

'ESG in wood, furniture industries still low'

KUALA LUMPUR: The environmental, social and governance (ESG) compliance within the Malaysian wood products and furniture industries is still relatively low at 15 per cent, an academician said.

University Putra Malaysia (UPM), Faculty of Forestry and Environment, Department of Wood and Fiber Industries head Prof. Jegatheswaran Ratnasingam said this was based on a scoping study of a limited sample of about 300 manufacturers, comprising the large, medium and small manufacturers.

"One of the biggest challenges is that most people (manufacturers) are not sure where to start.

"The awareness is not there yet and the capability on how to make the measurement is still low," he told Bernama after presenting an industry seminar titled 'ESG: Will it transform the Malaysian furniture industry?' at the Malaysian International Furniture Fair 2023.

Jegatheswaran said the level of compliance with the environmental requirement within the Malaysian wood products and furniture industries, however, had increased compared to corporate governance and the social aspect.

"The environmental requirement within the industries increases, that is in fact appears to be the focus of most manufacturers because people (manufacturers) want like the use of certified timber, they want to use glues and coating material which are with low emission.

"But the other aspects like corporate governance and the social aspect are not there yet," he said.

He said the ESG compliance within the industry is expected to increase marginally by around three per cent this year.

Jegatheswaran said ESG within the industries is important as

a tool to make the industry transform and more competitive.

"When we talk about environment social, we are literally talking about the people, the planet and the profit - the three main aspects.

He said the wooden furniture industry has traditionally been regarded as a low-wage and also got a social stigma that it is very dirty.

"Hopefully through the ESG compliance it will transform the industry to become a better industry, more value-added and more competitive because that is the key to this," he added.

He said ESG compliance is among the market requirement nowadays and some countries have also made it a law.

"Hopefully these will become the norm, people (manufacturers) will voluntarily accept to comply with this maybe when they start up their business. This is my hope in the long term," he added.

— Bernama



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Prof. Jegatheswaran Ratnasingam