

Sustainability Reporting in ASEAN and Singapore

Opportunities in an Era of Tensions

Presentation of Findings

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22 November 2018



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Agenda

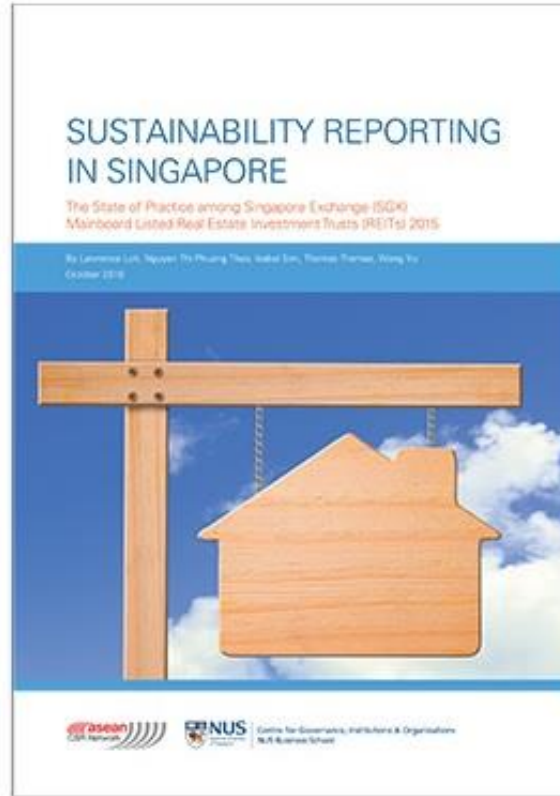
- Background
- Methodology
- Findings of Sustainability Reporting in Singapore
 - Reporting in Accordance to
Singapore Exchange Listing Rules and Guide
- Findings of Sustainability Reporting in ASEAN
- Overall Summary
- Singapore-Listed Companies with Best Practices

Background: Previous Study in 2016

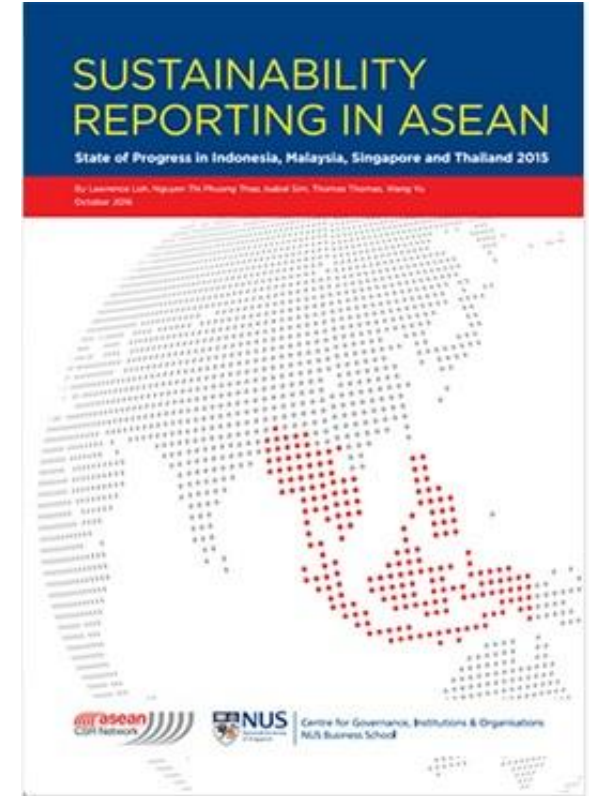
Singapore Mainboard Listed Companies



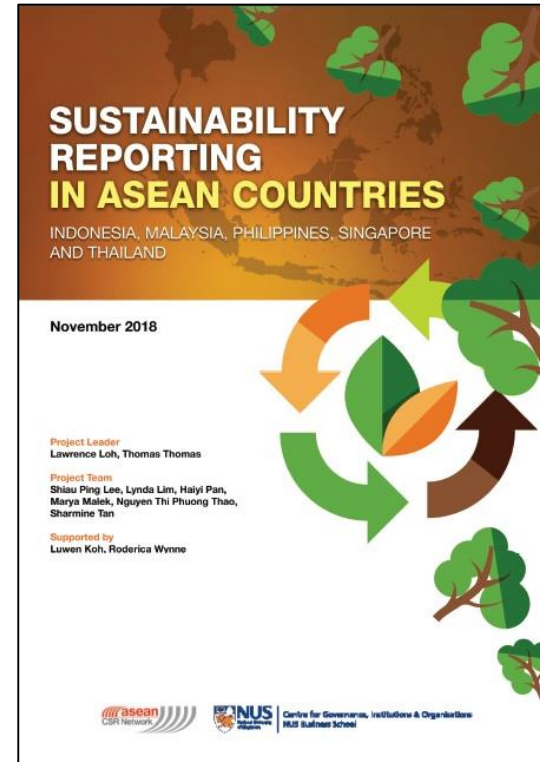
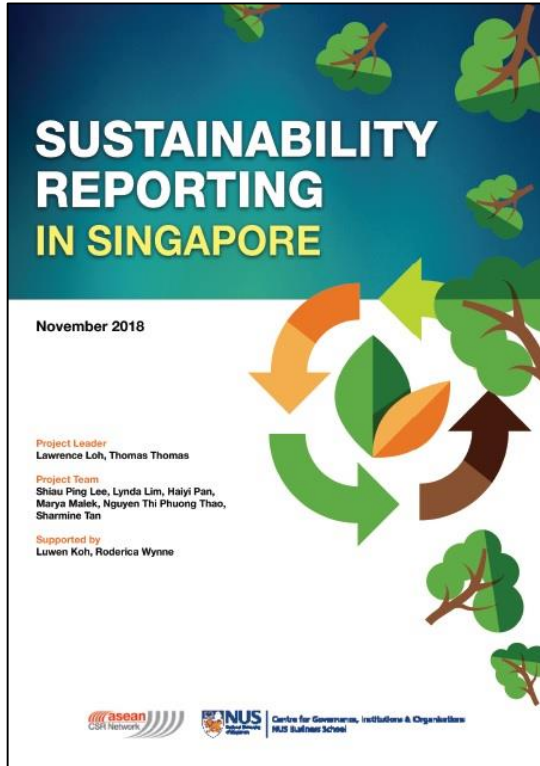
Singapore Mainboard Listed REITs



The Largest Listed Companies in Indonesia, Malaysia, Singapore and Thailand



Background: Current Study in 2018



Additional Coverage

Singapore Catalist listings included

Listed companies on
Philippine Stock Exchange included

Methodology: Assessment Framework

Drivers		EES Disclosures		
Reporting Principles	Governance	Economic	Environmental	Social
Organisational Profile	Sustainability-centric Corporate Governance	Economic Value Generated	Energy	Diversity and Equal Opportunity
Materiality and Boundaries	Strategy and Analysis Regarding Sustainability	Value and Supply Chain	Water	Labour and Industrial Relations
Stakeholder Engagement and Inclusiveness	Corporate Responsibility for Sustainability Issues	Economic Impact from Climate Change	Waste Management	Occupational Health and Safety
	Anti-corruption and Code of Ethics	Indirect Economic Impact	Emissions	Training and Education
		Anti-competitive Behaviour	Biodiversity	Human Rights
			Compliance	Community Involvement
		Product and Service Stewardship	Product Responsibility	
			Philanthropy	

Methodology: Assessment Coverage

Singapore Study

- Mainboard and Catalist listings on Singapore Exchange
- With sustainability disclosure in the Financial Year ending 2017 communicated up to 31 May 2018
- Total of 678 companies were reviewed

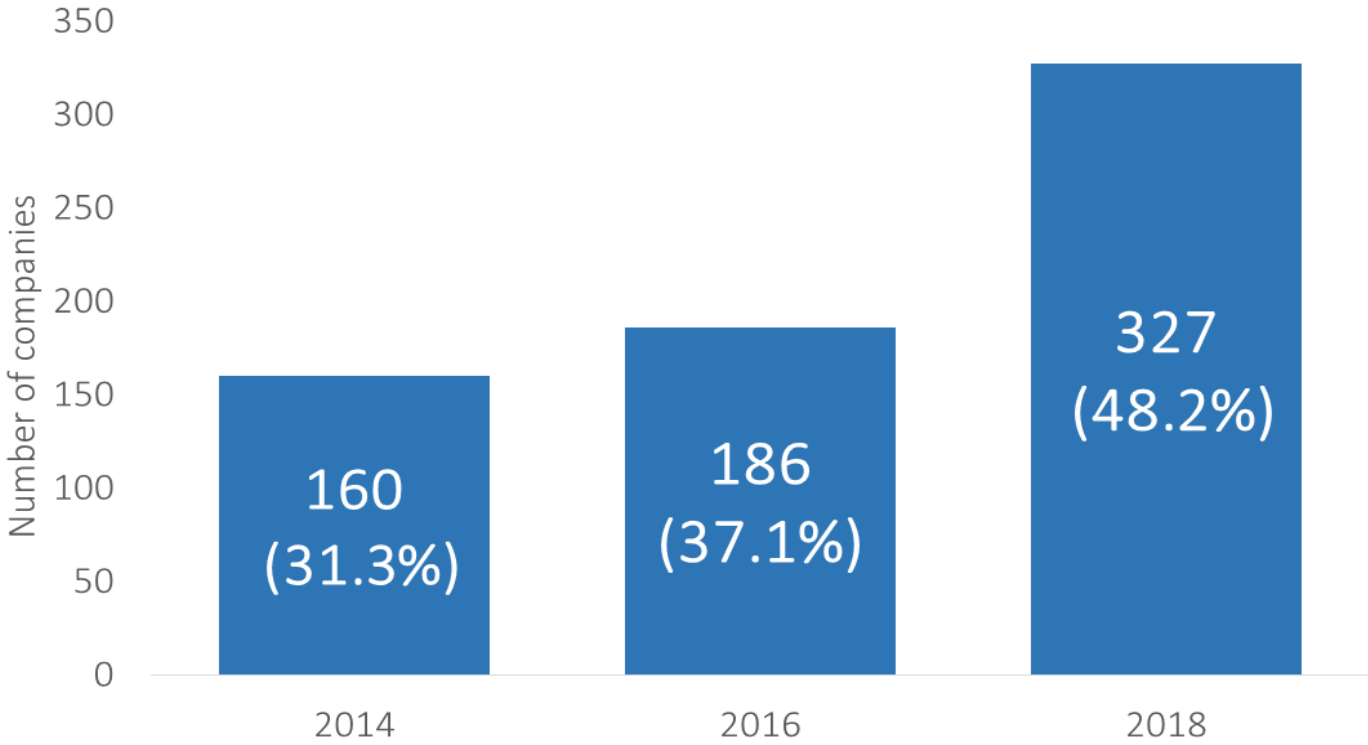
ASEAN Study

- The largest companies by market capitalisation, listed in the Indonesia Stock Exchange, Bursa Malaysia, Singapore Exchange, Stock Exchange of Thailand and the Philippine Stock Exchange
- With English sustainability disclosure in the Financial Year ending 2017 communicated up to 31 May 2018
- A total sample of 100 largest companies was reviewed for each country, with the exception of the Philippines where there were 44 companies

Findings of Sustainability Reporting in Singapore

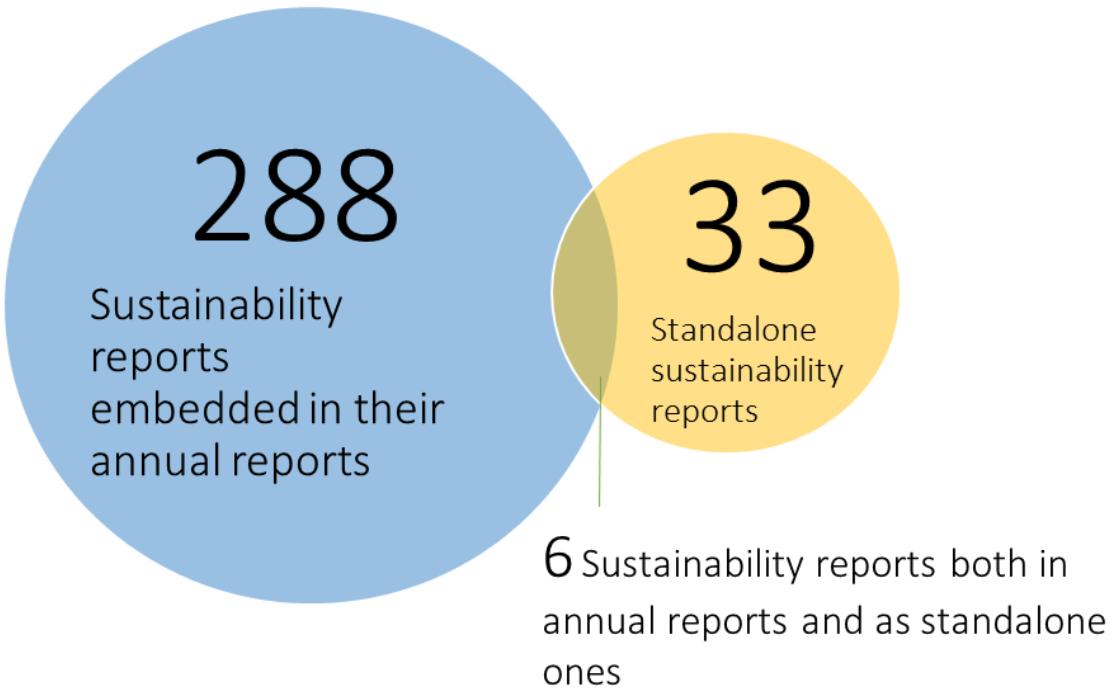


Number of Reporting Companies



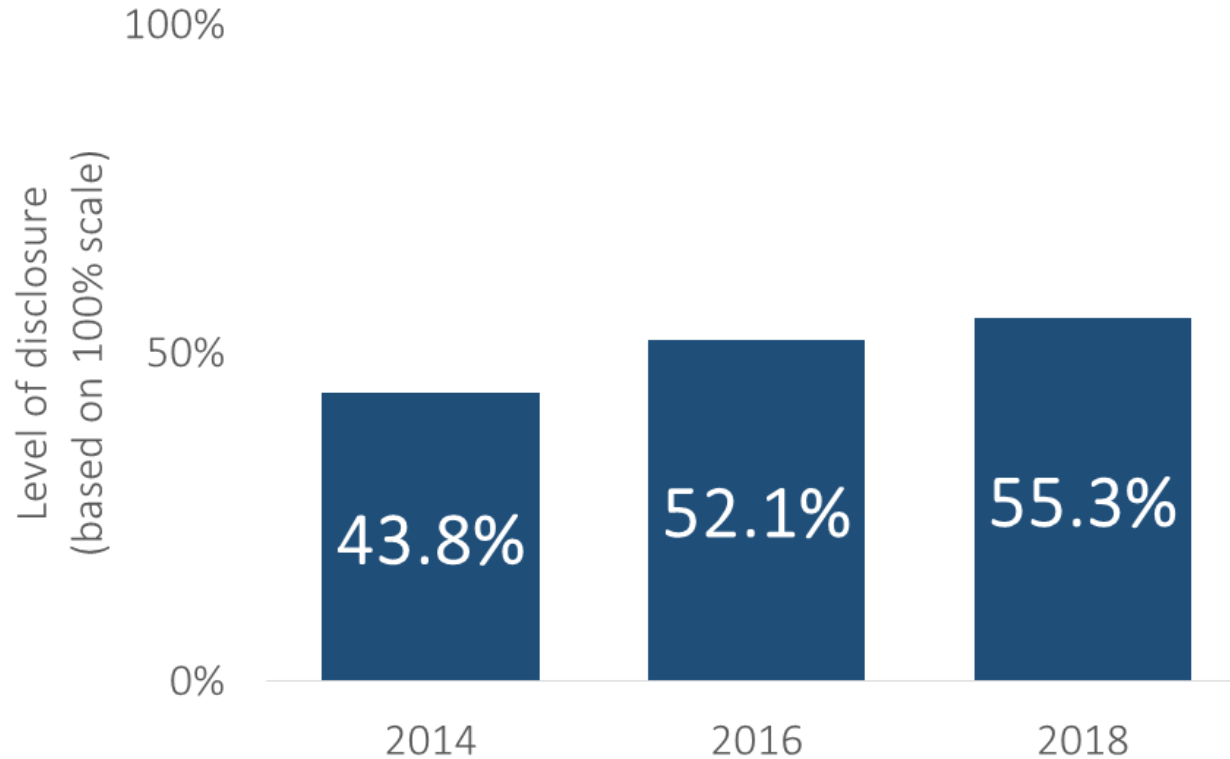
*2018 data is as of 31 May 2018

Medium of Sustainability Reporting



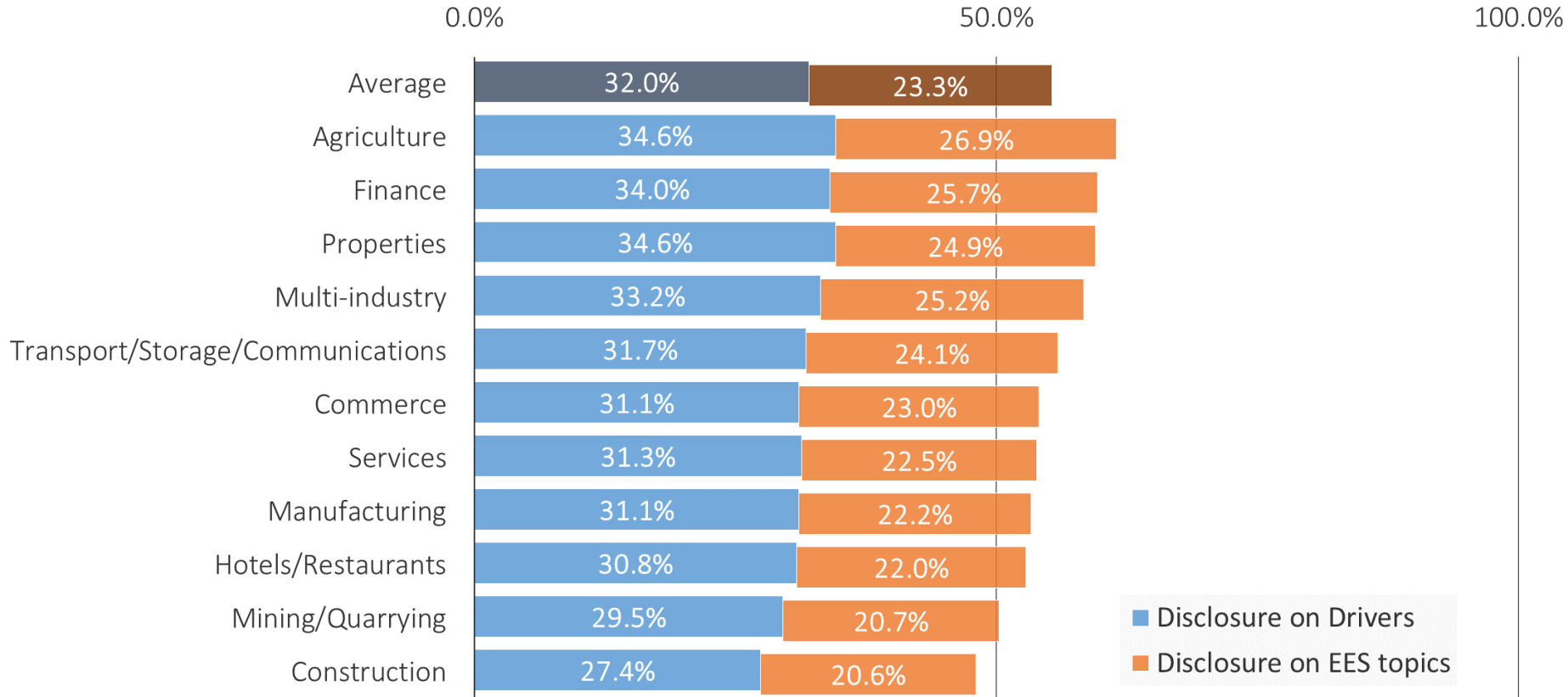
*2018 data is as of 31 May 2018

Level of Sustainability Disclosures



* 2018 data is as of 31 May 2018. Disclosure level in 2014 and 2016 are restated in accordance with 2018 assessment framework.

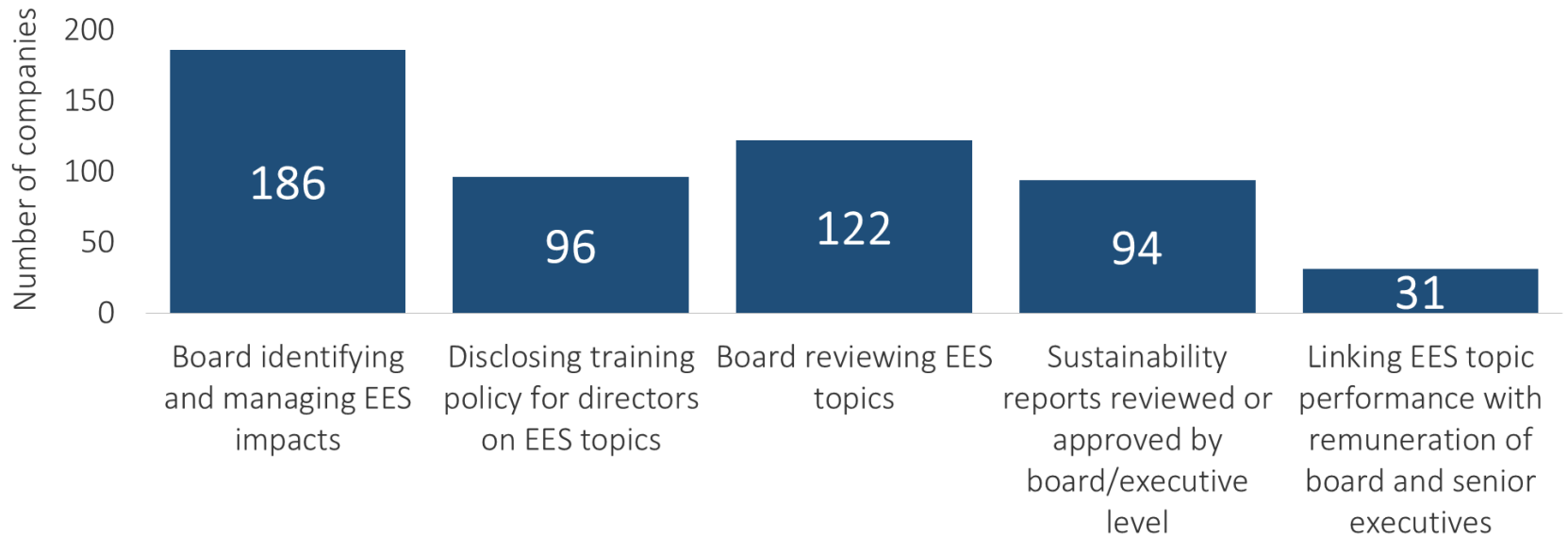
Level of Disclosures by Sector



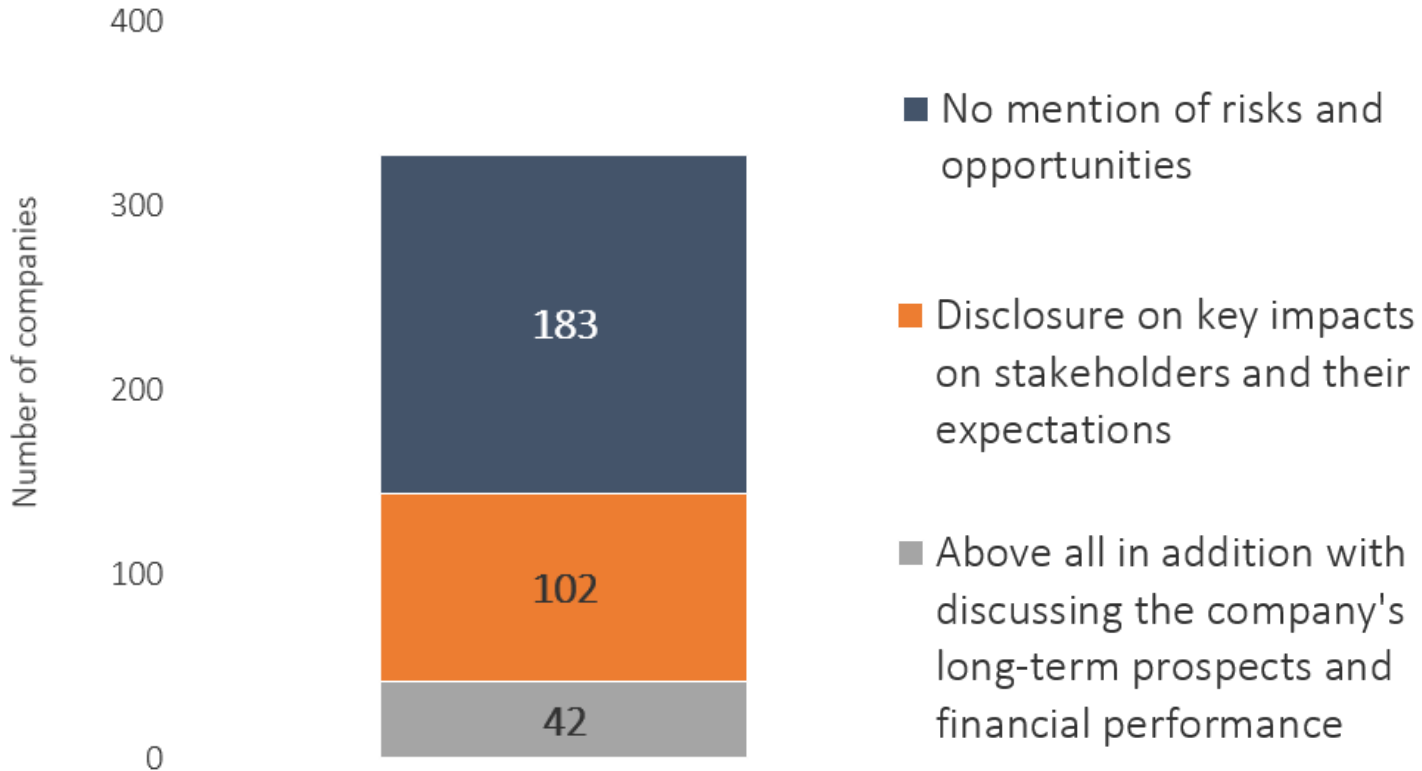
* Sector classification is referred to Singapore Exchange websites.

* Electric, gas and water sector was excluded from this figure as the small number of companies with sustainability disclosure cannot be made representative of this sector.

Sustainability Initiatives at Board Level

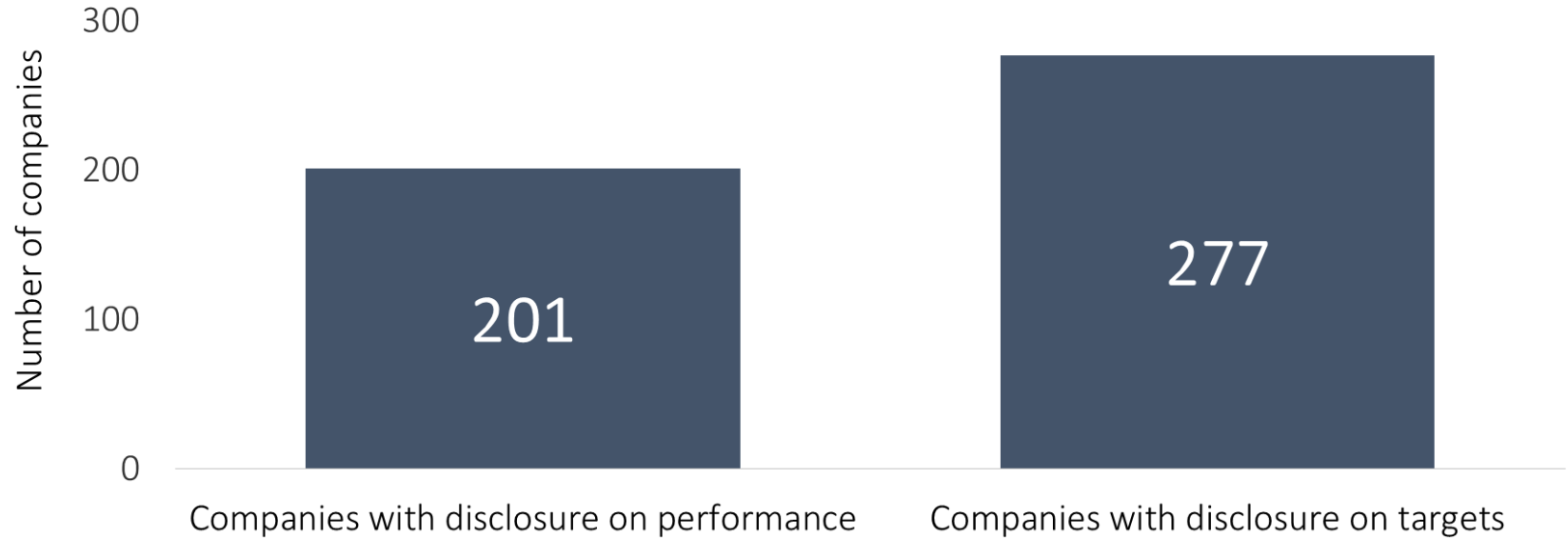


Disclosure on EES Risks and Opportunities



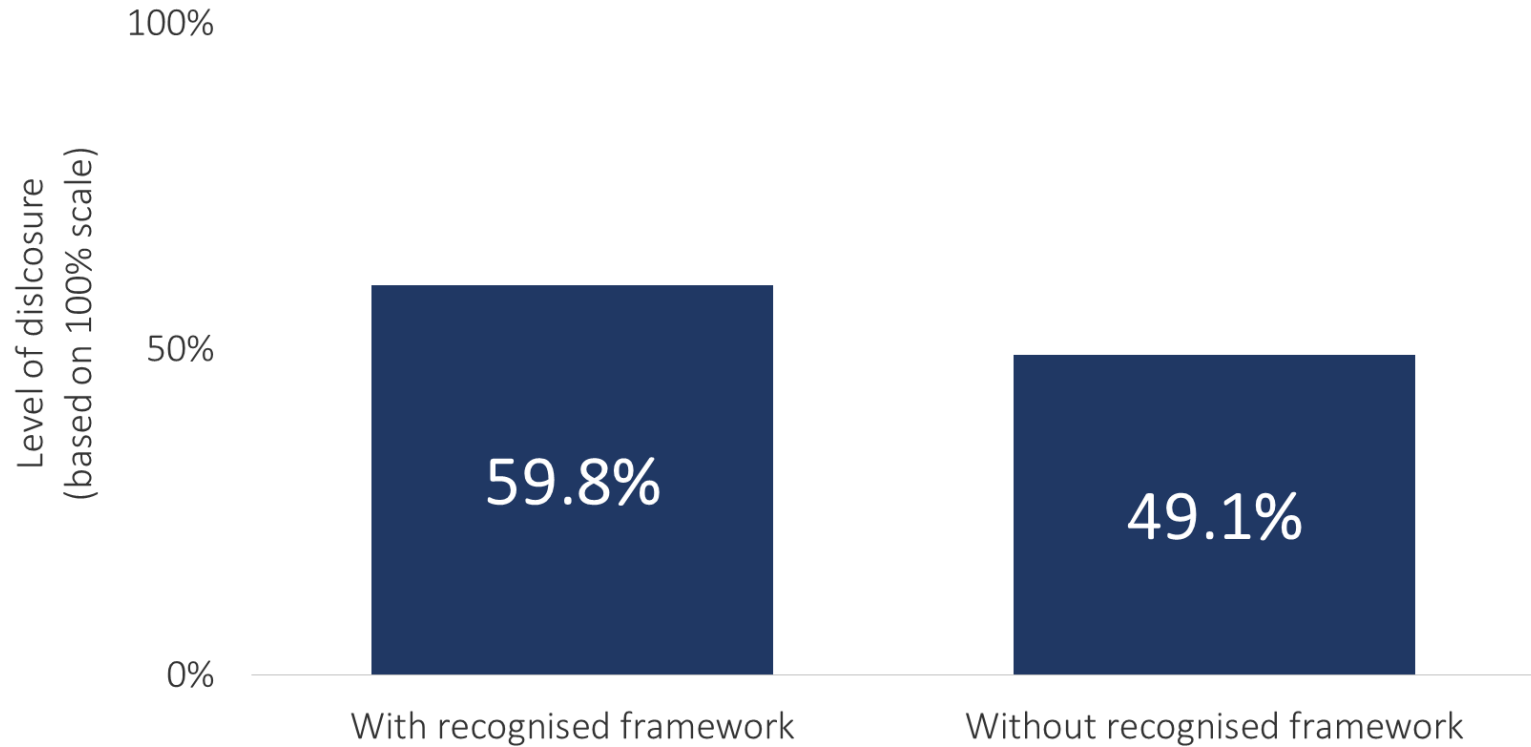
EES = Economic, Environmental and Social

Performance and Target setting



* Performance and target setting on environmental and social topics

Level of Disclosure by Framework Adoption



Recognised framework: Global Reporting Initiative (GRI), United Nations Global Compact (UNGC) Ten Principles, Roundtable on Sustainable Palm Oil (RSPO), Sustainable Development Goals (SDGs), Carbon Disclosure Project (CDP), <IR> Framework, etc.

Stakeholder Engagement



External Assurance



Number of companies with external assurance

Material Topics by Sector

Sectors	Most discussed material topics	Sectors	Most discussed material topics
Agriculture	Waste management Community involvement Training and education Value and supply chain	Mining/ Quarrying	Occupational health and safety Waste management Water Diversity and equal opportunity
Commerce	Training and education Philanthropy Occupational health and safety Community involvement	Multi industry	Training and education Occupational health and safety Philanthropy Energy
Construction	Occupational health and safety Training and education Philanthropy Waste management	Properties	Training and education Energy Diversity and equal opportunity Occupational health and safety
Finance	Training and education Diversity and equal opportunity Energy Philanthropy	Services	Occupational health and safety Training and education Product responsibility Philanthropy
Hotels/ Restaurants	Training and education Philanthropy Energy Water	Transport/ Storage/ Communication	Occupational health and safety Philanthropy Training and education Energy
Manufacturing	Training and education Occupational health and safety Waste management Energy		

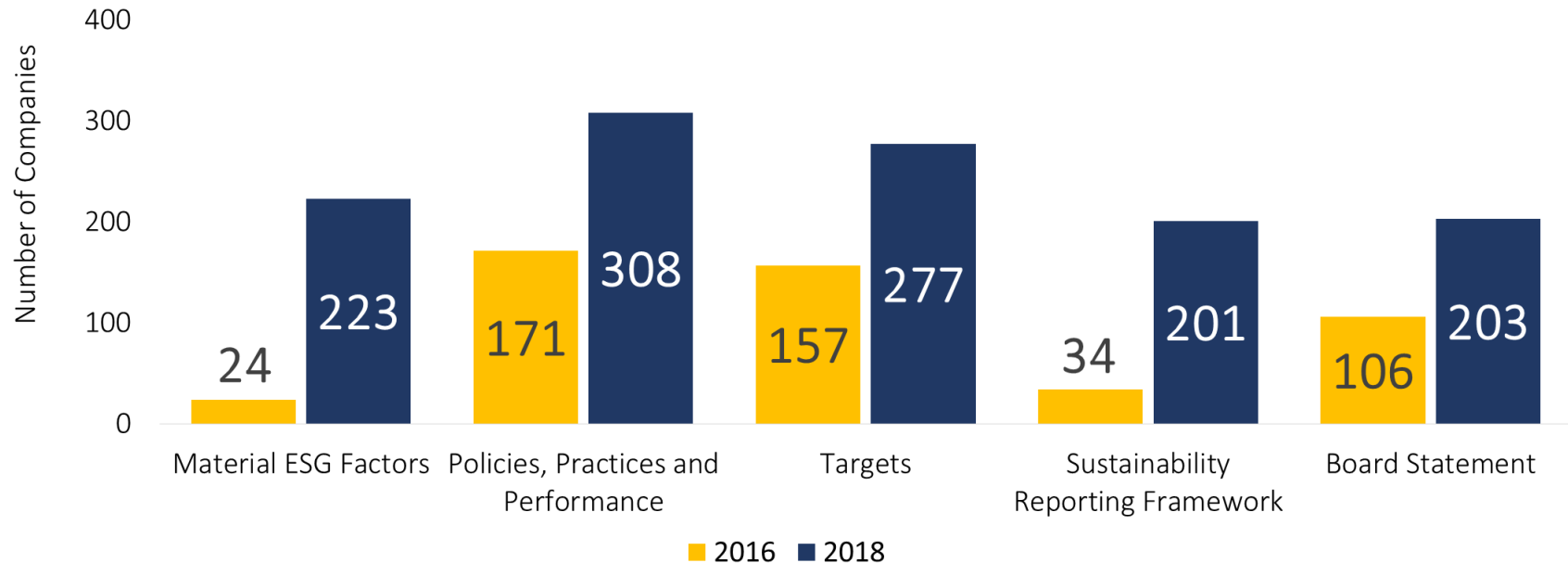
- Electric, gas and water sector was excluded from this table as the number of reporting companies is too small for an accurate inference.
- The disclosure on Economic Value Generated has been common practice across sectors so the issue is not further discussed as the most cited material issues.

Reporting in Accordance to Singapore Exchange Listing Rules and Guide



Reporting on Primary Components

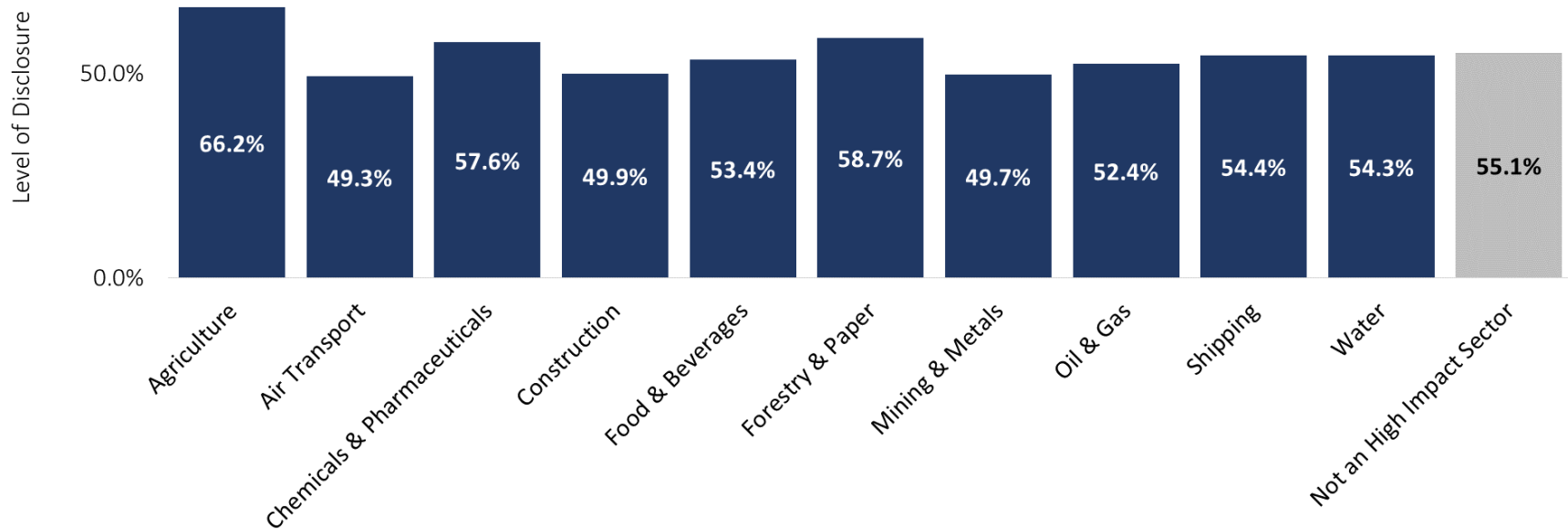
SGX requires all listed companies to disclose the following five components in their sustainability reports.



* Number of companies which provided explanation for not reporting primary components were not assessed.

Level of Disclosures by High Impact Sector

Singapore Exchange Sustainability Reporting Guide suggests listed companies which are operating in high-impact sectors should set the tone and undertake sustainability reporting.



* The SSIC 1996 standard was referred to classify the companies in the high impact sector for this study.

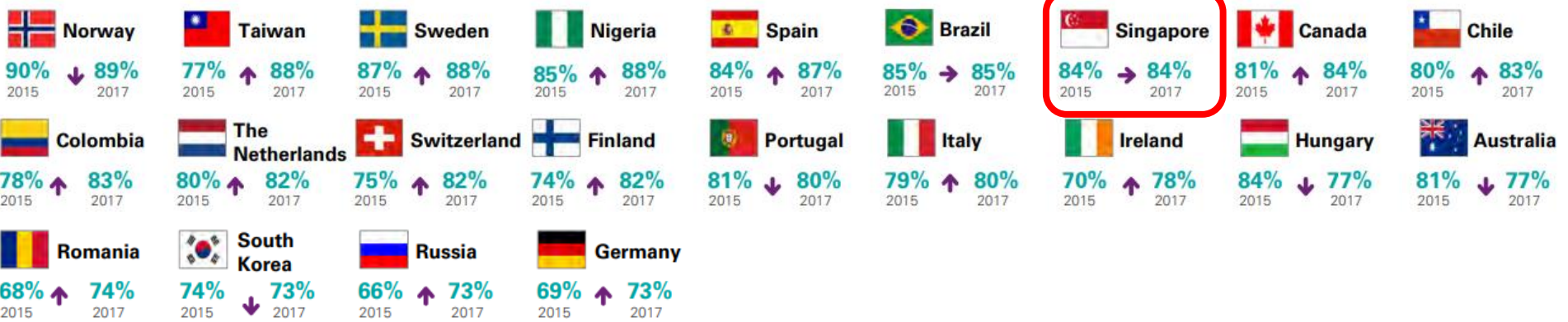
Findings of Sustainability Reporting in ASEAN

National Rates of Corporate Responsibility Reporting, 2015 and 2017

Countries with CR reporting rate higher than 90%









Countries with CR reporting rate higher than the global average (72%-89%)



Countries with CR reporting rate lower than the global average (less than 72%)



ASEAN COUNTRY SCORES

	CD SCORE (Avg/ 10)	BQ SCORE (Avg/ 4)	RD SCORE (Avg/ 5)
 MALAYSIA	8.7/ 10	3.5	4.2
 THAILAND	8.6/ 10	3.2	4.5
 SINGAPORE	8.3/ 10	3.2	4.1
 INDONESIA	7.9/ 10	3.0	3.9
 PHILIPPINES	7.8/10	2.9	3.9
 VIETNAM	5.4/10	2.5	1.9

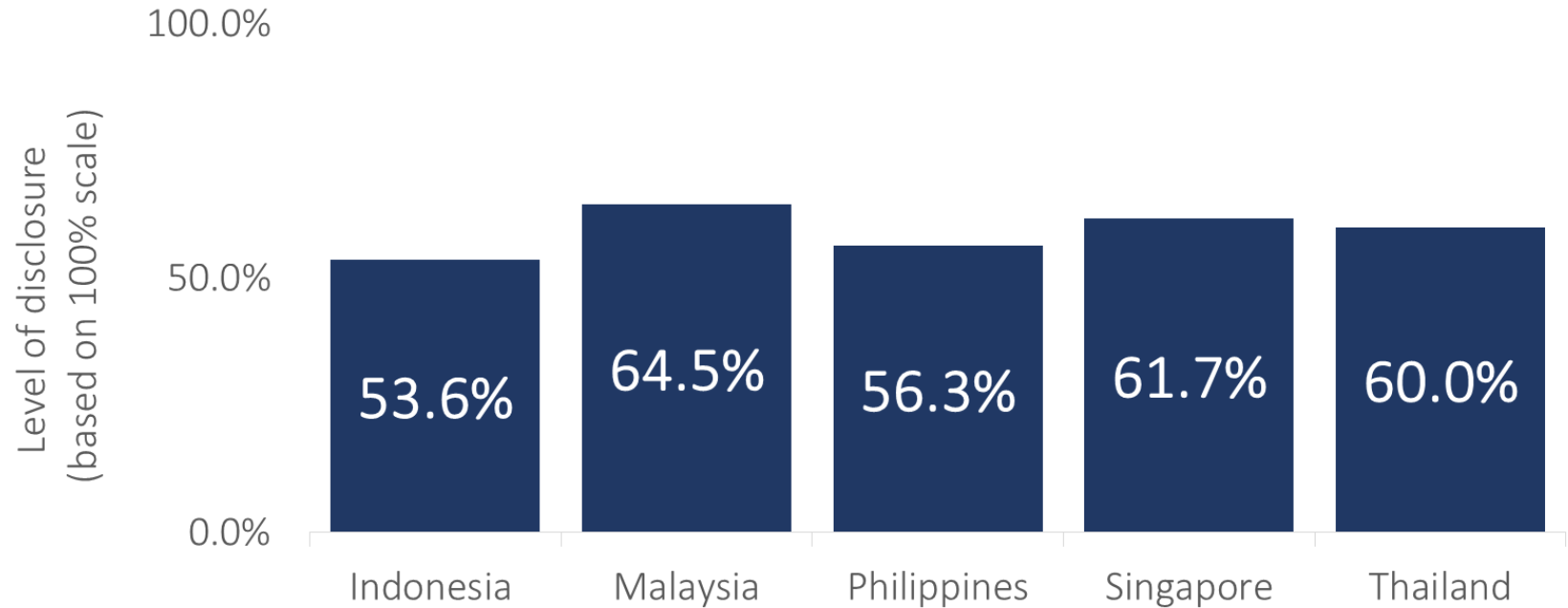


ASEAN Disclosure Index 2018

- 180 ASEAN companies listed on seven stock exchanges across six different jurisdictions.
- The Composite Disclosure (CD) score = Performance Disclosure (PD) score (10%) + Board Quality (BQ) score (40%) + Risk Disclosure (RD) score (50%).
- This findings was observed during period 1 July – 5 August 2018.

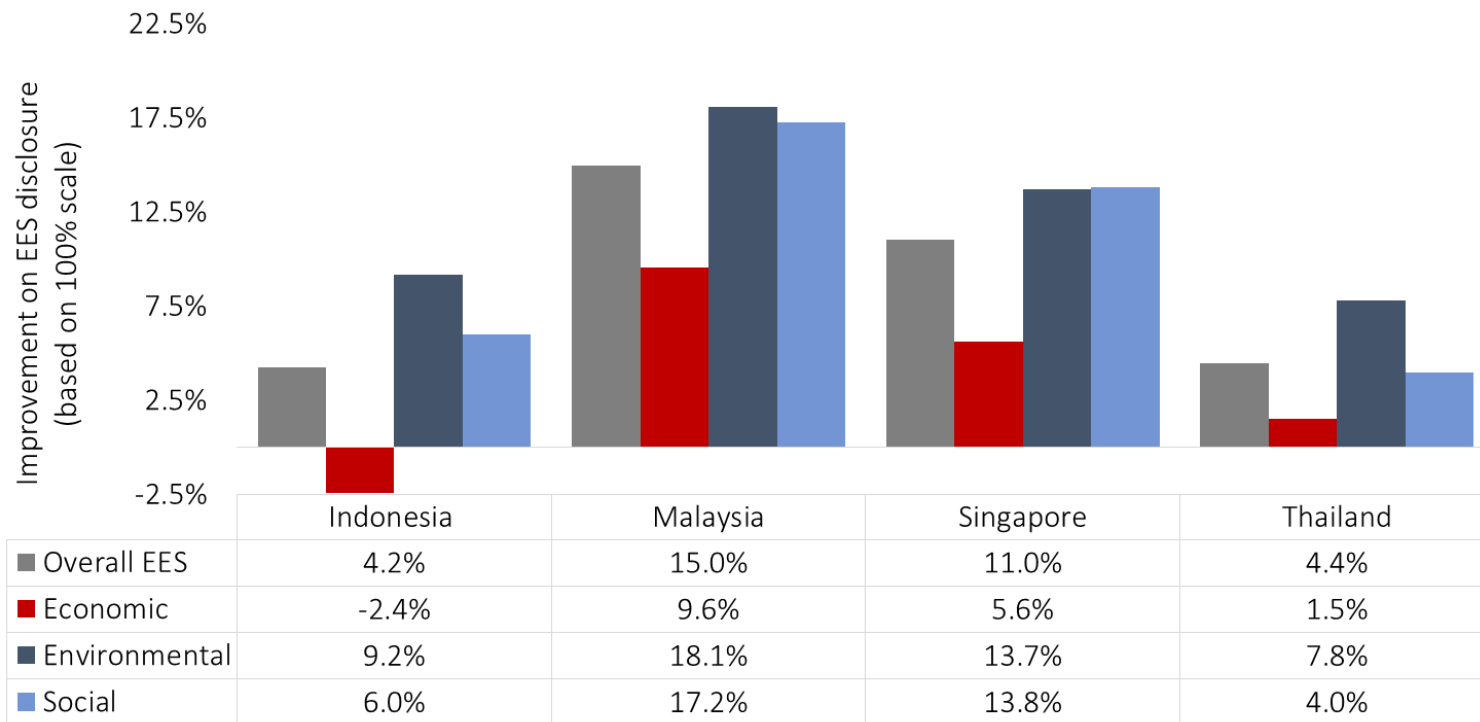
Source: ASEAN Disclosure Index: How ASEAN's leading listed companies fare on disclosure standards

Sustainability Disclosure Level by Country



* With disclosure rate of both Governance and Reporting Principles (Drivers), and Economic, Environmental and Social (EES) disclosure

Improvement of Disclosure Level

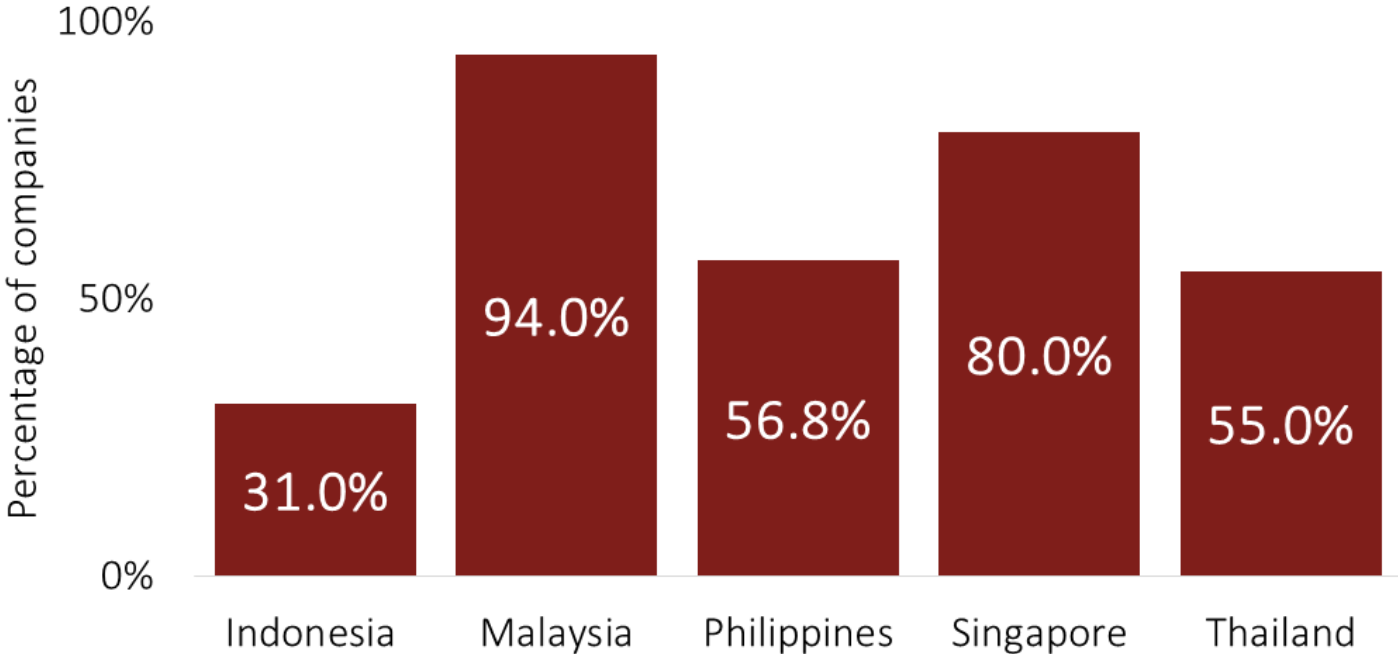


* Comparison on EES disclosure between 2018 and 2016.

* The Philippines was not included in 2016's assessment. Thus, there was no past benchmark for comparison.

* The disclosure level in 2016 is restated in accordance with the 2018 assessment framework.

Materiality



Material Topics

The Most Discussed

1. Economic value generated
2. Philanthropy
3. Occupational health and safety

The Least Discussed

1. Economic impact from climate change
2. Biodiversity
3. Human rights

* Out of 20 Economic, Environmental and Social (EES) topics

Overall Summary

- There is significant room for improvement in the disclosure level of sustainability reporting
- Disclosure on the board's involvement in driving sustainability is limited
- Stakeholders have been engaged in the formulation of sustainability strategies
- High impact sectors do not seemingly outperform in sustainability disclosure compared to non high impact sectors
- Materiality identification is gaining traction but many companies are still struggling with the process

Singapore-Listed Companies with Best Practices

COMPANIES	RANK ORDER	COMPANIES	RANK ORDER
CITY DEVELOPMENTS LTD	1	THAI BEVERAGE PUBLIC CO LTD	11
CAPITALAND LTD	2	WILMAR INTERNATIONAL LTD	12
SINGAPORE TELECOMMUNICATIONS LTD	3	WHEELOCK PROPERTIES (S) LTD	13
OLAM INTERNATIONAL LTD	4	UNITED OVERSEAS BANK LTD	14
DBS GROUP HOLDINGS LTD	5	Y VENTURES GROUP LTD	15
GOLDEN AGRI-RESOURCES LTD	6	GENTING SINGAPORE LTD	16
FRASER AND NEAVE, LTD	7	CAPITALAND COMMERCIAL TRUST	17
STARHUB LTD	8	JASON MARINE GROUP LTD	18
SINGAPORE AIRLINES LTD	9	CAPITALAND MALL TRUST	19
SINGAPORE EXCHANGE LTD	10	INDOFOOD AGRI RESOURCES LTD	20