Source: *The Business Times,* p4
Date: 21 July 2016

Singapore lags Asean in sustainability reporting: study

By Angela Tan
angelat@sph.com.sg

Singapore

SINGAPORE companies see the relevance in sustainability reporting but a majority struggle to identify its key impact, risks and opportunities, according to a recent study.

The study by National University of Singapore (NUS) Business School's Centre for Governance, Institutions and Organisations (CGIO) and Asean CSR Network (ACN) revealed that only 71 per cent of the companies in Singapore practise sustainability reporting, lagging behind its regional counterparts in terms of mandatory enforcement.

In contrast, mandatory sustainability reporting enforcement levels in Indonesia, Malaysia and Thailand have proved to be effective as 100 per cent of the companies there are communicating sustainability. Thailand stood out as a clear outperformer, with its high quality of disclosure attributed to its business culture that strongly emphasises compliance.

However, the study noted that the overall disclosure quality is relatively low.

In Malaysia, a more comprehensive sustainability reporting landscape is expected with the newly implemented reporting guide by Bursa Malaysia.

According to the study, Indonesia and Malaysia trail Singapore and Thailand in terms of disclosure quality. Factoring in governance, economic, environmental and social indicators, Thailand outperformed with a score of 56.8, followed by Singapore (48.8), Indonesia (48.4) and Malaysia (47.7).

The study also revealed that government-linked companies and state-owned enterprises fared better on their quality of disclosures.

More companies in Singapore are expected to fall in line once the Singapore Exchange introduces sustainability reporting on a "comply or explain" basis in 2017. "The research clearly demonstrates that both government and industry stakeholders have a role to play in enhancing sustainability reporting as a key component of corporate governance," said associate professor Lawrence Loh, director of CGIO.

"Through this public-private partnership, Asean can truly be a world-class place to do business." The study examined the top 100 mainboard companies by market capitalisation as at June 30, 2015, in Indonesia, Malaysia, Singapore and Thailand, covering disclosed information from Jan 1, 2014, to Dec 31, 2015.

Source: The Business Times © Singapore Press Holdings Ltd. Permission required for reproduction.