

# Sustainability to be key criteria in Sias corporate governance award

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## Singapore

THE Securities Investors Association (Singapore), or Sias, on Thursday said it has incorporated sustainability as a key criteria for the first time in the Singapore Corporate Governance Award this year.

The Sustainability Award was previously a standalone award to recognise companies with substantial sustainability reporting and practices.

Sias' founder, president and chief executive David Gerald said: "A sound sustainability framework is no longer a 'good-to-have' or a side show, but an inherent part of a successful corporate."

A new sustainability scoring framework, which will assess the company's sustainability practices as disclosed in their sustainability reports, has also been introduced to the award scorecard.

Called the SMART framework, it will assess a company's "scope and statement", "material ESG factors", "actions and achievements", "reporting framework" and "targets". (ESG is Environmental, Social and Governance.)

Jointly developed by Sias and the Centre for Governance and Sustainability at the National University of Singapore (NUS) Business School, it will account for 40 per cent of the total score in the first round of evaluation.

The remaining 60 per cent of the scoring will be based on the existing

framework for corporate governance assessment, which assesses a company's "shareholders' rights and equitable treatment", "transparency and disclosure", "accountability and audit", "responsibilities of the board" and "stakeholders' roles".

The top 20 companies with the highest combined scores will be short-listed for another round of assessment, where a Refinitive score will be incorporated to the final scorecard.

The Singapore Corporate Governance Award selection committee, comprising industry partners and media, will then evaluate the quantitative scores and assess any qualitative information to decide on the winner of the various categories.

The categories are: listed companies with market capitalisation of S\$1

billion and above, those with market capitalisation of S\$300 million to under S\$1 billion, those with market capitalisation of under S\$300 million, and real estate investment trusts (Reits) and business trusts.

Professor Lawrence Loh, the director of Centre for Governance and Sustainability at the NUS Business School, said: "The new Singapore Corporate Governance Award uses a first-of-its kind assessment framework integrating both corporate governance and sustainability.

"In addition, it is unique in factoring also the stock-market performance of the companies that are award winners. The complete and holistic approach differentiates the award from others in the region and locally," he added.