major firms' dedication to fulfilling the objectives outlined in the Sustainable Development Goals (SDGs) agenda. Nevertheless, the issue of sustainability has emerged as a prominent concern among various stakeholders on a worldwide scale in recent times. The interdependence of SDG objectives might lead to opposing interactions and potentially yield diverse outcomes (Nilsson et al., 2016). Nilsson et al. (2016) assert that despite the existence of a framework for characterising interactions across Sustainable Development Goals (SDGs), the level of integration between indicators of these goals remains limited.

Sustainability reports are predominantly prepared in accordance with the Global Reporting Initiative (GRI) standard, which offers a comprehensive framework for evaluating companies' impact on the Sustainable Development Goals (SDGs) (Bebbington & Unerman, 2018; Rosati & Faria, 2019; Szennay et al., 2019). According to

García-Sanchez et al. (2020), utilising GRI standards can assist corporations in effectively disclosing their contributions towards the achievement of the Sustainable Development Goals (SDGs). However, several scholars emphasise the importance of creating managerial tools, frameworks, techniques, and indicators in order to enhance comprehension of enterprises' involvement in promoting the Sustainable Development Goals (SDGs) (Hak ´ et al., 2016; Bebbington & Unerman, 2018; Buhmann et al., 2019; and Dahlmann et al., 2019). Several scholars have argued that the coverage of the Sustainable Development Goals (SDGs) in sustainability reports is primarily symbolic. This means that the SDGs are merely mentioned in these reports, without substantial engagement or meaningful integration (Rosati & Faria, 2019; van der Waal & Thijssens, 2020; Silva, 2021; and van der Waals et al., 2021).

While the government of all members of the United Nations expressed their aspirations to achieve the goal as formulated under the 17 SDGS by 2030, the resolution also explicitly addresses the responsibility of companies to contribute to the achievement of the SDGs. Consequently, a tremendous number of companies have implemented or are currently in the process of implementing reporting on the SDGs. Previous studies found that many multinational enterprises have incorporated sustainability principles into their business operations to win the approval of other businesses, investors, and stakeholders. The implementation of sustainable practices will yield not only favourable social and environmental outcomes but also become a necessity for business. It is believed that failure to adopt such methods will result in the inability to sell to more developed nations, participate in the global supply chain, or engage in other relevant activities. The growing demand for firms across many sectors to adopt optimal methodologies has compelled them to integrate certain aspects of sustainability practices into their business operations and strategic approaches. Moreover, companies that do not prioritise sustainability standards may encounter financial challenges since investors increasingly embrace sustainability initiatives to avoid investment risks.

Due to the topic's significance, little is currently known about the disclosure practices of the SDGs in business operations and subsequent reporting on their achievements. While the SDGs offer a broader opportunity to integrate corporate and governmental efforts for sustainable development (Hajer et al., 2015; Caprani 2016), there is also criticism of the evaluation of actions taken to achieve SDGs (Bierman et al., 2017; Bebbington & Unerman, 2018). The deficiency regarding the preferences of institutional investors regarding SDG reporting and whether their advocacy would positively affect the management of SDG disclosure practices. A study by Sanchez et al., 2022 found that a company's ownership plays a significant role in the level of SDG disclosure. The study reported that ownership by foreign investors, pension funds and other investors has a mediating effect on the relevance of the information disclosed in relation to the SDGs agenda. Given the SDGs are a voluntary disclosure practice, the prerogative rights and decisions of the preparers are subject to ownership control (Zaini et al., 2019), which leads to an imbalance of information in the company's disclosure reporting. Another factor that causes deficiency in SDG reporting is the type of sensitivity firms. According to Gunawan et al., (2022) companies categorised within sensitive industries tend to disclose more information on community engagement and social and environmental information than non-sensitive industries.

Drawing from the above discussion about SDG disclosure practices, among the currently available studies, few so far have been conducted on SDG disclosure practices in Malaysia (Benjamin et al., 2021). Malaysia is the third largest country in Southeast Asia and 33rd in the world. In Malaysia, the practice of corporate sustainability reporting is

currently not mandated by law and remains a voluntary initiative (Zahid & Ghazali, 2017). Nevertheless, numerous firms have integrated the aforementioned notion into their reporting practices by implementing various strategies, toolkits, guidelines, programs, rules, and other relevant measures. This observation indicates that Malaysian corporations are actively engaged in the promotion of sustainability measures. The Malaysian government has outlined its expectations for business sustainability compliance in many aspects of its 2016-2020 plan.

Malaysia has been actively pursuing sustainability initiatives since the early 2000s, particularly in relation to the government National Policy on Climate Change 2009 (NPCC) in November 2009 under the leadership of former prime minister Datuk Seri Najib Razak. To ensure the comprehensive direction of government entities, industries, communities, and other relevant parties to tackle climate change and its associated impacts collectively it is increasingly urgent for the government to develop concrete strategies in the domains associated with sustainability in order to mitigate the growing adverse consequences. This is particularly crucial given the anticipated inflationary pressures that will likely influence our cost of living and financial stability. Given the impending introduction of the Climate Change Bill and the ongoing development of our National Adaptation Plan, it is anticipated that many ministries and sectors will face scrutiny on their ability to propose and implement measures to promote environmental sustainability in Malaysia.

With Malaysia being recognised as one of the nations actively pursuing these SDGs' objectives, the motivation of this study is to frame the implementation of SDGs' disclosure practices among Malaysian government link companies. Government link companies (GLCs) in Malaysia refer to the majority shareholders (51% or more) as the government (Abdullah et al., 2019; Tahir et al., 2021). The GLCs are worth studying as they play a strategic role in the Malaysian economy (Al_Arussi & Al-dhamari, 2017). Their strategic roles are to ensure the nation's economic growth development by improving the quality of life for Malaysians through various programs such as building infrastructure, educational programs, elevating the living of low-income families, and other societal facilities. However, several GLCs have reported underperformance because of the inability to value creation and accountability issues (Abdullah et al., 2019; Emma & Jennifer, 2021).

This study analyses the scope of SDGs reporting practices, aiming to analyse the extent to which Malaysian GLCs are actively involved in reporting and monitoring their contributions towards the Sustainable Development Goals (SDGs) and their progress in reaching them. The analysis employed the SDGs framework outlined by GRI and the PWC framework to examine and understand the areas of SDGs being focused.

Research Objective: The primary objective of this study is to identify the level of disclosure practices for Sustainable Development Goals (SDGs) in Malaysian Government-Linked Companies. This study examines the relationship between contributing factors, ownership control and board diversity towards the level of SDGs disclosure practices in the companies' corporate reports. The study aims to provide insights into the influence of ownership structure and board diversity on SDG disclosure practices through a comparative perspective between companies' ownership types.

Research Questions:

(a) What is the level of SDG disclosure practices by Malaysian Government Linked Companies?

(b) What is the relationships between ownership control towards the level of SDG disclosure practices in the companies' corporate reports?

(c) What is the relationships between board diversity towards the level of SDG disclosure practices in the companies' corporate reports?

II. LITERATURE REVIEW

2.1. SDG disclosure

SDG reporting is at the centre of growing attention from various researchers (e.g., Rosati and Faria, 2019a; van der Waal and Thijssens, 2020; Silva, 2021). By reporting on the SDGs, companies improve the management of their efforts towards achieving global goals (Rosati and Faria, 2019a; Ordonez-Ponce and Khare, 2020). According to Szennay et al. (2019), the experience gained and know-how developed during the reporting practices may be a starting point to understanding the sustainability commitment of companies and their contribution to SDGs. Sustainability reports are primarily published under the Global Reporting Initiative (GRI) standard that presents a comprehensive set of measures to assess the companies' contribution to SDGs (Stafford-Smith et al., 2016; Bebbington & Unerman, 2018; Rosati & Faria, 2019a; and Szennay et al., 2019).

The sustainable Development Goals (SDGs) have been recognized for their role in various aspects of sustainable and development. Studies have shown that the SDGs serve as a reference framework for assessing corporate sustainability, enhancing sustainability engagement, providing investment opportunities, and designing sustainable business models (Rosati & Faria, 2019). Additionally, the integration of development and environmental considerations in the SDGs has led to the development of a comprehensive framework with associated targets that address food, energy, water, and ecosystem services goals, emphasising the importance of integrated targets to support SDG discussions (Griggs et al., 2014).

Among the first studies to examine SDG disclosure are two provided by Rosati and Faria (2019a, 2019b). Both studies make use of information from the GRI database to assess firms' SDG disclosure and focus on the reporting year 2016. More precisely, the authors assess firms' SDG disclosure based on whether firms mention the SDGs in their CSR reports or not. Their results show that organizational factors such as firm size, commitment to sustainability frameworks, external assurance, share of female directors and age of the directors are related to SDG disclosure (Rosati & Faria, 2019b). In additional work, Rosati and Faria (2019a) document that SDG reporters and non-SDG reporters differ significantly in terms of their country-level institutional environments. García-Sánchez et al. (2020) also make use of the GRI database to assess firms' SDG disclosure for the reporting years 2015–2017. The study proves that companies that receive many 'sell' recommendations by financial analysts are particularly likely to adopt SDG disclosure. However, the adoption of SDG disclosure is not associated with changes in subsequent analysts' recommendations.

In response to the urgent call, numerous studies such as Buniamin et al (2021) and Joseph et al (2023) have been undertaken within Malaysia to tackle sustainable development challenges, concentrating on domains like ecotourism, entrepreneurship, corporate social responsibility, and renewable energy. These studies have played a pivotal role in assessing the execution of Malaysia's sustainable development agenda and highlighting avenues for enhancement (Hamid et al., 2021). Some research has been carried out to explore the determinants of SDGs reporting. Among the various factors influencing firms, corporate governance mechanisms, specifically the internal mechanisms associated with boards of directors, may play a crucial role in ensuring adherence to the SDGs. The SDGs report in Malaysia underscores the contributions made by various sectors and stakeholders towards advancing sustainable development

goals. Results from these studies show that the Malaysian government's initiative and commitment to harmonising its objectives through national planning procedures remains challenging (Reza, 2016).

2.2. Government-linked companies

In Malaysia, GLCs, or government-linked firms, are businesses with a primary commercial goal in which the Malaysian government holds a direct controlling interest. The controlling stake by GLCs is made through the Federal Government link Investment companies (GLICs). In other words, GLCs are made up of businesses that are either directly controlled by the Malaysian government, like Khazanah Malaysia, Pension Trust Funds, Bank Negara, and other GLICs, or directly controlled by State Governments and State-level agencies, like Faber Group Bhd, UEM Builders Bhd, and UEM World Bhd. The percentage of ownership owned by the Government authorized it to appoint the top management and the Board Directors (BODs) and make important business decisions such as contract awards, strategy and restructuring of the investment for GLCs either directly or indirectly. In this context, GLCs hold a significant share interest in Malaysian listed companies, which consequently interplay the connection with companies more political than social (Ghazali & Weetman, 2006), as this type of ownership structure leads to a reliable monitoring power over a company's managerial decisions including those concerning sustainability disclosure (Abu et al., 2013).

The Malaysian GLCs make up a sizable portion of Malaysia's economic structure. These corporations are the primary suppliers of vital strategic utilities and services, such as power, public transit, banking and financial services, and water and sewerage. The New Development policy in the early 1980s resulted in Malaysia introducing its privatization policy on the grounds that privatization can reduce the national debt and drive the government agencies to be more efficient and effective (Mohd et al., 2009). Although the firms were privatized, this policy allows the government to retain a significant controlling stake. Subsequently to this transition, the GLCs becoming the limelight in Malaysia. For example, in 2012, the Malaysian government invested RM30.599 billion in 56 GLCs with the expectation that the investment provides return and GLCs are more efficient in handling business matters related to the nation's economic growth. The performance statistics of GLCs reported in 2015 show that the total shareholder returns of the GLCs grew by 11.1% annually in 2014. In addition, GLCs have contributed RM62.7 billion tax revenues and paid out in dividends amounting to RM108.6 billion as at 2014 (Menon, 2017). Nevertheless, a study by Menon (2017) found that since the privatization transition was launched, the progress of the GLCs was not fully reported; instead, only 17 GLCs were technically testified for their performance.

2.3. Management Ownership and Sustainable Development Goals (SDGs) practices

Recent research sheds light on the significant role of management ownership in shaping Sustainable Development Goal (SDG) practices across industries and regions. Folqué, Escrig-Olmedo, and Corzo Santamaría (2023) underscore the pivotal contribution of the asset management sector in integrating SDGs through sustainable investment strategies. They emphasised the challenges, including 'cherry-picking' and data heterogeneity, and advocated for robust Environmental, Social, and Governance (ESG) metrics and transparency to drive progress towards SDGs.

Besides that, Al-Qudah and Houcine's (2023) study on sustainability reporting in Gulf Cooperation Council (GCC) countries reveals how various firm characteristics and corporate governance dynamics influence adopting sustainability reporting practices and economic performance. Their findings highlight the significant impact of factors such as

firm size, profitability, and board independence on SDG adoption, emphasizing the need for tailored strategies to align with SDGs in the GCC region.

In Canada, Cormier and Gordon's (2001) study comparing the environmental disclosure practices of publicly and privately owned companies found that public companies disclosed more social and environmental information than private companies. They argued that since the government politically supports publicly owned companies, such companies tend to disclose more environmental and social information to be seen as 'legitimate'.

Almaqtari et al. (2023) provide further insights into the relationship between management ownership and SDG practices. They identify that board attributes such as tenure, independence, and meetings correlate with increased environmental disclosures and sustainability scores, particularly in countries with high SDG scores. This suggests that management ownership is critical in driving SDG disclosure and performance. In line with this argument, we expect Malaysian GLCs to disclose more environmental information than non-GLCs. Thus, we contend that ownership status may influence the level of environmental reporting. In conclusion, management ownership emerges as a significant factor influencing corporate adoption of SDG practices, with its impact moderated by country-level SDG performance and governance quality. Strong institutional frameworks and a commitment to SDGs enhance management's capacity to drive sustainability through ownership.

2.4. Board Diversity and Sustainability Goals (SDGs) Practices

In a recent study, Zampone et al. (2024) examined the attractive relationship between board diversity and sustainable development goals (SDGs) within companies in depth. Their research journey through reports spanning over four years from 526 companies across various countries and industries. What they discovered was intriguing, which means companies with diverse boards, especially those with more women, showed a more substantial commitment to environmental, ethical, and social responsibilities. This boosted transparency and accountability and showed how to embrace globally recognized standards like the SDGs. In addition, their findings shed light on how the presence of women on boards positively influenced the disclosure of SDGs, a connection further supported by the existence of Sustainability Committees (SC). It appears that these committees, by fostering managers with expertise in sustainability, played a role in embedding SDGs into corporate practices and reporting.

Similarly, Cicchiello et al. (2021) embarked on a similar exploration, focusing on the correlation between board gender diversity and SDG disclosure. Their journey, involving companies from various countries and sectors, recited similar sentiments. They found that companies with more women on their boards tended to provide richer information on SDGs, facilitating better decision-making and alignment with stakeholder interests. Their work not only underlines the importance of fostering diversity within corporate leadership but also emphasizes the critical role of Sustainability Committees in promoting transparency and accountability in sustainability practices. It is about understanding that an inclusive board is not just a number on a checklist but a driving force for a positive change.

In conclusion, both studies underscore the transformative power of diversity in boardrooms, particularly in steering companies towards sustainable practices. They remind us that behind every decision lies a collective effort, shaped by diverse perspectives and guided by a shared commitment to a better, more sustainable future.

2.5. Theoretical Framework

The underlying theory of this study is the stakeholder theory. This theory was developed by Freeman in 1984, suggesting that a company has a responsibility to fulfil the interests and expectations of its stakeholders, including its shareholders and other stakeholders engaged in or impacted by the company (Freeman & Dmytriyev, 2017). Stakeholder theorists such as Donaldson and Preston (1995) outline three interrelated dimensions of the stakeholder theory: descriptive, normative, and instrumental. The descriptive technique describes and explains the traits and behaviours of businesses, such as the nature of the business itself, how businesses are managed, and how the board of directors views corporate constituencies. The normative approach elucidates a company's ethical considerations and underscores its moral responsibilities to stakeholders. The instrumental employed examines the relationship between corporate stakeholder management practices and achieving company objectives, efficiency and profitability. Many previous studies, such as Burhan and Rahmanti (2012), Herremans et al. (2016), Herold (2018), and Garg and Gupta (2020), have used stakeholder theory in their studies related to sustainability reporting and company performance. The disclosure of sustainability development goals aims to provide information on what companies have contributed and delivered to the economy, environment, society, and governance using impactful mechanisms to achieve the relevant SDG to various stakeholders (Erin & Bamigboye, 2017).

Stakeholders' theory explains that disclosure practices are expected to improve the quality of information available to stakeholders. In other words, the information disclosed facilitates improved economic decision-making, effective allocation of resources, and the generation of value within a broader sustainability framework. In contrast to the extensive study on the importance of disclosure reporting, issues regarding the quality of SDG disclosure remain low. Many of the studies consider SDG disclosure in publicly listed companies' reports, thereby neglecting SDG disclosure in government-linked companies' reports. The position of stakeholder theory is that handling and meeting stakeholders' needs, demands, and expectations are the primary roles of managers, and they should be able to manage the conflicting interests of the various stakeholders using different criteria to allocate priorities to different stakeholders' demands and views. Previous studies include Erin & Bamigboye (2017), García-Sánchez et al (2020), and Buniamin et al (2021) argued that SDG should be anchored on stakeholder theory on the ground that SDG is designed as an approach to meet the needs of direct and indirect stakeholders of a company. Similarly, Opferkuch et al. (2021) viewed company commitment towards SDG practices reporting as critical to an organisation's survival, attainment and development, particularly in implementing a circular economy. The circular economy refers to a generic term for reducing, reusing and recycling activities conducted in the process of production, circulation and consumption. Within the SDG practices disclosure, Oferkuch et al. (2021) found that managers often disclose information in a format that can be customised to manage public impressions. The information disclosed is merely general and inconsistent.

Therefore, companies' significance in influencing the outcome of the agenda seems to lie in their disclosure of Sustainable Development Goals (SDG) practices in their reports. Moreover, disclosing SDG practices can indicate a company's dedication to heightened accountability and sustained performance in terms of long-term sustainability, potentially bolstering its reputation and fostering stronger relationships with crucial stakeholders.

2.5.1. The Conceptual Framework and the Hypotheses Developed

This current study examines government-linked companies' SDGs reporting practices and the prioritisation of disclosure areas through the stakeholder theory lens. The conceptual framework for this study is as follows:

2.5.2. SDG disclosure practices

Government Ownership: Refers to the type of ownership and controlling interest held by the government in publicly listed companies. The ownership and controlling interest can influence and shape these companies by exerting the prerogative rights on the company's disclosure decision. According to Jensen (1993), 'conflict arises in a company because neither managers nor non-managers board members typically own substantial fractions of their firm's equity'. The statement shows that the ownership structure represents the percentage of ordinary shares held by the organisation's management, such as by the CEO or executive directors. Previous studies such as Eng and Mak (2003), Nagar et al. (2003) and Mohd Ghazali (2007) found that management ownership has a negative and significant relationship with social responsibility disclosure. In contrast, it is argued that the government should have a long-term investment orientation while evaluating and considering ethical, social, and environmental issues (Eng & Mak, 2003; Garcia-Sanchez et al., 2020). Thus, considering the previous empirical evidence, which suggests that government involvement in ownership structure positively influences corporate sustainability and transparency, it is possible to argue that the government would drive the companies to engage and disclose their' social, ethical and environmental behaviour for social and political support. Therefore, the first hypothesis is proposed as follows:

H_1: Government ownership has a positive relationship with the level of SDG Disclosure Practices in Malaysia

Board diversity: Board diversity denotes the proficiency of the company's board of directors in terms of their tenure and gender on the board. The board of directors' tenure and gender diversity are among the aspects that have been widely debated concerning corporate characteristics in environmental issues (Orazalin & Mahmood, 2021). The board tenure is found to be favourably related to social and environmental reporting. Previous research found that directors' tenure on the board is related to their work experience and knowledge in the company and industry, thus, promotes higher concern towards environmental responsibilities (Almaqtari et al., 2023; Gallego-Álvarez & Rodriguez-Dominguez, 2023). From stakeholder perspectives, female directors are likely found to have a positive association with promoting social agendas and bring diverse perspectives, including expertise, knowledge, and ideas, to the corporate boards. Additionally, female directors are more attentive to stakeholders' concerns and emphasise public relations strategies, thus promoting better sustainability-related strategies to strengthen environmental performance. Therefore, the second hypothesis in this study are proposed as follows:

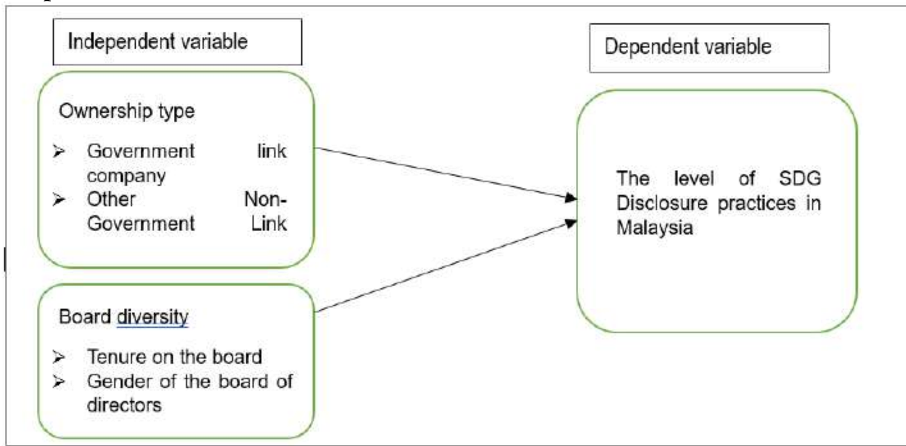
H_2(a): Board tenure is positively associated with the level of SDG Disclosure Practices in Malaysia.

H_2(b): Board gender diversity is positively associated with the level of SDG Disclosure Practices in Malaysia.

In future studies, we will empirically test these hypotheses using regression analysis with interaction terms, as detailed in the methodology section. This study's findings will help us better understand the level of SDG disclosure practices in companies' corporate reporting and the factors that influence these practices. This exploration is especially

relevant for publicly listed companies in Malaysia, a growing economy with high institutional ownership.

Figure 1.
The conceptual framework



III. RESEARCH METHODOLOGY

This paper presents an assessment framework to investigate the level of the companies' engagement in reporting and managing their contributions and their progress in achieving the SDGs. The framework utilizes a set of SDGs indicator indices, thus allowing a comparative analysis between MGLCs and providing an overview of the overall behaviour of the sector regarding the measurement and monitoring of the SDGs. The indicators are particularly fit to help companies map their initiatives, strategies and their contributions to the SDGs and to identify how they are dealing with the SDGs (Grainger-Brown & Malekpour, 2019; Calabrese et al., 2021). The framework is used as guidelines to assist the study in confirming the use of keywords to search for SDG presence in the sustainability reports (e.g., Silva, 2021; van der Waal & Thijssens, 2020) and overcoming the symbolic approach issue by measuring the accuracy of the SDG reporting.

This study focuses on Malaysian government-linked companies because they play an important role in enhancing the economic growth of the country. One of the roles that GLCs have is to ensure that the funds invested by the government are successfully used for GLC's performance, aiming for economic growth. Therefore, these companies represent a significant benchmark for companies' accountability in managing the fund invested. For the purpose of examining the level of SDG practices by Malaysian GLC,this study's sample will consist of Malaysian government-linked and non-government-linked companies for the fiscal year from 2019 until 2023. The samples of the GLCs will be selected from the top 200 listed companies on the Malaysia stock exchange. Information about the companies' ownership status will be extracted from previous literature and cross-checked with the current companies' information available from their website. To ensure a representative sample, we will use stratified random sampling, where the firms are categorised based on GLC ownership type and paired with similar industries of the GLCs as available in the top 50 listed companies on the Bursa Malaysia. This method will allow for a more balanced approach to the various industries, particularly for GLCs in the Malaysian context. The authors decided to focus on Malaysian GLC due to their greater relationship, interest and focus on sustainability. The number of companies selected in this study is 66, consisting of a balanced number of GLC and other publicly

listed companies from seven non-financial sectors in Malaysia, which are the main contributors to the country's environmental, social and economic. The minimum sample size is determined using the formula (N≥50 + 8*2)(Green, 1991; Tabachnick & Fidell, 2007) to determine the samples and data are manually selected from the Malaysian Stock Exchange (Bursa Malaysia) website.

IV. RESULTS AND DISCUSSIONS

4.1. Dependent Variable (DV)

The level of SDGs disclosure practice in the companies' corporate reporting: This study adopts a content analysis approach as a primary research method. To ensure the reliability of the data collected, two coders will be used for consistency. The method is for one coder to read the reports, identify and record information related to each measurement item of the SDG onto a coding sheet. The second coder cross-checked the scoring sheet against the scored reports and, by way of a forward test, also separately scored a sample of the scores to confirm the accuracy of the interpretation. The mean of the disclosure score will be calculated based on the average frequency and disclosure quality weightage. Using a weightage scoring range from 1 to 3. The scoring measurement is measured based on the quality content of the SDG disclosure.

Measurement items: In this study, we use two frameworks, the PwC framework (9 relevant indicators) and the GRI framework (15 relevant indicators), to measure and evaluate the extent of SDG reporting by GLC companies in Malaysia. Each framework has measurement items, indicators, or information on how SDG activities should be disclosed in corporate reporting. The score ranges from 1 to 3, with 1 indicating trivial, 2 if the measurement items/statement/information has facts and explanations, and 3 if the measurement items/statement/information has facts and explanations and no duplication. The computation of the average percentage will be as follows:

$$\text{The Computed Overall Percentage (\%) (Avg.)} = \frac{\text{Cumulative Actual Average Score}}{\text{Total Expected Average Score}}$$

4.2 Independent Variables (IVs)

Ownership type: We use ownership types (i) government-linked company (GLC) and (ii) non-government-linked company (NGLC) to represent the companies' ownership types. These variables can be obtained from the companies' annual reports.

Board diversity: This study chose to measure board diversity by (i) the tenure of the individual on the board, and (ii) the gender of the board directors. These measurements can be obtained from the companies' annual reports.

V. CONCLUSION

This paper is a conceptual paper designed to demonstrate the level of disclosure of SDG practices and their differences in the Malaysian GLC. This study outlines the approach to be used, the content analysis method to examine qualitative information relating to SDG practices disclosure of the Malaysian companies, specifically GLC, for five years (2019 to 2023). We utilised the PwC framework and GRI framework to analyse the content of the SDG practices of the selected companies. This paper emphasises the significance of understanding this complex interaction in the Malaysian context and beyond, and highlighting the potential challenges in disclosing SDG activities in companies' corporate reporting. This paper is also expected to contribute to the existing literature by presenting a conceptual framework that utilises the stakeholders' theory lens, which can contribute to the novelty of the research. The stakeholders' theory will provide

a deeper comprehension of the dynamics that shape the disclosure of SDG practices in the context of a complex global economic situation. This study is expected to stimulate additional academic discourse, generate practical ramifications for companies, investors, and regulators, and contribute to a greater understanding of SDG practices in the current business environment. As we progress further into the complexity of business operations, future research should focus on explaining the complex relationships between SDG practices disclosure, ownership structure, and firm performance. A comparative analysis of diverse institutional settings and institutional ownership, particularly in emerging countries, would provide a more nuanced understanding of these dynamics.

In addition, future research could investigate the unique challenges and opportunities that accompany with the SDG practices disclosure in companies' corporate reports. The disclosure of SDG practices could be an essential area of research and advantageous in investigating how the current business environment and technology disruptions could influence the perceived value of SDG activities from the perspective of various stakeholders. Finally, future research should also examine the impact of regulatory bodies on the SDG framework on digital business operations. Such research would provide invaluable insights into the policies and initiatives that could effectively promote SDG activities in the digital age. These future research directions are anticipated to considerably enrich the existing literature and serve as a guide for policy decisions, strategic initiatives, and corporate practices in the complex global business environment.

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