



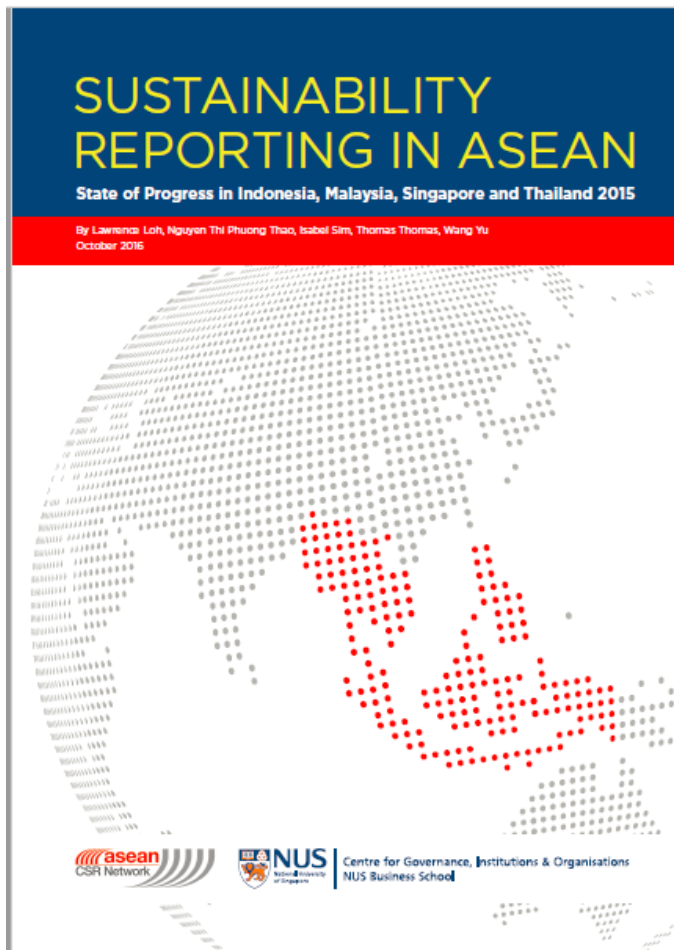
Sustainability Reporting in ASEAN:

State of Progress in

Indonesia, Malaysia, Singapore and Thailand

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Scope of the Study “Sustainability Reporting in ASEAN”



Top 100 mainboard companies
by market capitalisation
(as of 30 June 2015)

Covered disclosed information
from 1 Jan 2014 to 31 Dec 2015



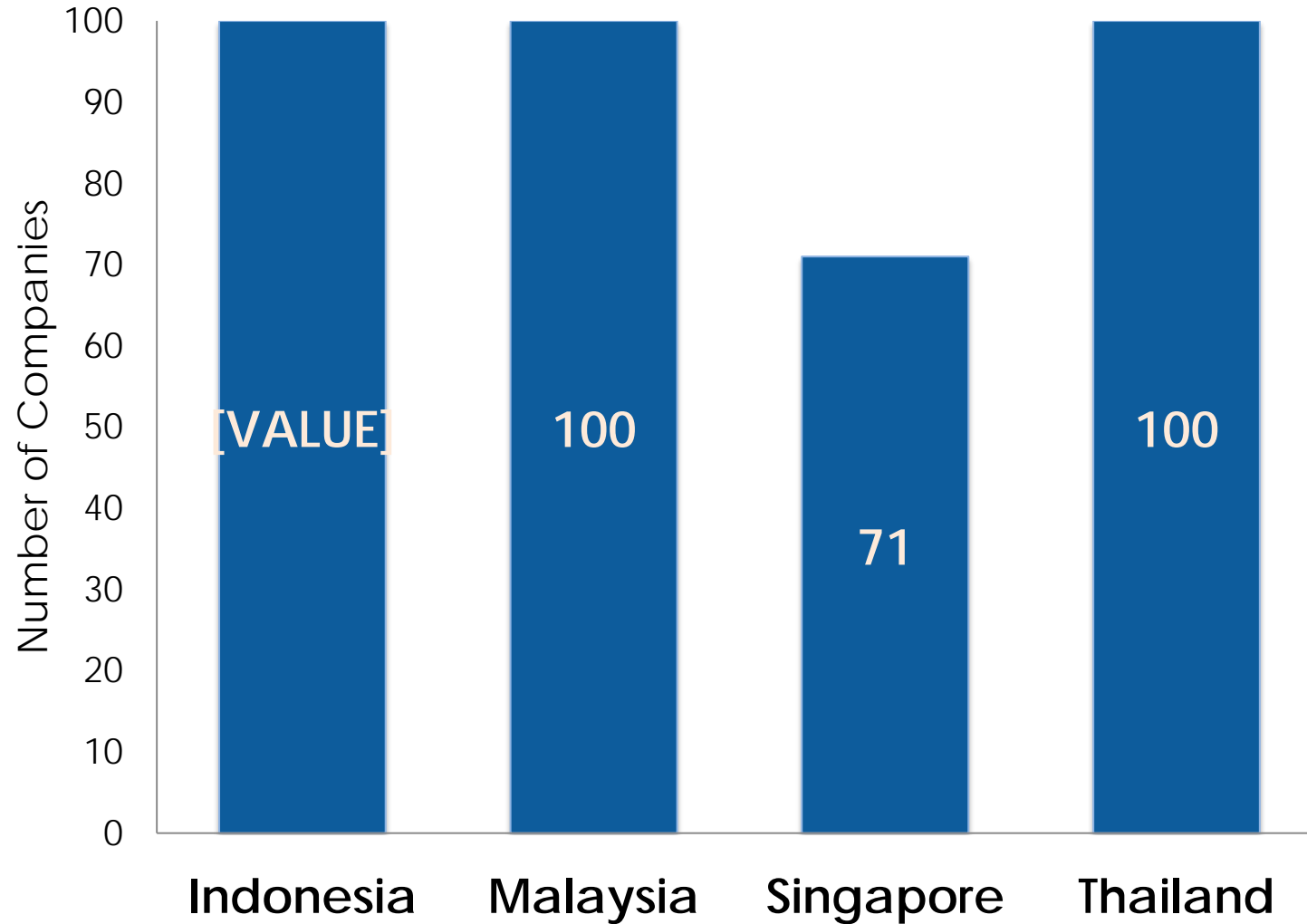
Methodology: Referencing GRI G4 Guidelines

Minimum score = 20; Maximum score = 100	
Governance	Economic
Gov 1: Code of corporate governance Gov 2: Governance procedures Gov 3: Anti-corruption and code of ethics - -	Econ 1: Economic value generated Econ 2: Value and supply chain Econ 3: Climate change – implications, risks, opportunities Econ 4: Investment in non-core business infrastructure Econ 5: Risk management
Environmental	Social
Env 1: Energy Env 2: Water Env 3: Waste management Env 4: Carbon emissions Env 5: Biodiversity Env 6: Compliance Env 7: Product and service stewardship -	Soc 1: Diversity and equal opportunity Soc 2: Labour and industrial relations Soc 3: Occupational health and safety Soc 4: Training and education Soc 5: Human rights Soc 6: Community involvement Soc 7: Product responsibility Soc 8: Philanthropy

AND General Standard Disclosures

- i. Strategy & Analysis
- ii. Materiality
- iii. Stakeholder Engagement

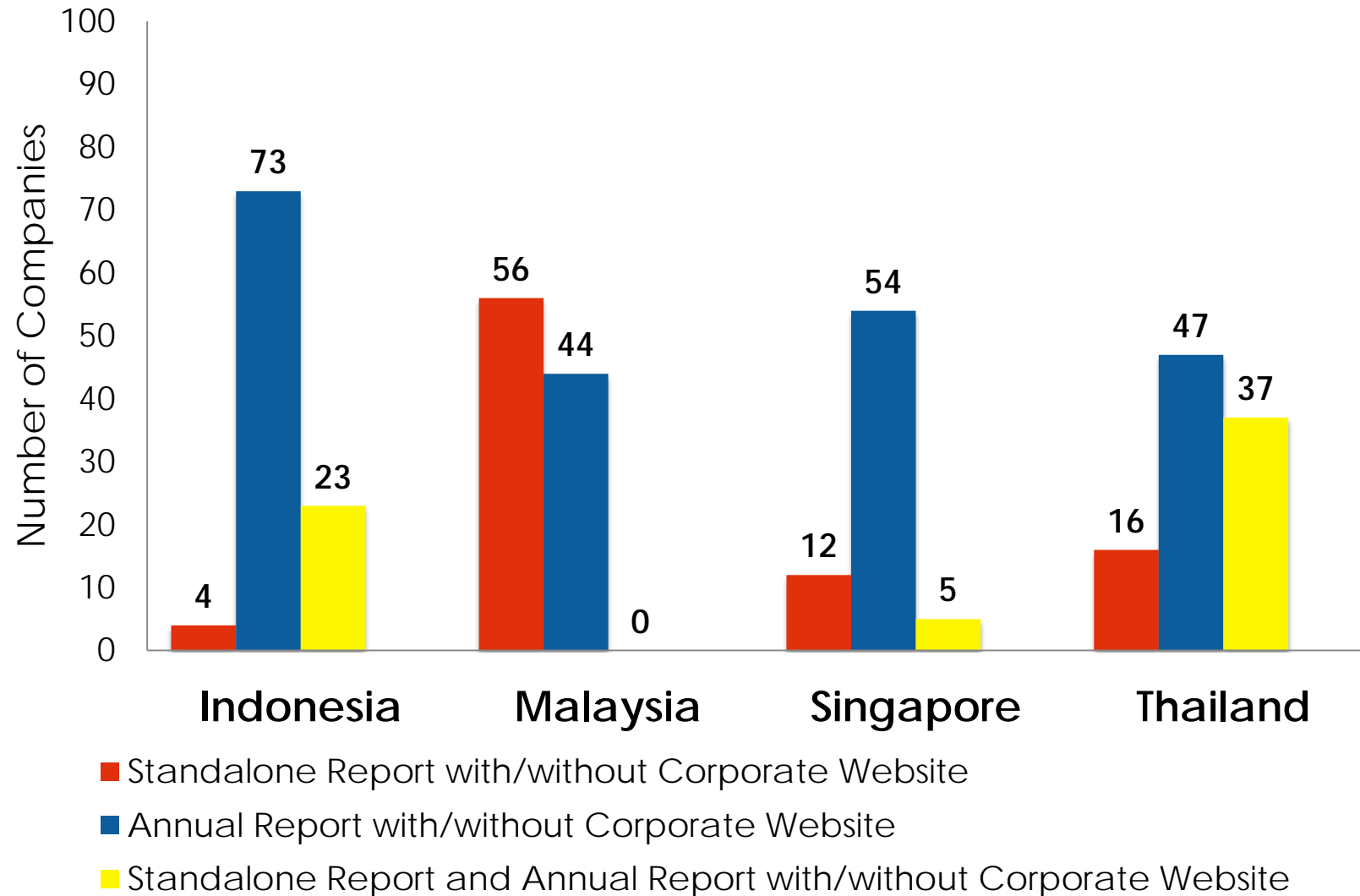
Companies with sustainability reporting



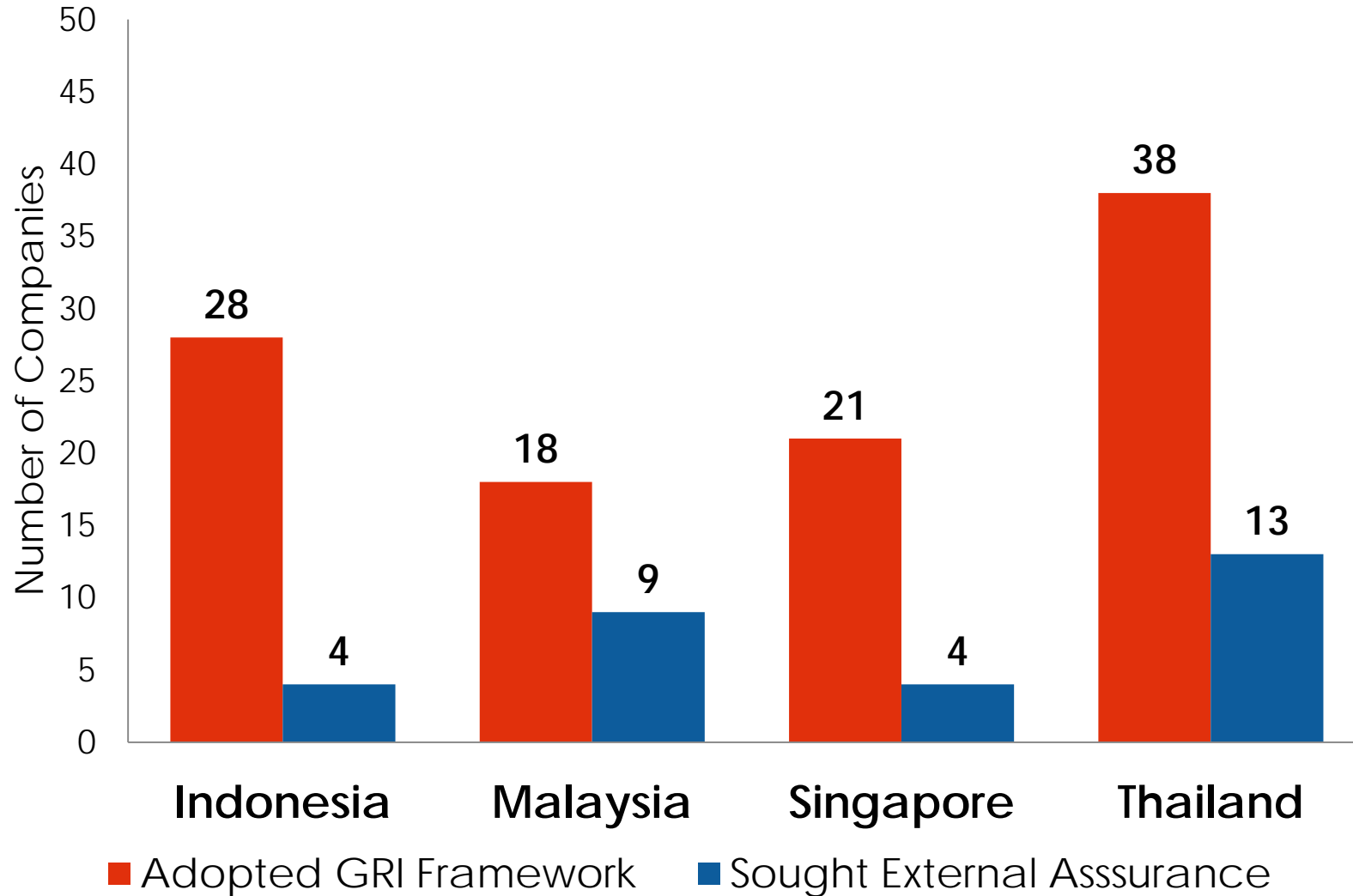
Sustainability reporting initiatives in ASEAN

	Indonesia (IDX)	Malaysia (Bursa)	Singapore (SGX)	Thailand (SET)
Sustainability Reporting Enforcement Level	CSR disclosure as a part of listing rule from financial year ending on or after 31 December 2012	Sustainability statement disclosure as a listing requirement starting from year 2007	'Comply or explain' basis as a part of listing rule from financial year ending on, or after 31 December 2017	CSR disclosure as a part of listing rule, effective from 1 January 2014
Sustainability Reporting Written Guidance	Nil	Bursa's 'Sustainability Reporting Guide'	SGX's 'Guide to Sustainability Reporting for Listed Companies'	CSR Institute's (CSRI) 'Guidelines for Sustainability Reporting'
Sustainability Index	KEHATI-SRI Index	FTSE4Good Bursa Malaysia Index	SGX Sustainability Indices	Nil

Mediums of Communicating Sustainability

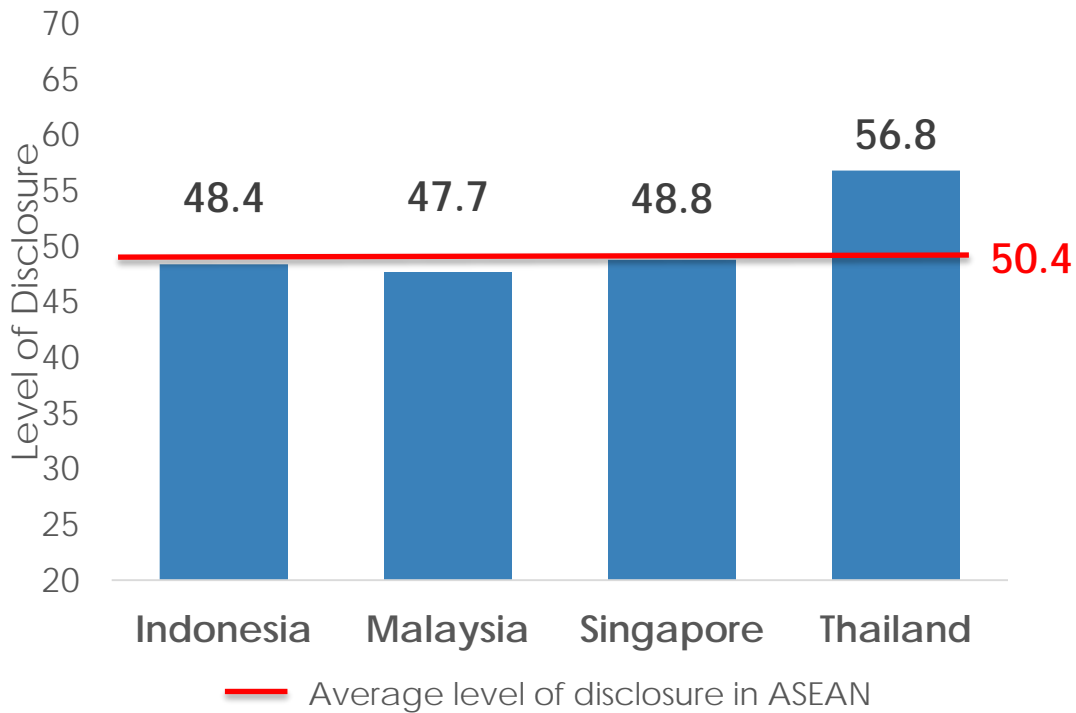


Framework Analysis

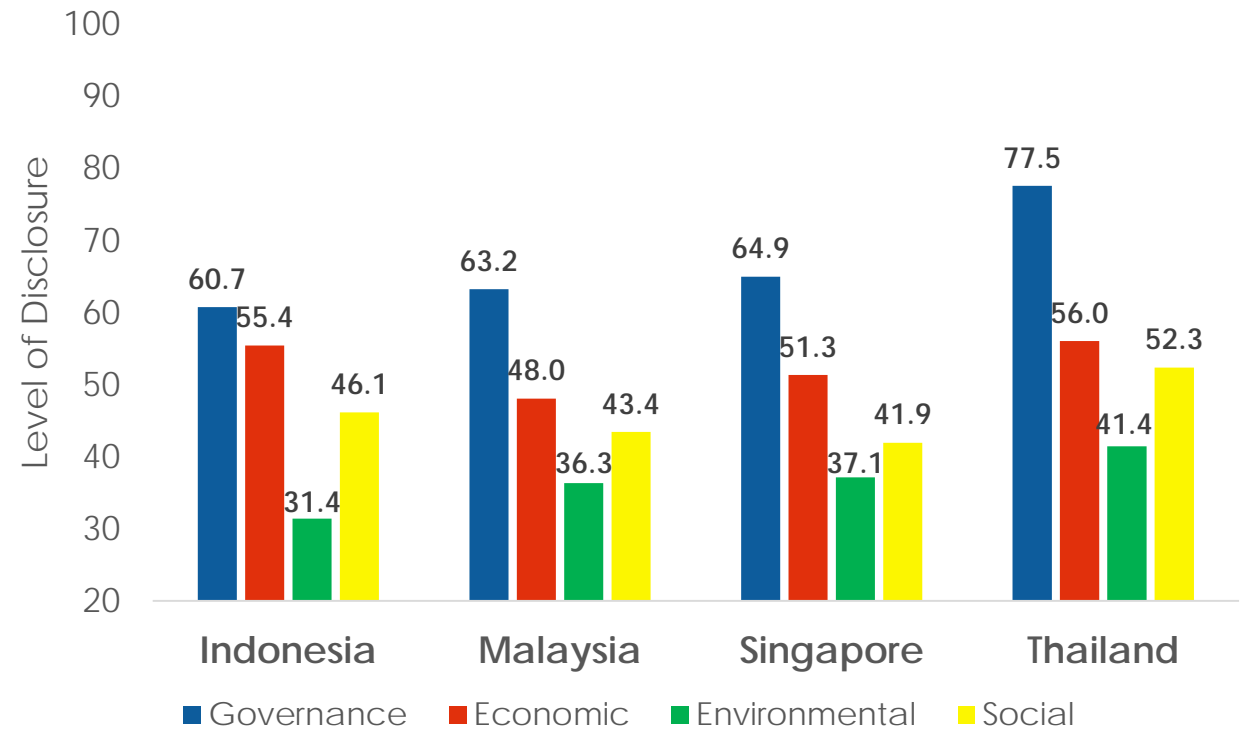


Overall Level of Disclosure

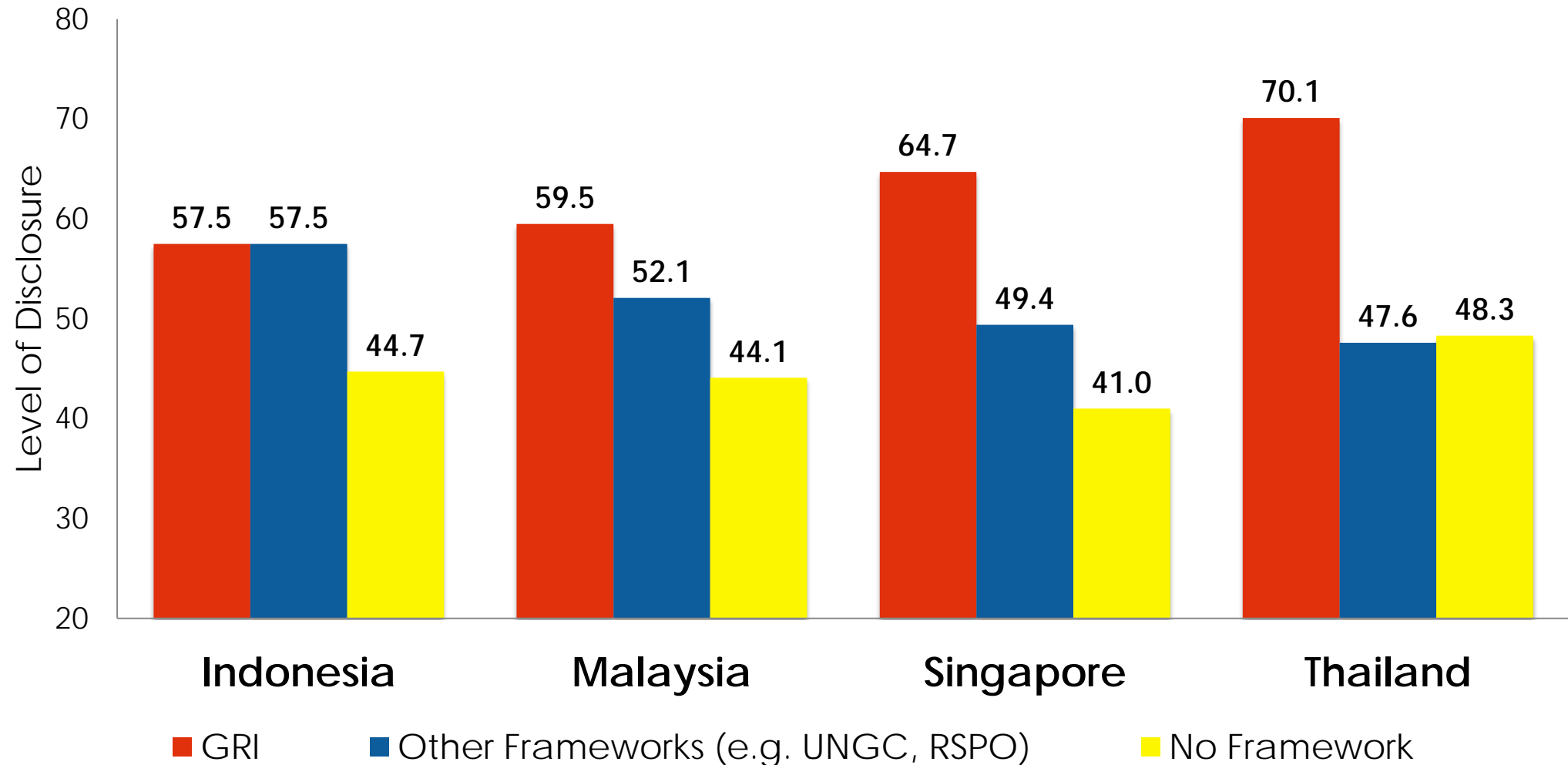
Level of sustainability disclosure in ASEAN



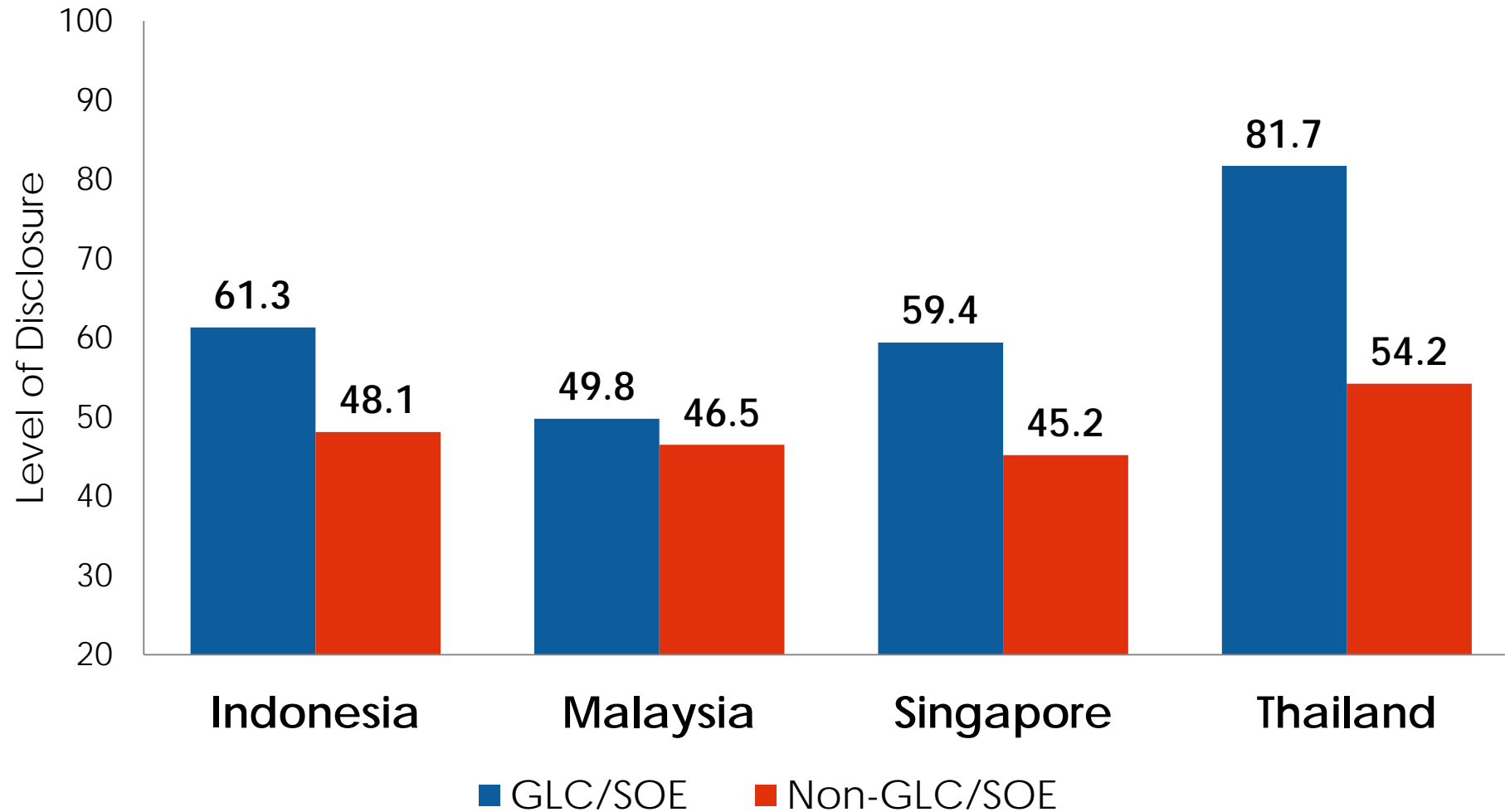
Level of sustainability disclosure by indicator



Level of Disclosure by Framework



Level of Disclosure by GLCs/SOEs



General Standard Disclosures (1)

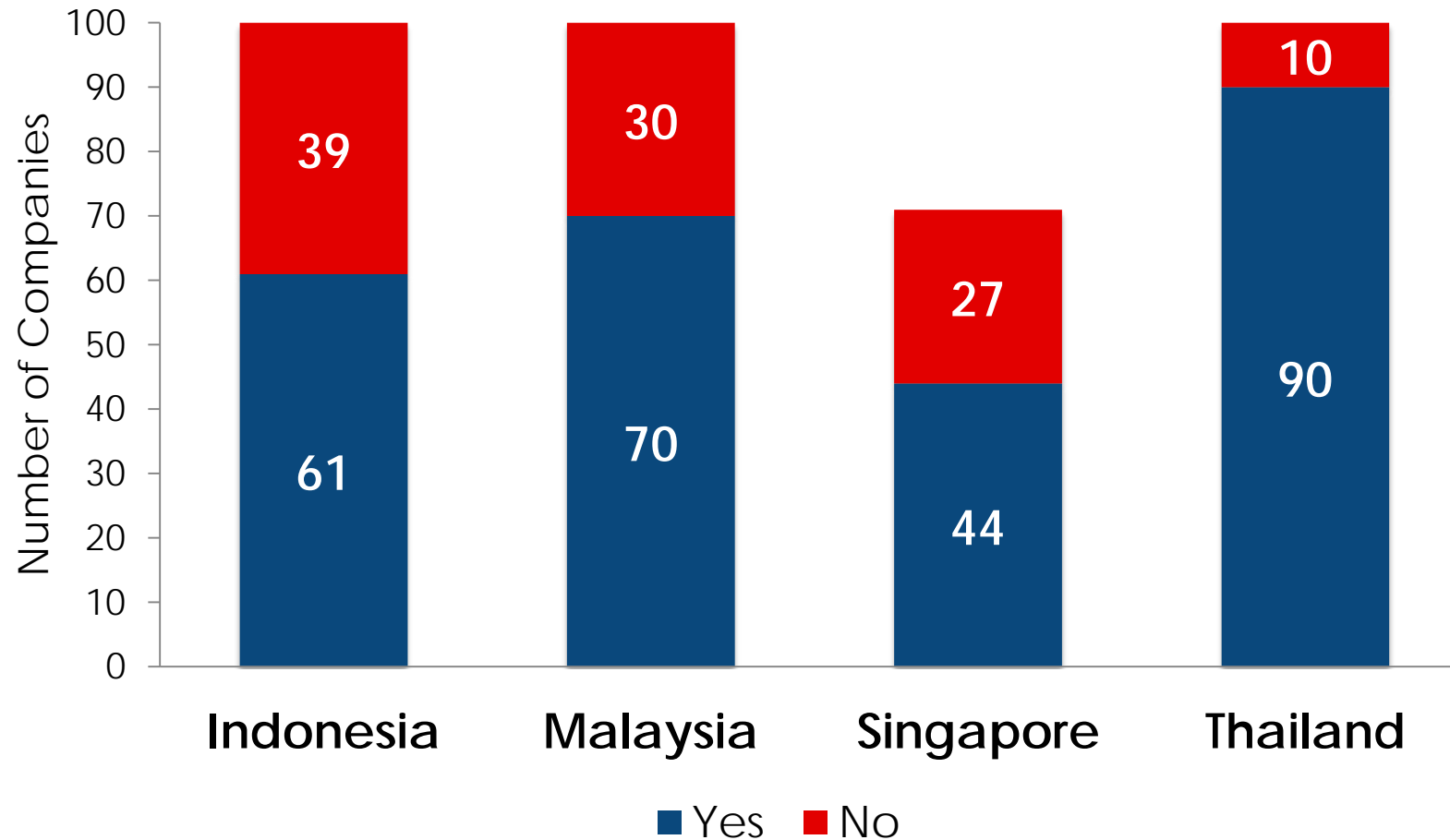
Strategy and Analysis

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graph TD; A[Strategy and Analysis] --> B[Provide CEO statement on sustainability]; A --> C[Provide description of key impacts, risks and opportunities];
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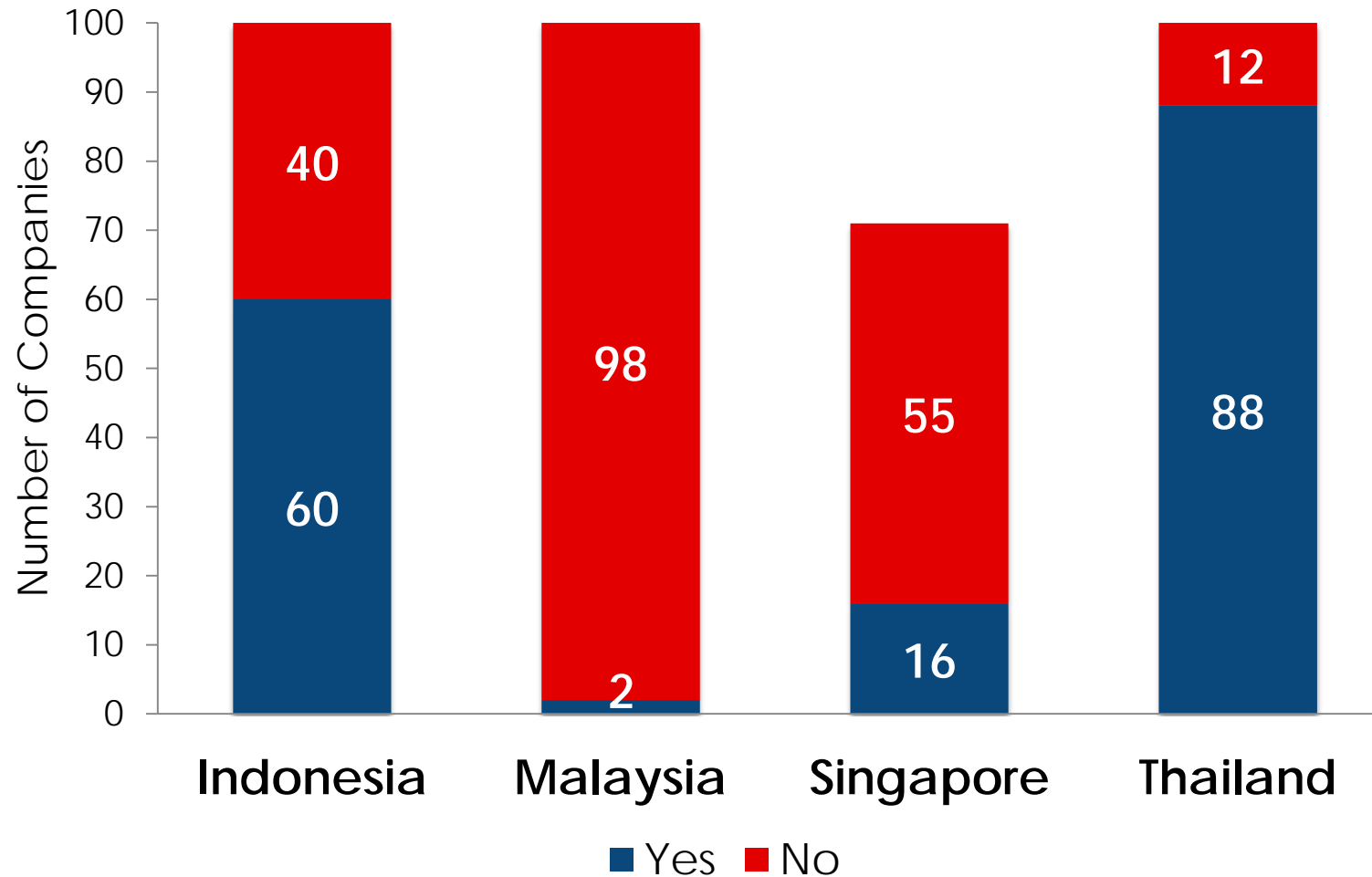
Provide CEO statement
on sustainability

Provide description of
key impacts, risks and
opportunities

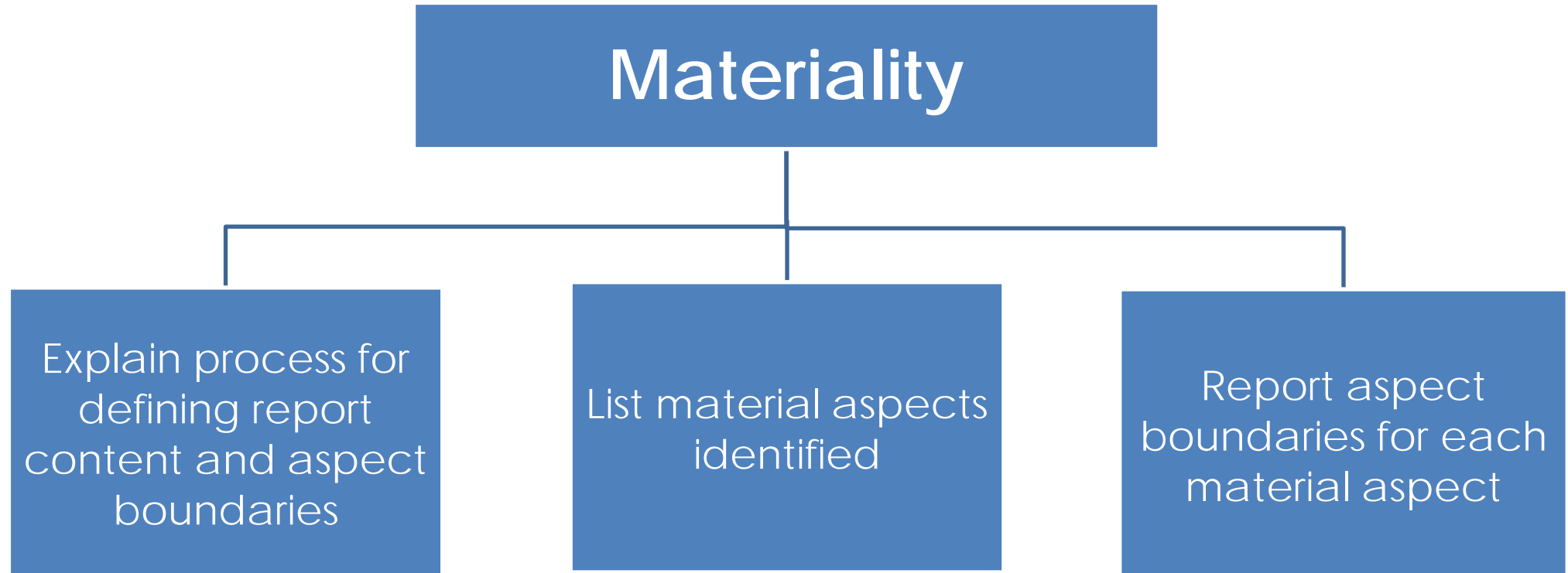
Number of companies that provided CEO statement on sustainability



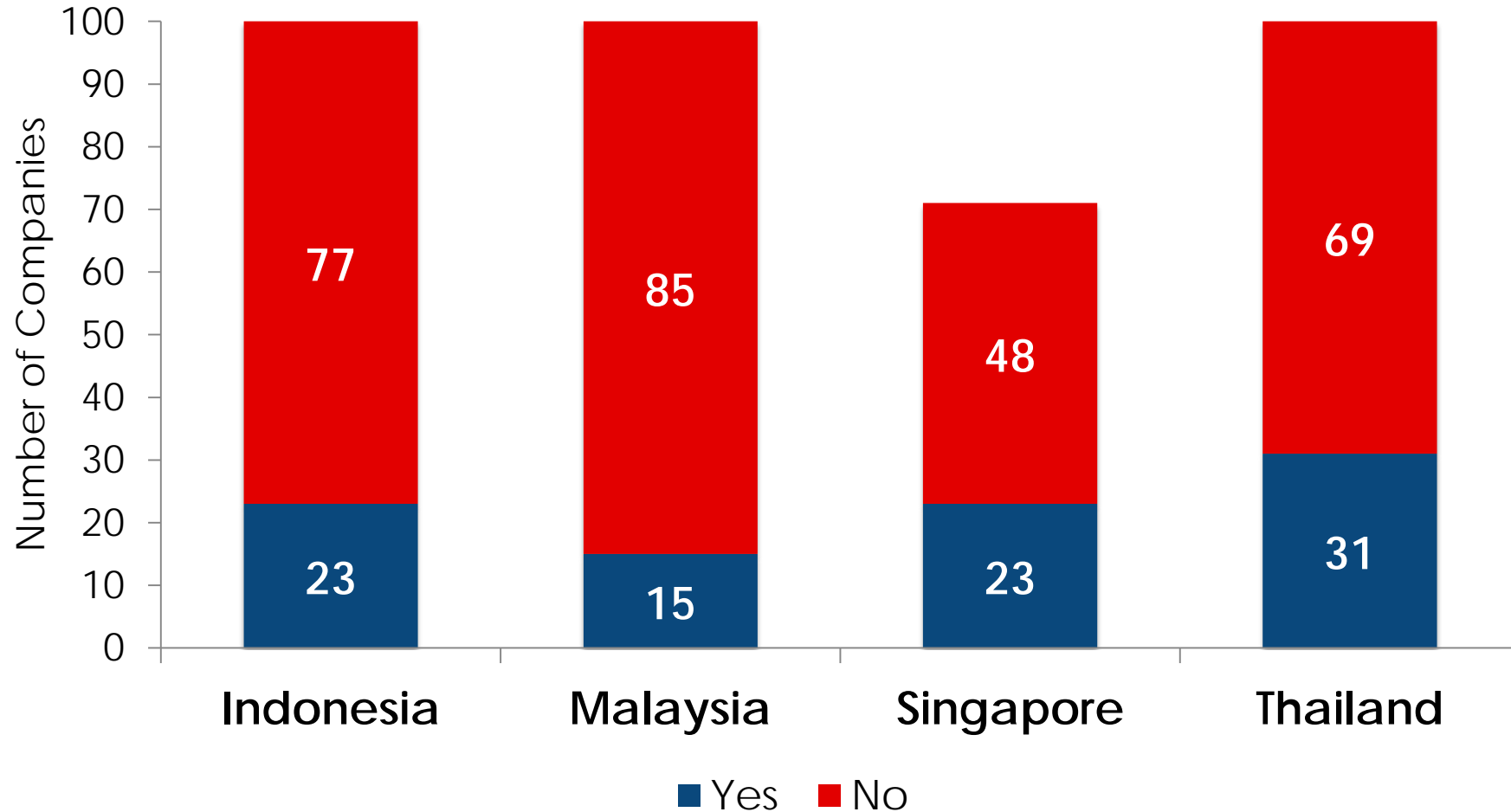
Number of companies that provided description of key impacts, risks and opportunities



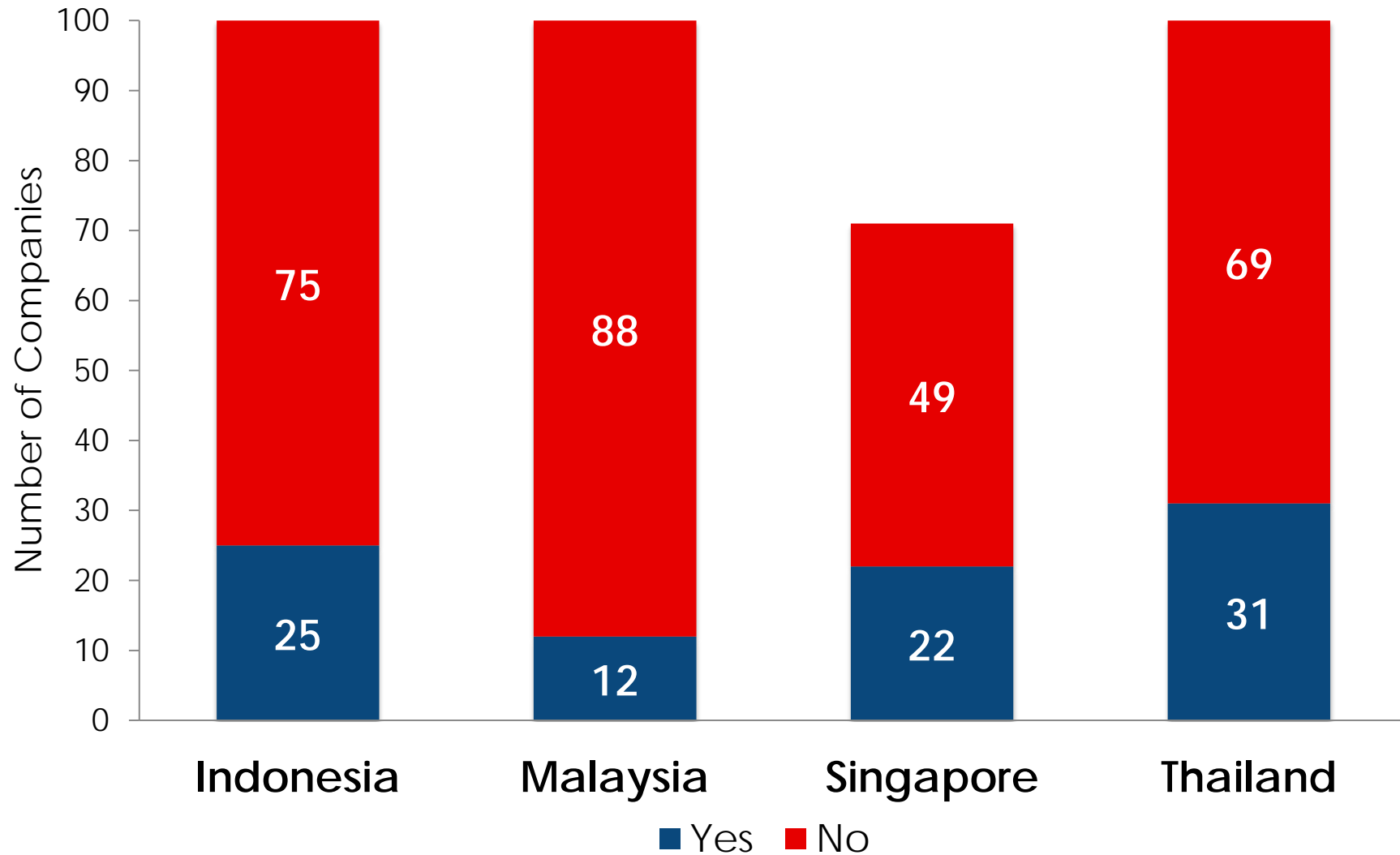
General Standard Disclosures (2)



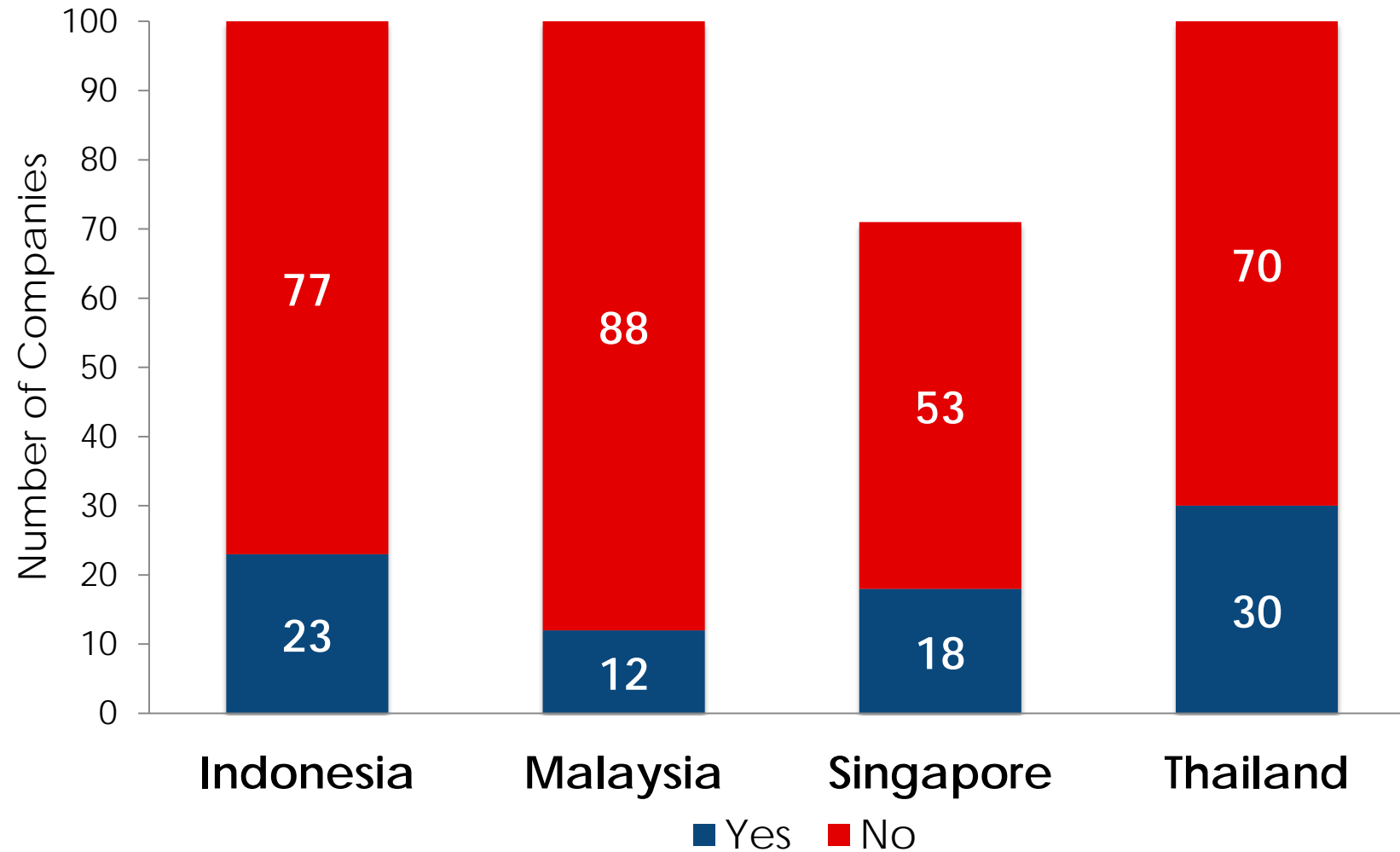
Number of companies that explained process for defining report content and aspect boundaries



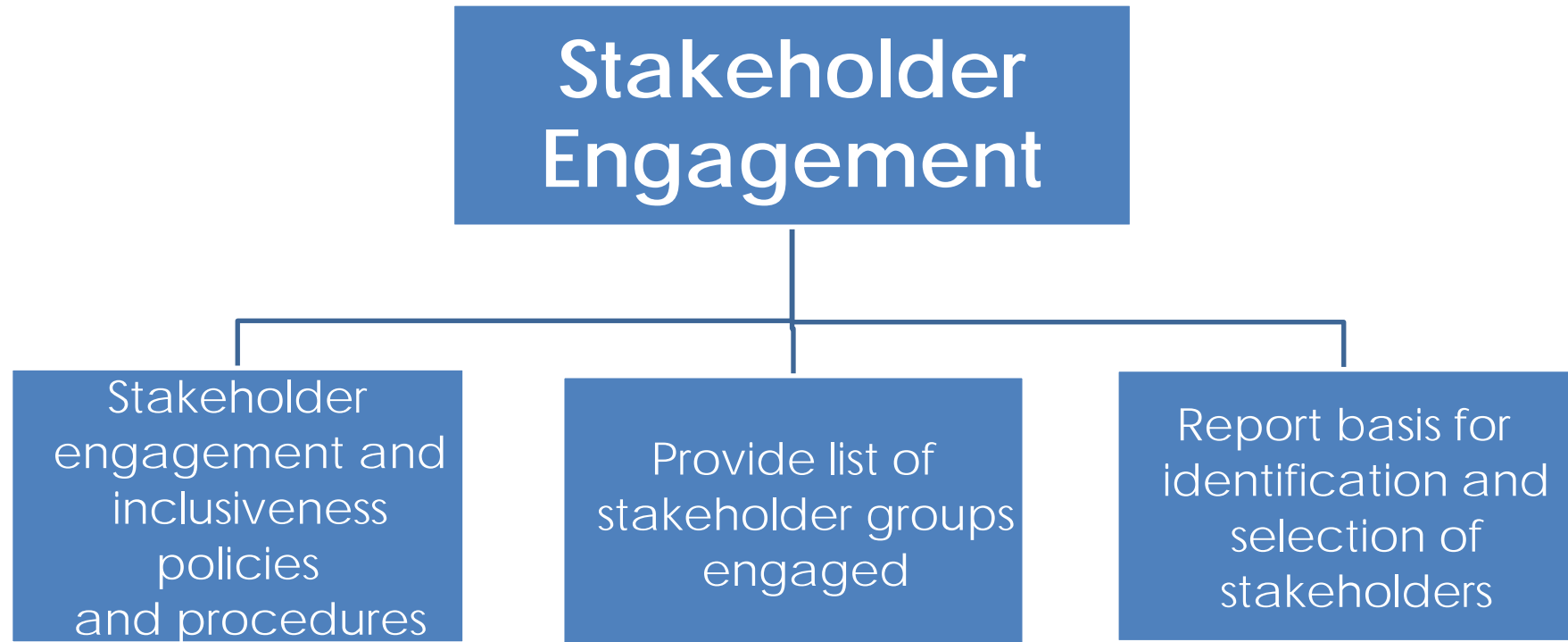
Number of companies that listed material aspects identified



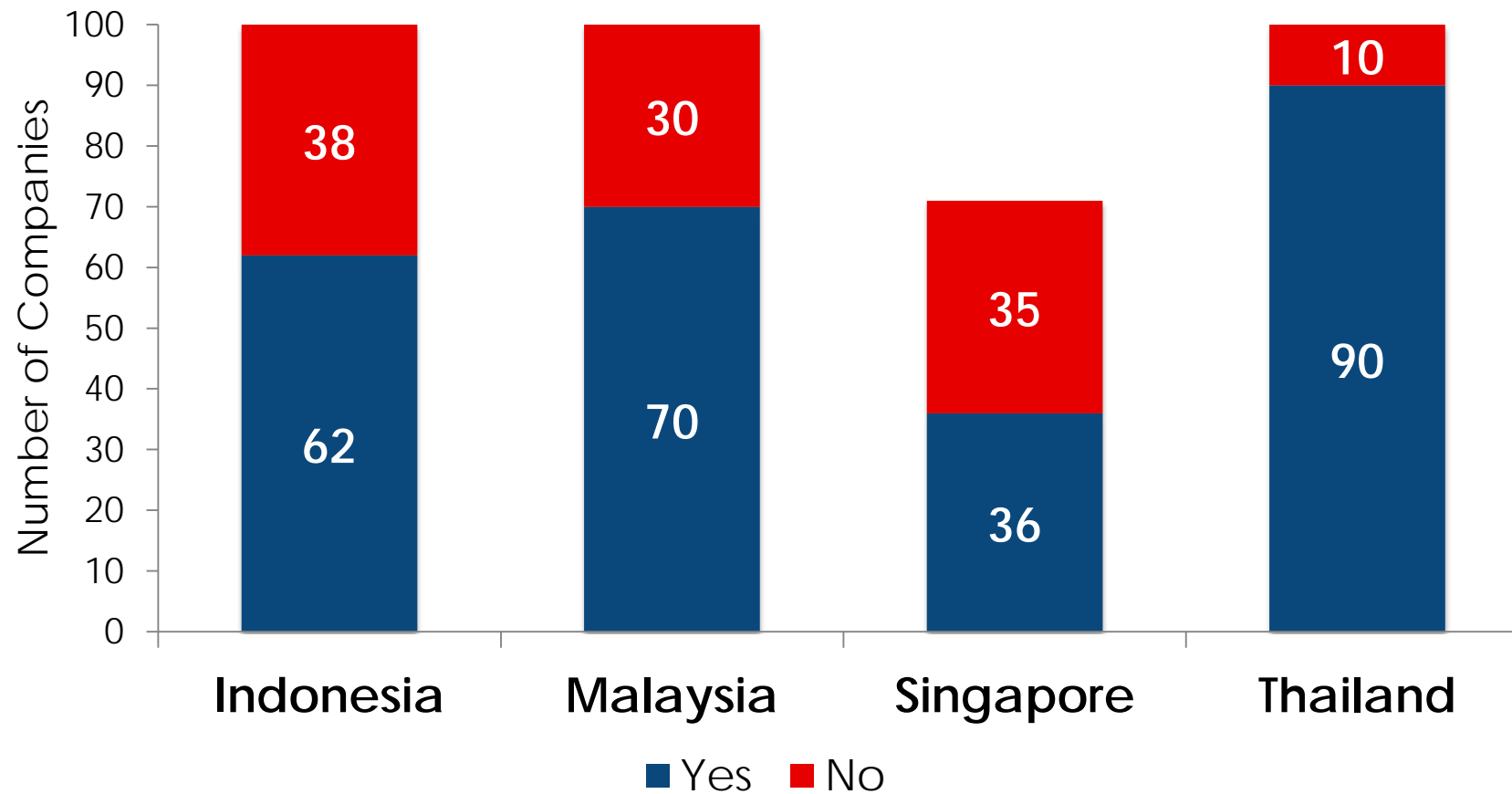
Number of companies that reported aspect boundaries for each material aspect



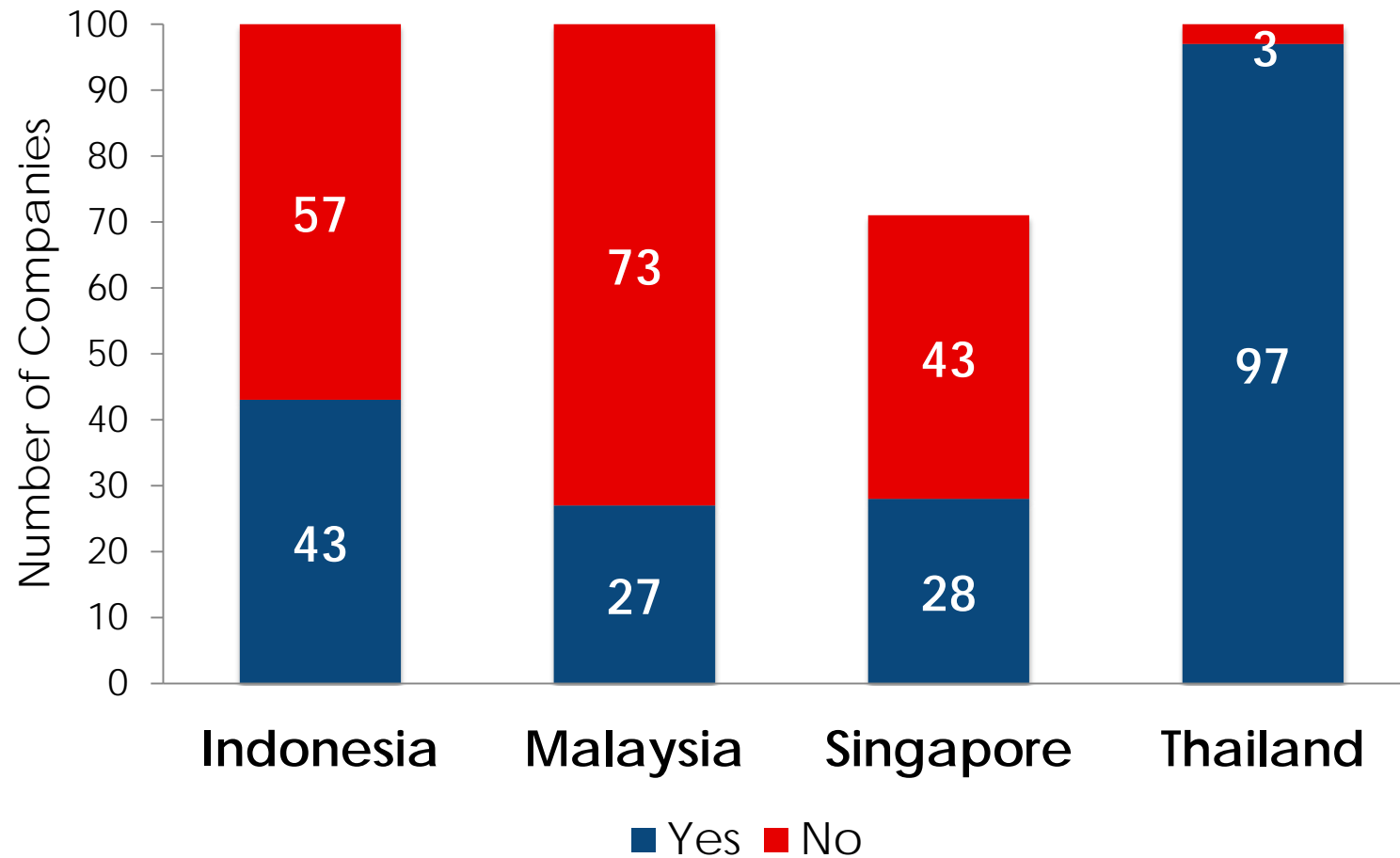
General Standard Disclosures (3)



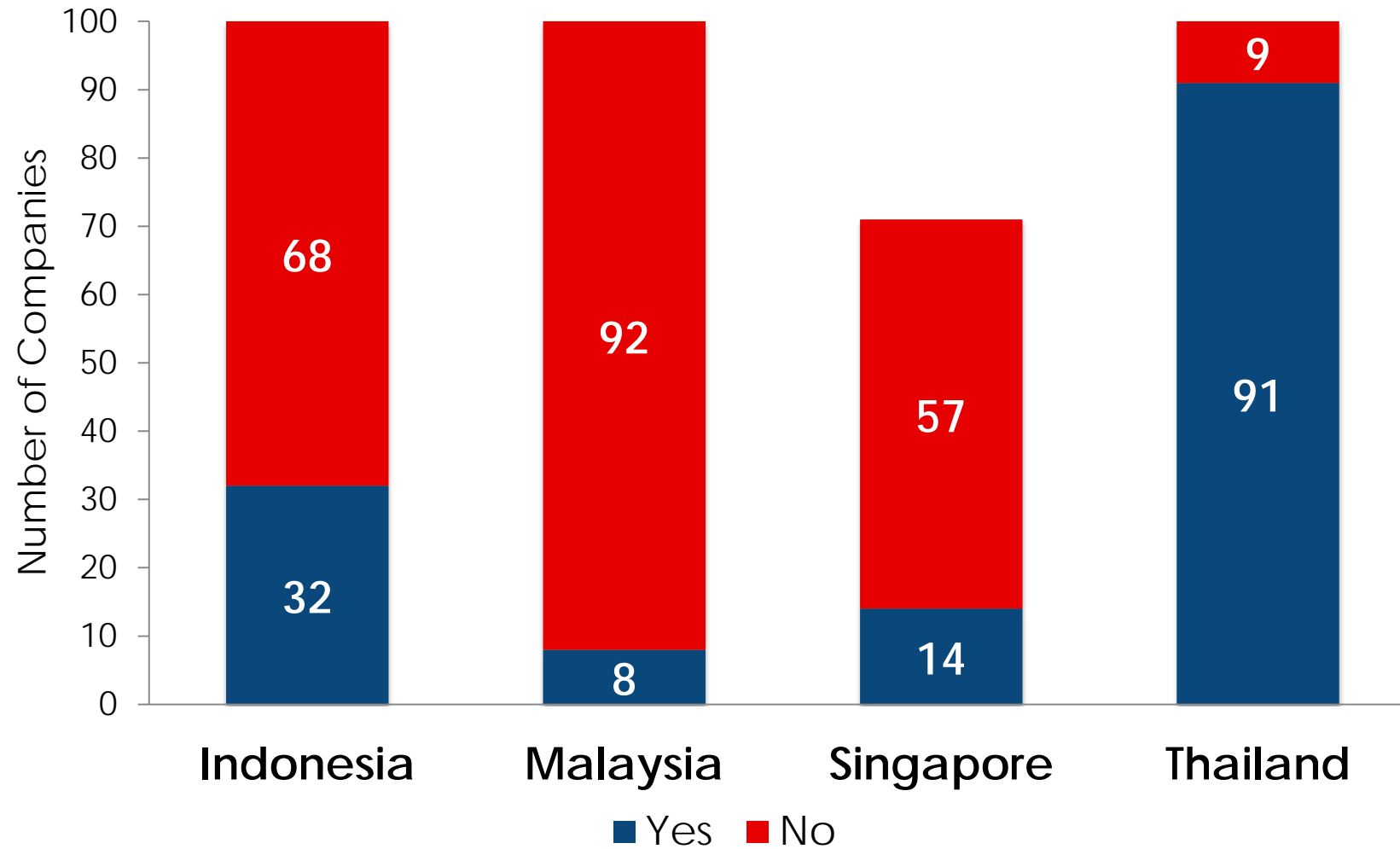
Number of companies that disclosed stakeholder engagement and inclusiveness policies and procedures



Number of companies that provided list of stakeholder groups engaged



Number of companies that reported basis of identification and selection of stakeholders



Summary of key findings (general observations)

- Higher quality of disclosure generally observed when countries used **GRI framework**
- **GLCs/SOEs** tend to fare better on their quality of disclosures
- Companies see the relevance in sustainability but majority of them are unable to identify its key impacts, risk and opportunities
- Only a small proportion of companies disclosed information on materiality from all countries

Summary of key findings (country observations)

- Indonesia – Economic and Social indicators are relatively well-disclosed but need to look further into Governance and Environmental aspects
- Malaysia – more comprehensive sustainability reporting landscape expected with the newly-implemented reporting guide by Bursa
- Singapore – higher proportion of companies are expected to communicate sustainability when on the ‘comply or explain’ basis
- Thailand - highest quality of disclosure, especially within the Energy sector
→ What are the reasons?

1. Push from Government & SEC/SET

Government Initiatives

- Ministry of Industry has initiated 'Green Industry Project'
- Ministry of Social Development and Human Security developed a "CSR Strategic Plan" in 2014



Capacity Building

- CSRI distributed a handbook based on GRI
- SEC offers 7 types of reporting workshops



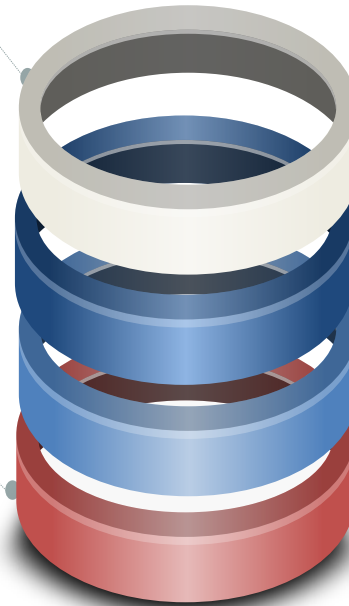
Recognition

- SET Sustainable Awards
- SET Social Enterprise Investments Awards



SET Sustainability Rankings

- Thailand Sustainable Investment List
- Dow Jones Sustainability Indices (DJSI)



SEC: Securities and Exchange Commission
SET: Stock Exchange of Thailand
CSRI: Corporate Social Responsibility Institute, which is under the SET

2. Business risks: Higher scores linked to business risks



Environmentally-sensitive industries

- have business risks that are related to sustainable efforts

Positive relationship

- between social and environmental scores

Less resources

- required relative to other sectors

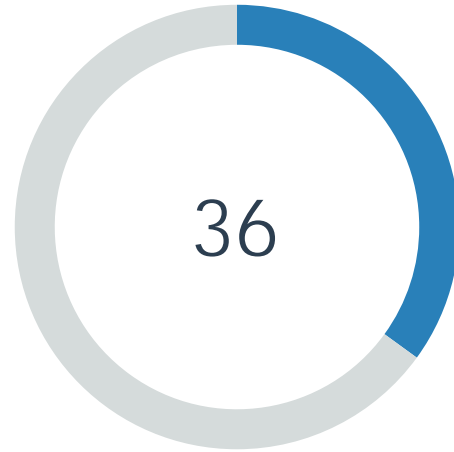
2. Business risks: Higher scores linked to business risks

Majority of **Top 10** companies with highest sustainability disclosure rate are from **the energy/ environmentally-sensitive industries**

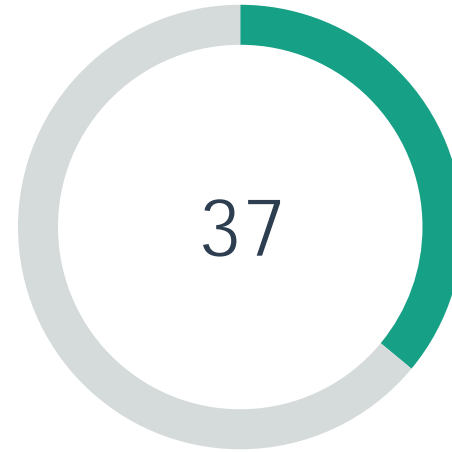
Top 10 companies

Rank	Name	Sector
1	Thai Oil	Energy
2	Siam Cement	Materials
3	PTT Exploration & Production	Energy
4	PTT Global Chemical	Materials
5	IRPC	Energy
6	Ratchaburi Electricity Generating	Utilities
7	PTT	Energy
8	Charoen Pokphand Foods	Consumer Staples
9	Banpu	Energy
10	Advanced Info	Telecommunication Services

3. Sufficiency Economy Philosophy

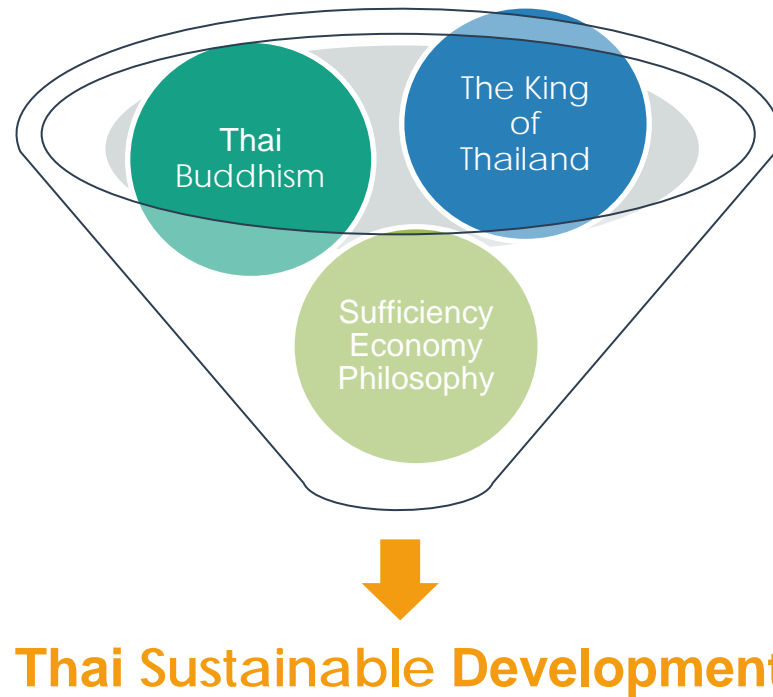


36 out of the top 100 companies disclosed the King's Sufficiency Economy Philosophy as a reason behind their sustainability activities



37 out of the top 100 companies disclosed that they were influenced by Buddhism

3. Sufficiency Economy Philosophy unique to Thailand

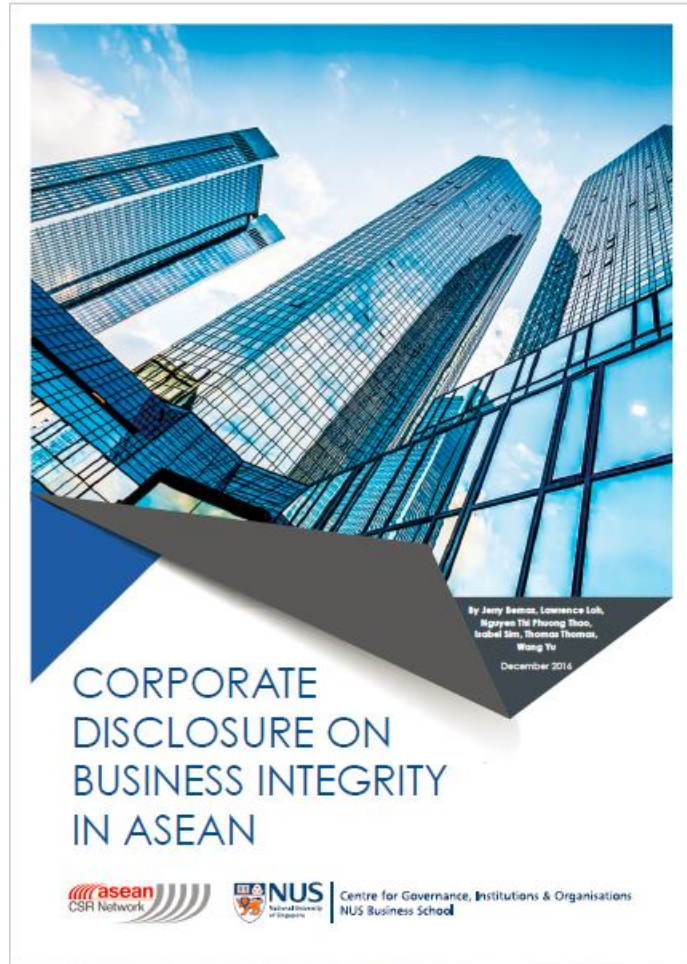


Sustainability in Thailand focuses on *pho phieng*, sufficient, adequate — or “just enough”

3. Sufficiency Economy Philosophy critical to better practices

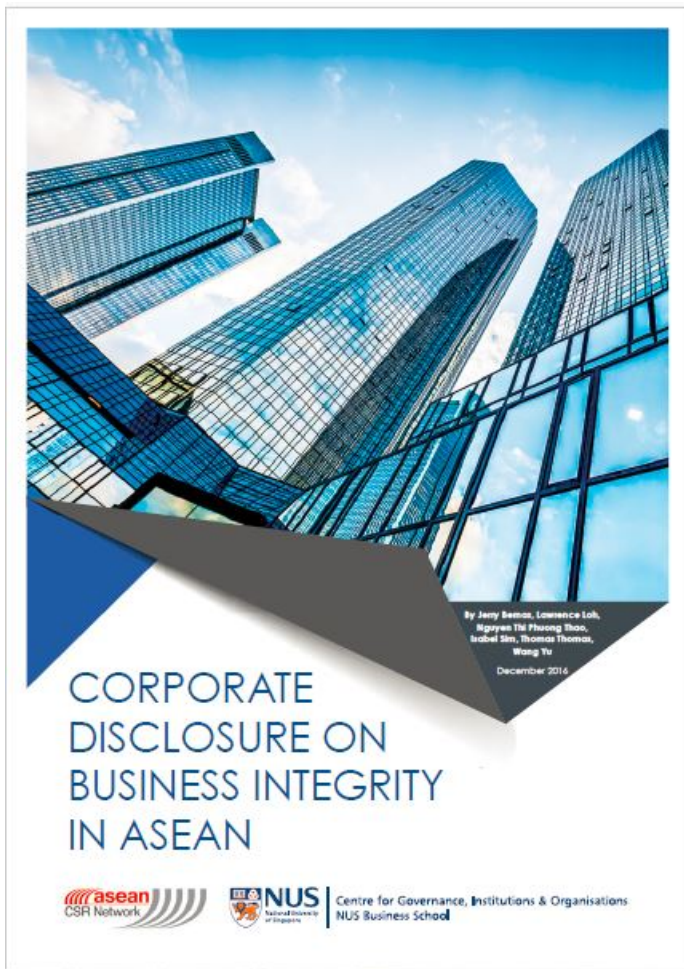


Thailand also tops ASEAN on 'corporate disclosure on business integrity'

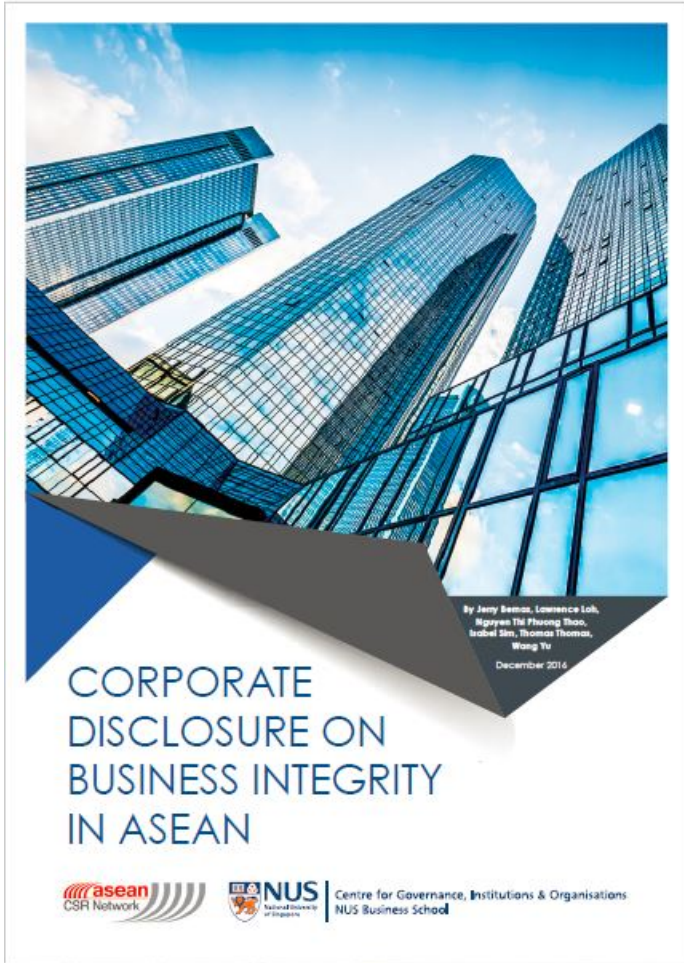


Top 50 companies

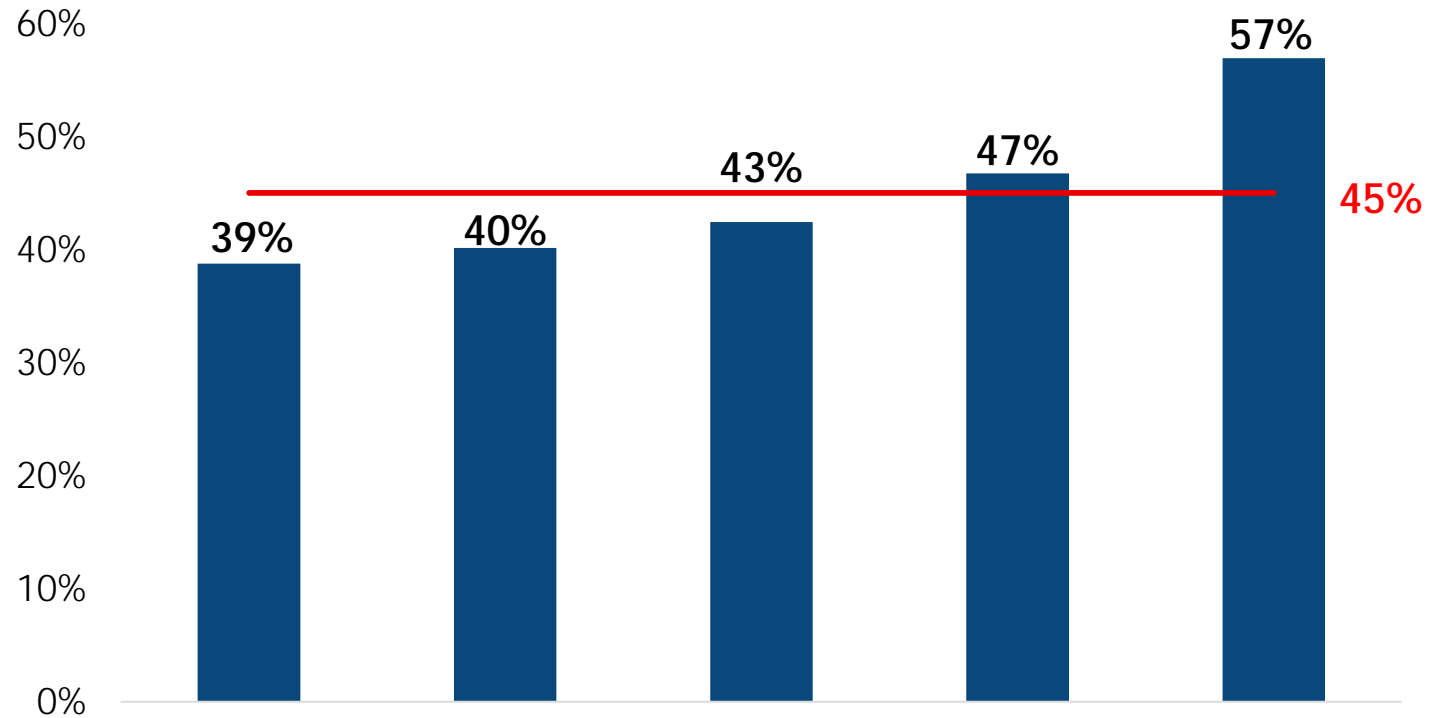
- By market capitalisation as of **31 December 2015**
- In **5 ASEAN countries** (Indonesia, Malaysia, Philippines, Singapore, and Thailand)
- Publicly available information as of **31 April 2016**



Category	Question	Description
Internal commitment to anti-corruption	1	Zero-tolerance statement
	2	Commitment to comply with laws
	3	Leadership support
	4	Code applied to all employees and directors
External commitment to anti-corruption	7	Training programme for all employees and directors
	5	Code applied to agents
	6	Code applied to suppliers
	8	Gifts, hospitality, travel policies
	9	Prohibition of facilitation payments
Reporting and monitoring	13	Disclosure of political contributions
	10	Prohibition of retaliation for reporting
	11	Confidential reporting channel
	12	Regular programme monitoring



Overall level of disclosure on business integrity



Indonesia Malaysia Philippines Singapore Thailand

■ Average level of disclosure rate per country

— Average level of disclosure rate across 5 countries



THAILAND

Top 10 Highest Disclosure Rate on Business Integrity

- ✓ Advanced Info Service Pcl
- ✓ Electricity Generating Pcl
- ✓ Bangchak Petroleum Pcl
- ✓ Intouch Holdings Pcl
- ✓ Bts Group Holdings Pcl
- ✓ Ptt Exploration & Production Pcl
- ✓ Central Plaza Hotel Pcl
- ✓ Ptt Public Company Limited
- ✓ Charoen Pokphand Foods Pcl
- ✓ Thai Oil Pcl
- ✓ Delta Electronics Thailand Pcl
- ✓ True Corp Pcl

**Some companies share the same scores with each other.*

TOP 10
Highest
Disclosure Rate on
Business Integrity
across ASEAN

✓	Advanced Info Service Pcl	Thailand
✓	Bangchak Petroleum Pcl	Thailand
✓	Electricity Generating Pcl	Thailand
✓	Intouch Holdings Pcl	Thailand
✓	Sembcorp Industries Ltd	Singapore
✓	Sembcorp Marine Ltd	Singapore
✓	SIA Engineering Co Ltd	Singapore
✓	Singapore Technologies Engineering Ltd	Singapore
✓	Thai Oil Pcl	Thailand
✓	True Corp Pcl	Thailand

Thank You!





Thomas Thomas
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ASEAN CSR Network