



PRESS RELEASE

Over 60 per cent of Singapore listed companies still not communicating sustainability

Findings from the latest biennial study on sustainability reporting indicate need for greater accountability to report environmental practices.

Singapore - 20 October 2016 – A study by National University of Singapore (NUS) Business School's Centre for Governance, Institutions and Organisations (CGIO) and ASEAN CSR Network (ACN) revealed that majority of Singapore companies are still not communicating sustainability.

According to the latest findings from "Sustainability reporting in Singapore: The State of Practice among Singapore Exchange (SGX) Mainboard Listed Companies 2015," 186 out of a total of 502 mainboard listed companies communicate their sustainability practices, with an average level of disclosure of 43.6 points. Although this is an increase from 160 companies in 2013 and 79 in 2011; over 60 per cent of the listed companies are still not communicating sustainability to its stakeholders.

Among the four indicators of quality of disclosures studied – governance, economic, environmental and social – governance was best disclosed and environmental was the least disclosed indicator. (See Annex 1 and 2)

The study examined all the SGX listed companies covering disclosed information from 1 January 2014 to 31 December 2015 and follows-up on the biennial studies in 2013 and 2011 which serve as national benchmarks on sustainability reporting in Singapore. The study's methodology references the Global Reporting Initiative (GRI) framework - an internationally recognised sustainability reporting framework - which provides more comprehensive and extensive guidelines. It also references to SGX's 'Guide to Sustainability Reporting for Listed Companies.'

Of the 186 companies that had communicated sustainability, 24 adapted the GRI framework, an increase from 19 in 2013. Correspondingly, those that adopted the GRI framework had a higher level of sustainability disclosure at 62.9, as compared to those who adopted no framework and scored a level of disclosure of 40.7.

Of these 186 companies, 24 companies made materiality disclosures, largely related to areas under the social indicator. However, the level of disclosure in the social aspects has declined in 2015 for Occupational Health and Safety, Product Responsibility, and Training and Education, as compared to 2013.

The increase in the number of companies reporting sustainability since 2013 was primarily driven by the commerce, manufacturing and services sectors; while the non-communicating companies also largely come from these three sectors.

26 blue chip companies on the Straits Times Index (STI) were found to disclose information pertaining to their sustainability practices in a more comprehensive manner than their non-STI counterparts, with a score of 56.8 against 41.4 in 2013. The study also found that the 17 Government-linked Companies (GLCs) performed better in their level of sustainability disclosure than non-GLCs, with a score of 51.9 against 43.3 respectively.

"While Singapore has made good progress, we still lag behind our regional peers substantially. At our current rate of progress, less than half of companies will be reporting sustainability by 2018," said Associate Professor Lawrence Loh, Director of CGIO at NUS Business School. "While the new SGX sustainability reporting requirement of 'comply or explain' is timely, it won't be enough. Companies have to recognise the long-term benefits of consistently reporting sustainability and take action."

ENVIRONMENTAL INDICATORS LEAST REPORTED

In spite of a growing public awareness about climate change, disclosures on the environmental impact of businesses were found to be inadequate across the board for all 186 companies with sustainability communication. The levels of disclosure for the Environmental indicators fell across the board. This is found consistent for both references used in this study i.e. GRI Framework and SGX's Guide to Sustainability Reporting.

In particular, disclosures pertaining to climate change were insufficiently addressed. Only 12.9 percent of companies disclosed information about their climate change efforts and even fewer companies disclosed information on biodiversity management efforts.

SUSTAINABILITY REPORTING BY REAL ESTATE INVESTMENT TRUSTS (REITs)

Recognising the growing importance of REITs in the capital market, the study also examined their sustainability reporting practices.

27 out of a total of 33 Real Estate Investment Trusts (REITs) on the SGX communicated their sustainability practices, compared to 21 REITs out of 29 in 2013. The overall level of disclosure increased to 43.6, from 42.4 in 2013. (See Annex 3)

In terms of quality, the levels of disclosure for the Governance and Social indicators increased marginally compared to 2013, while that of Economic and Environmental indicators decreased. (See Annex 4)

"Sustainable companies have better performance over longer term. It fits well into the communities they operate in and are able to respond to changes better. Our study of four ASEAN markets has shown that Singapore has some catching up to do, in terms of number of companies reporting and level of disclosure. I hope the

next report will show greater progress,” says Mr Thomas Thomas, CEO of ASEAN CSR Network.

The findings were released today at the *Roundtable on Sustainability Reporting: Capability Development and Capacity Building*, organised by CGIO, in partnership with ACN. The roundtable, which was attended by leading experts and industry stakeholders from Singapore’s sustainability ecosystem, aims at developing and building capabilities to achieve better sustainability practices in Singapore.

This study is affiliated to a large research study on the state of sustainability reporting of companies listed on the major stock exchanges in ASEAN (Indonesia, Malaysia, Singapore, and Thailand).

Full study of SGX companies can be found here tinyurl.com/sr2016-companies and REITs can be found here tinyurl.com/sr2016-reits

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About National University of Singapore (NUS)

A leading global university centred in Asia, the National University of Singapore (NUS) is Singapore’s flagship university, which offers a global approach to education and research, with a focus on Asian perspectives and expertise.

NUS has 17 faculties and schools across three campuses. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 38,000 students from 100 countries enrich the community with their diverse social and cultural perspectives.

NUS has three Research Centres of Excellence (RCE) and 29 university-level research institutes and centres. It is also a partner in Singapore’s fifth RCE. NUS shares a close affiliation with 16 national-level research institutes and centres. Research activities are strategic and robust, and NUS is well-known for its research strengths in engineering, life sciences and biomedicine, social sciences and natural sciences. It also strives to create a supportive and innovative environment to promote creative enterprise within its community.

For more information on NUS, please visit www.nus.edu.sg.

About the Centre for Governance, Institutions and Organisations

The Centre for Governance, Institutions and Organisations (CGIO) was established by the National University of Singapore (NUS) Business School in 2010. It aims to spearhead relevant and high-impact research on governance issues that are pertinent to Asia, including corporate governance, governance of family firms, state-linked companies, business groups, and institutions. CGIO also organises events such as public lectures, industry roundtables, and academic conferences on topics related to governance.

NUS Business School is known for providing management thought leadership from an Asian perspective, enabling its students and corporate partners to leverage global knowledge and Asian insights.

The School is one of the 17 faculties and schools at NUS. A leading global university centred in Asia, NUS is Singapore's flagship university, which offers a global approach to education and research, with a focus on Asian perspectives and expertise. Its transformative education includes a broad-based curriculum underscored by multi-disciplinary courses and cross-faculty enrichment. Over 37,000 students from 100 countries enrich the community with their diverse social and cultural perspectives.

For more information, please visit bschool.nus.edu.sg, or go to the [Think Business](#) portal, which showcases the School's research.

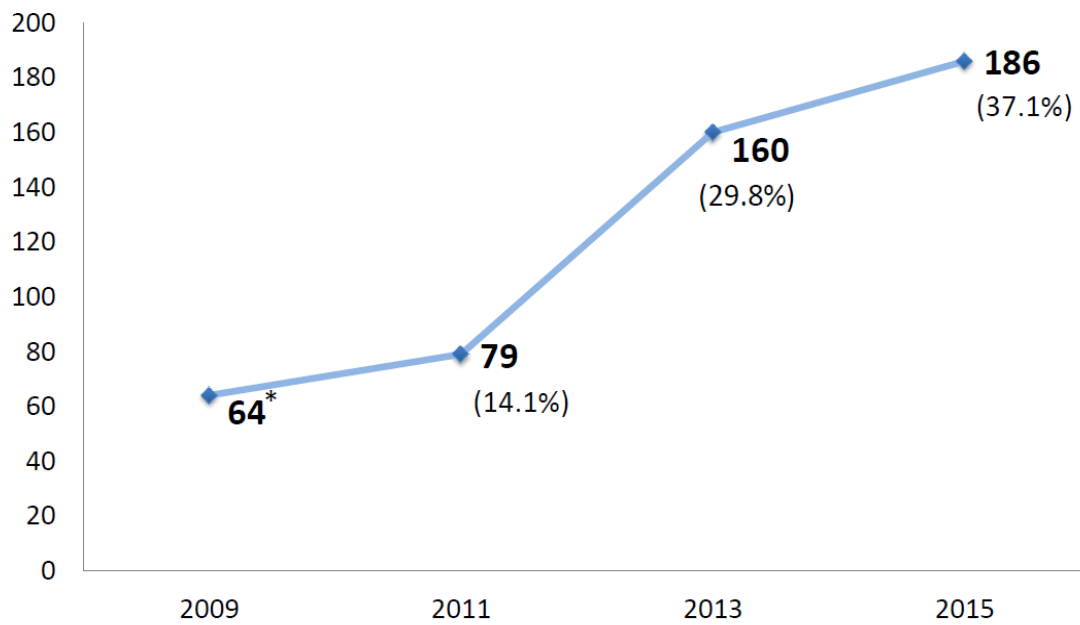
About ASEAN CSR Network (ACN)

In line with the achievement of an ASEAN Community, the ASEAN CSR Network (CAN) was established in 2011 through the ASEAN Foundation with a mandate to ensure that corporate social responsibility (CSR) is incorporated in the corporate agenda and contributes towards sustainable socio – economic development in ASEAN Member States.

As a regional organisation, the ACN provides a platform for networking and cooperation at the ASEAN level, supports capacity – building and training activities, helps catalyse collective action on key issues, and provides a link with regional and international bodies interested in supporting the advancement of CSR in the region.

For more information, please visit www.asean-csr-network.org

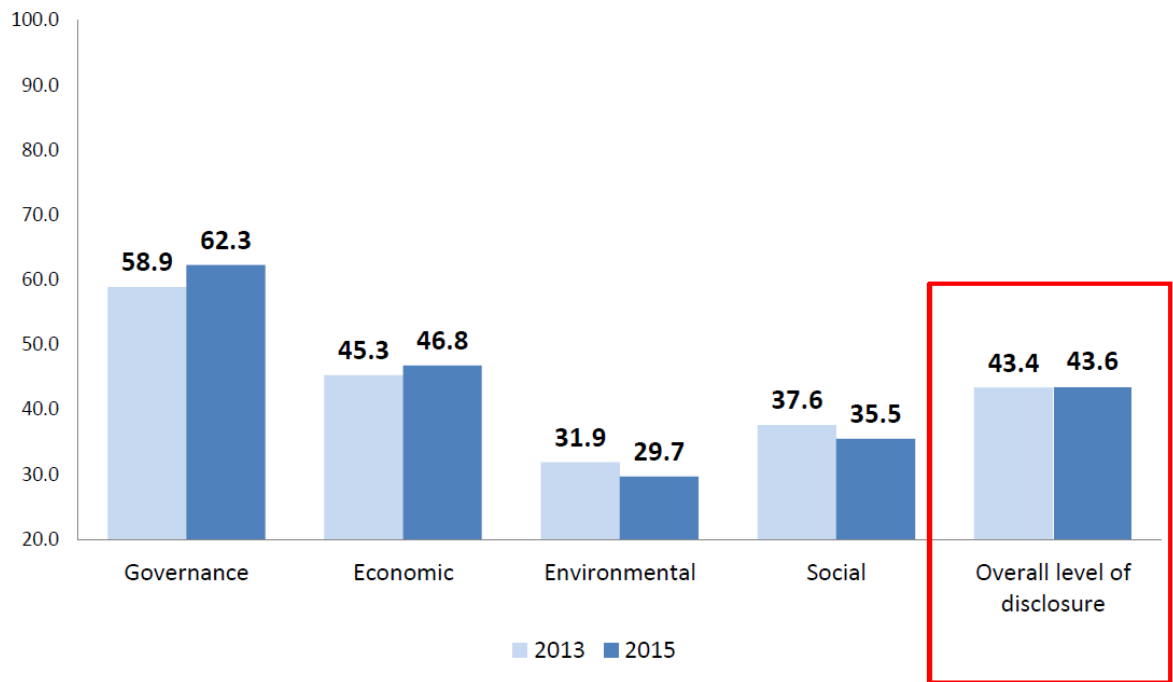
Number of Companies with Sustainability Reporting



*Early indicative study mentioned in 2011 report

Mainboard Listed Companies 2015

Overall Level of Disclosure

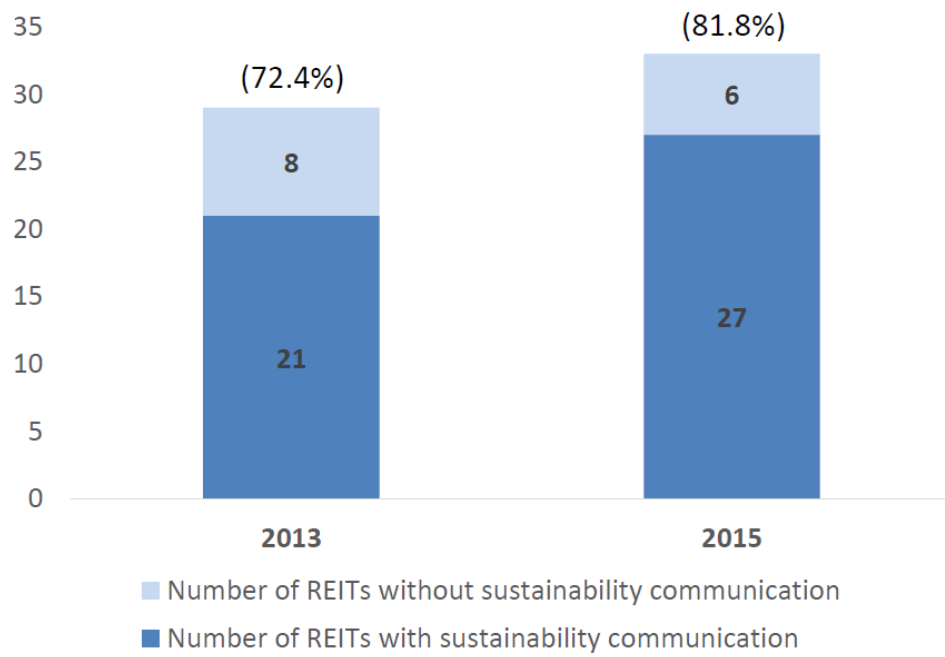


Aggregate score range: 20-100

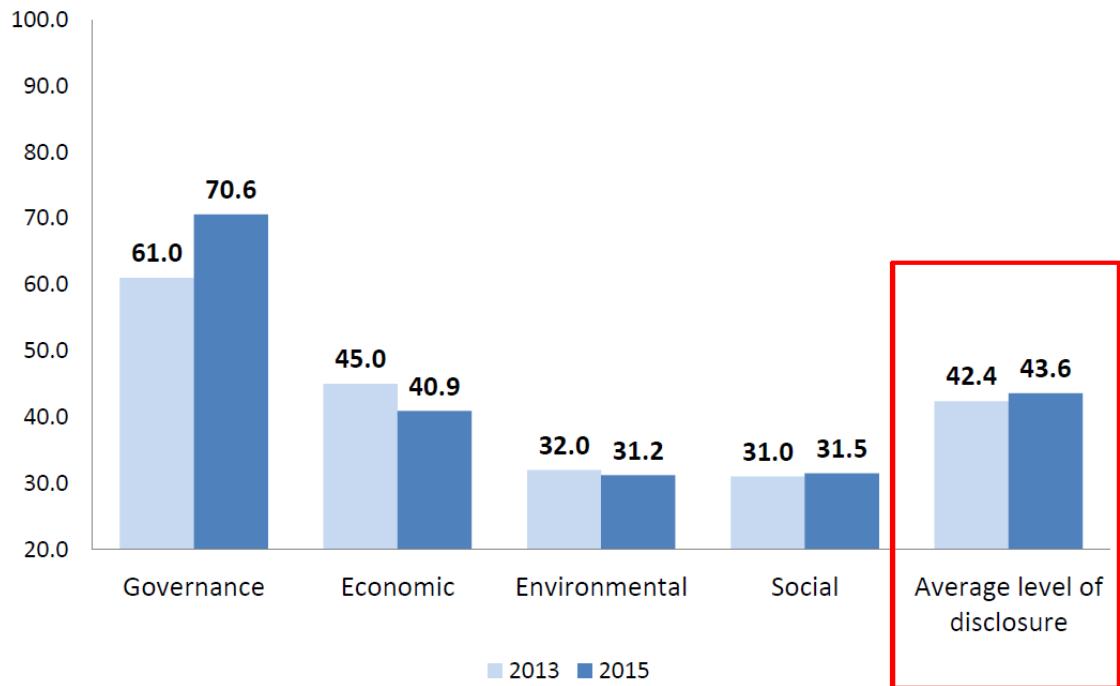
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Mainboard Listed Companies 2015

Number of REITs with Sustainability Reporting



Overall Level of Disclosure



Aggregate score range: 20-100

30

REITS