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S'pore firms 'lag behind in sustainability reporting'

Only 71% had done reports, study shows; but this will change with new SGX requirements

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Listed companies in Singapore were not as active in sustainability reporting as those in neighbouring countries, a recent study has shown.

The main reason was that companies here have not been mandated to do such reporting, but the situation is expected to improve with the Singapore Exchange (SGX) recently updating regulations on this front.

Only 71 per cent of companies listed here had conducted reporting on matters related to sustainability, the study, looking at the top 100 mainboard companies by market cap in Singapore, Indonesia, Malaysia and Thailand, found.

Singapore's performance was well below the 100 per cent reporting level in the other three nations.

But in terms of the quality of those disclosures that were made, Singapore firms outperformed those in Indonesia and Malaysia. Singapore scored 48.8, ahead of Malaysia's 47.7 and Indonesia's 48.4. Thailand scored the highest, at 56.8.

The study covered corporate information for a two-year period from the start of 2014 to the end of last year. It was conducted by the Centre for Governance, Institutions and Organisations (CGIO) – part of the National University of Singapore – and Asean CSR Network.

"Singapore companies lag behind their Asean counterparts because it is currently not mandatory for them to communicate sustainability, unlike Indonesia, Malaysia and Thailand," CGIO director Lawrence Loh told the Straits Times.

"However, this is expected to change in Singapore when regulations will require companies here to comply or explain from financial year ending on or after Dec 31 2017," he added. He was referring to newly announced SGX requirements that ask all listed companies here to either issue an annual sustainability report, or explain their decision not to do so.

The new requirements came as the Government recently stepped up its commitment to environmental sustainability. Starting from the third quarter this year, the Government will procure only printing paper products with the Singapore Green Label, Environment and Water Resources Minister Masagos Zulkifli said yesterday at a conference where the study findings were revealed. But Mr Zulkifli stressed that companies, consumers, investors and academia all have a key part to play – both in Singapore and across Asean. "With the private sector and academia coming together, we can seize the opportunity to play a bigger role in shaping the sustainability agenda to build a more sustainable, equitable and inclusive Asean," he said.

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