SUSTAINABILITY REPORTING IN ASEAN COUNTRIES

INDONESIA, MALAYSIA, PHILIPPINES, SINGAPORE AND THAILAND

November 2018

Project Leaders
Lawrence Loh, Thomas Thomas

Project Team
Shiau Ping Lee, Lynda Lim, Haiyi Pan, Marya Malek, Sharmine Tan, Nguyen Thi Phuong Thao

Supported by
Luwen Koh, Roderica Wynne

asean CSR Network

NUS National University of Singapore

Centre for Governance, Institutions & Organisations
NUS Business School

(This page has been intentionally left blank)

Sustainability Reporting in ASEAN Countries

Indonesia, Malaysia, Philippines, Singapore and Thailand

NOVEMBER 2018

Project Leaders
Lawrence Loh, Thomas Thomas

Project Team
Shiau Ping Lee, Lynda Lim, Haiyi Pan, Marya Malek, Sharmine Tan, Nguyen Thi Phuong Thao

Supported by
Luwen Koh, Roderica Wynne

asean CSR Network

NUS National University of Singapore | Centre for Governance, Institutions & Organisations
NUS Business School

(This page has been intentionally left blank)

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATIONS

ACB	ASEAN Centre for Biodiversity
ACN	ASEAN CSR Network
ASEAN	Association of Southeast Asian Nations
CBD	Convention on Biological Diversity
CDP	Carbon Disclosure Project
CG	Corporate Governance
CGIO	Centre for Governance, Institutions and Organisations
CSR	Corporate Social Responsibility
EES	Economic, Environmental and Social
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
IFC	International Finance Corporation
IIRC	International Integrated Reporting Council
ILO	International Labour Organization
NCSR	National Center for Sustainability Reporting
OHS	Occupational Health and Safety
OJK	Financial Services Authority (Indonesia)
RSPO	Roundtable on Sustainable Palm Oil
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SEC	Securities and Exchange Commission (Philippines)
SET	Stock Exchange of Thailand
SGX	Singapore Exchange
TBL	Triple Bottom Line
TCFD	Task Force on Climate-related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact

ABOUT ASEAN CSR NETWORK (ACN)

Founded in December 2010, ASEAN CSR Network (ACN), an accredited ASEAN entity, is a regional network that promotes responsible business conduct, to achieve a sustainable, equitable and inclusive ASEAN Community. Its vision is to create a responsible business community that makes ASEAN a better place to live for all.

ACN creates change by influencing and working with different actors, ranging from ASEAN bodies, ASEAN member states to the private sector, civil society and international organisations, who have the power to influence the way businesses operate. It provides a platform for networking and cooperation at the ASEAN level, supports capacity-building and training activities, helps catalyse thought leadership and collective actions on CSR and key related issues including business integrity, business and human rights, gender equality, and environmental sustainability.

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

ABOUT CENTRE FOR GOVERNANCE, INSTITUTIONS AND ORGANISATIONS (CGIO), NUS BUSINESS SCHOOL

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

More information about CGIO can be accessed at https://bschool.nus.edu.sg/cgio 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 multidisciplinary courses and cross-faculty enrichment. Over 38,000 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.

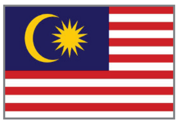
1. EXECUTIVE SUMMARY

Business leaders need to ensure their businesses are in touch with global reporting trends and able to anticipate sustainability risks and opportunities. As demands for sustainability disclosure continue to grow, this study seeks to understand the sustainability reporting practices among the five ASEAN countries: Indonesia, Malaysia, Philippines, Singapore and Thailand. During the period under review, we witnessed unprecedented developments in some countries, suggesting a turning point in current sustainability reporting landscape.

59.2% The overall disclosure rate for all five ASEAN countries


53.6%


56.3%


64.5%


61.7%


60.0%

Malaysia took the lead in level of sustainability disclosure closely followed by Singapore and Thailand

- **Malaysia**
  Demonstrated the highest disclosure rate on both sustainability drivers (71.6%) and Economic, Environmental and Social (EES) performance (57.5%).
- **Singapore**
  Scored well in strategy formulation and analysis (79.0%).
- **Thailand**
  22% of Thailand listed companies conducted external verification on sustainability information disclosure.

Highest level of disclosure


Consumer Staples


Utilities

Lowest level of disclosure


Materials


Communication services

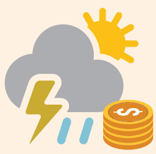
EES topics with highest disclosure rate:


Economic value generated


Philanthropy


Occupational health and safety

EES topics with lowest disclosure rate:


Economic impact from climate change


Biodiversity


Human rights

2. INTRODUCTION

Sustainability reporting is a communication process by which an organisation's sustainability efforts are disseminated. Sustainability reporting allows companies to demonstrate their accountability to stakeholders and provides opportunities for stakeholders to witness the inclusiveness, materiality and responsiveness of the organisations. A sustainability report presents the company's long-term values and business strategy, which take stakeholders' interest into account, subsequently demonstrating their commitments to a sustainable economy.

In the past decade, a growing number of companies across all sectors have adopted sustainability reporting in response to the rising demand for accountability and transparency in corporate governance and social responsibility. Against the positive growth in reporting, the disclosed information has not been universally acclaimed given its premature status in the business world.

This study was commissioned to assess sustainability reporting across five ASEAN countries, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. This study examined sustainability reporting based on reporting principles regarding sustainability and business models, performance measurement, stakeholder engagement and external assurance. Additionally, this study identified areas with high disclosures, as well as shortcomings in current disclosures.

The study results show that each country has varying regulatory drivers, practices and culture that could influence practices of sustainability reporting and comprehensiveness of disclosure. The objective of this report and the studies within is to provide and review the inter-country analysis of the aforementioned countries in ASEAN, broken down to an in-depth analysis by various differentiating factors.

3. SUSTAINABILITY REPORTING IN ASEAN

The global sustainability agenda poses both risks and opportunities. As such, the success of a company is partly determined by the company's ability to anticipate the impact of this agenda and subsequently incorporate sustainability initiatives into their business models.

The unique geographic location and growth of ASEAN nations make the act of balancing environmental sustainability and economic development more difficult than in other regions. The economic outlook in this region is prosperous when judged by their rapid GDP growth, but less so when pursued at the expense of environmental capital and social capital that ultimately hinder future development. Yet this development has refined the dimensions of business sustainability in the region, shedding light on sustainable practices within a business. In parallel with this accountability pressure from stakeholders, sustainability reporting acts as an integral element of a communication process, conveying companies' sustainability effort to its stakeholders. It demonstrates a company's transparent efforts into business conduct, such as business ethics, corporate governance, social dimensions and environmental dimensions.

With the global push for sustainability reporting and the benefits that sustainability reporting brings to both stakeholders and companies, sustainability reporting will continue to gain momentum in ASEAN. This growth is attributed to several underlying driving forces. First, at the international level, there have been increasing efforts to promote sustainability principles and reporting in the form of guidelines or requirements. Furthermore, some international initiatives work together to create value-adding synergies for reporting companies who have committed to sustainability frameworks, such as the Ten Principles of the United Nations Global Compact (UNGC)[1], International Finance Corporation (IFC) Sustainability Framework[2] and Global Reporting Initiative (GRI)[3].

At the regional level, Asian companies have traditionally shielded themselves from disclosing their socio-environmental competence to their stakeholders. Regulatory drivers have been imposed by governments aiming to assist companies with identifying opportunity gaps and areas for improvements in their sustainability efforts. In sectors such as mining and minerals, where the

---

[1] The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption. Source: https://www.unglobalcompact.org/what-is-gc/mission/principles

[2] The updated 2012 edition of IFC's Sustainability Framework applies to all investment and advisory clients whose projects go through IFC's initial credit review process after January 1, 2012. Source: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ifcsustainabilityframework_2012

[3] The Global Reporting Initiative is an international independent standards organisation that helps business, government and other organisations understand and communicate their impacts on critical sustainability issues. Source: https://www.globalreporting.org/Information/about-gri/Pages/default.aspx

sustainability of the affected environment is obviously a great concern that is recognised universally, companies are subjected to regional guidelines for assessing and reporting as agreed to by the various countries within the region.

Sustainability reporting is commonly acknowledged across the ASEAN nations. Each country has its own take on establishing the regulatory ground to encourage the integration of sustainability elements in strategic mechanisms such as ratifying laws or establishing institutions to uphold specific Corporate Social Responsibility (CSR) and environmental initiatives. For instance, topic specific disclosure such as waste management has been long required by Singapore's Environmental Public Health Act[4]. In Indonesia, the National Center for Sustainability Reporting (NCSR)[5] promotes the practice of sustainability reporting among local firms. In addition to regulatory drivers, the stock exchanges of countries develop sustainability reporting requirements and guides for listed companies, as well as indices on the sustainability performance. This enables companies to strike a balance between achieving greater productivity and innovation while ensuring the sustainability of socio-environmental resources.

Business sustainability is a progressive agenda; many firms have gradually adopted their own initiatives to establish varying practices through the ratification of their code of conduct, establishing a separate dedicated management team, etc. Additionally, initiatives such as independent research and assessment by non-government institutions further reinforces incentives or checks and balances, as well as shared expertise through conferences, forums or publications.

While there are many initiatives in place, it is imperative for companies to formulate sustainability-related business strategies and increase their transparency through increased disclosures. The expectations of stakeholders continue to evolve, where profit is no longer their only concern. For companies to continue thriving in the business world, it is increasingly essential for them to disclose their commitment and initiative in making the world a better place.

---

[4] Environmental Public Health Act is an act to consolidate the law relating to environmental public health and to provide for matters connected therewith. Source: https://sso.agc.gov.sg/Act/EPHA1987

[5] National Center for Sustainability Reporting (NCSR) is an organisation assisting, implementing and developing sustainable development in Indonesia. Source: https://www.ncsr-id.org/about-ncsr/

Indonesia

National Policies and Regulations / Stock Exchange Listing Rules

2006
The government introduced Regulation No X.K.6, which requires companies to disclose CSR initiatives in their annual reports.

2007
Article 74 of Law 40 of 2007 on Limited Liability Company required companies involved in operations that affect natural resources to create and implement corporate social responsibility programs.

2017
The Regulation of Financial Services Authority No. 51/POJK.03/2017 mandated Financial Services Institution, Issuer and Publicly Listed Company to develop and submit sustainable finance action plans and publish sustainable reports.

Sustainability Reporting Guidelines

2014
Roadmap for Sustainable Finance in Indonesia (2015-2019) launched by the Financial Services Authority (OJK) and the Ministry of Environment and Forestry stated the goal and principle of sustainable finance.

Sustainability Index KEHATI SRI Index

Malaysia

National Policies and Regulations / Stock Exchange Listing Rules

2006
The Bursa Malaysia CSR Framework for public-listed companies was launched, providing a guide to Malaysian companies to develop CSR strategies.

2009
The Registrar of all companies and businesses in Malaysia, Companies Commission of Malaysia (SSM) launched SSM Corporate Responsibility Agenda (SSM CR Agenda) to outline SSM's approach to the subject of corporate responsibility.

2015
Bursa Malaysia amended its listing requirement that listed companies should disclose a narrative statement of the management of material Economic, Environmental and Social (EES) risks and opportunities (Sustainability Statements) in their annual reports.

2017
The Malaysian Code of Corporate Governance was published which emphasized the integration of EES dimensions at board level.

Sustainability Reporting Guidelines

2013
Best Business Practice Circular 5/2013, Corporate Responsibility: Guidance to Disclosure and Reporting issued by the Registrar of all companies and businesses in Malaysia, Companies Commission of Malaysia (SSM).

2015
Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad

2015
Toolkit: Materiality Assessment issued by Bursa Malaysia Securities Berhad

2017
Guidelines on Sustainable and Responsible Investment Funds, which introduced additional disclosure and reporting requirements that aim to encourage greater transparency in investment policies.

Sustainability Index FTSE4Good Bursa Malaysia Index

Figure 1: Sustainable development and disclosure initiatives across ASEAN countries

Philippines

National Policies and Regulations / Stock Exchange Listing Rules

2011
The government approved a Corporate Social Responsibility Act requiring large tax payers to allocate a reasonable percentage of their net income to corporate social responsibility and disclose CSR activities as part of their annual reports.

2013
The country enacted the Corporate Social Responsibility Act 2013 to foster sustainable economic, environment development and environment protection, among other things, by institutionalising CSR in companies.

2016
The Securities and Exchange Commission (SEC) of the Philippines released the new Code of Corporate Governance for Publicly Listed Companies to maximise the organisations' long -term success, creating sustainable values for its shareholders, stakeholders and the nation.

Sustainability Reporting Guidelines

2018
Draft Sustainability Reporting Guidelines and Reporting Template for Publicly-Listed Companies issued by SEC Philippines

Singapore

National Policies and Regulations / Stock Exchange Listing Rules

2012
The Code of Corporate Governance (2012) provided principles and guidelines to listed companies on creating sustainable and financially sound enterprises that offer long-term value to shareholders.

2012 & 2014
The government introduced sustainability related regulations by enacting topic specific Acts such as Energy Conservation Act (2012), which regulated large industries to report on energy usage and provide an energy management plan, and Environmental Public Health Act (2014), which regulated mandatory reporting of waste data and waste reduction plan by large commercial premises.

2016
The Singapore Exchange required listed companies to prepare an annual sustainability report, which must describe the company's sustainability practices with reference to the primary components set out in Listing Rule 711B, on a "comply or explain" basis.

2018
The Monetary Authority of Singapore (MAS) reviewed the Code of Corporate Governance to improve the quality of companies' disclosure on their corporate governance practices.

The Singapore Exchange is reviewing its listing rules after the MAS issued a revised Code of Corporate Governance in Aug 2018.

Sustainability Reporting Guidelines

2011
Guide to Sustainability Reporting for Listed Companies prepared by the Singapore Exchange

2013
An Investor's Guide to Reading Sustainability Reports prepared by the Singapore Exchange

2016
SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide prepared by the Singapore Exchange

Sustainability Index SGX ESG Leaders Index, SGX ESG Transparency Index

Figure 1: Sustainable development and disclosure initiatives across ASEAN countries - continued

Thailand

National Policies and Regulations / Stock Exchange Listing Rules

2002
The Thai government designated 2002 as the "Compass for Good Corporate Governance" and set up the National Corporate Governance Committee (NCGC). The Stock Exchange of Thailand (SET) also proposed fifteen principles of good corporate governance for listed companies to implement and demonstrate in their annual registration statement (Form 56-1) and annual reports.

2013
The Securities and Exchange Commission Thailand (SEC) Board approved the Sustainability Development Roadmap as a part of the SEC Strategic Plan (2013-2015).

2015
The National Climate Change Master Plan (2015 -2050) was designed to help Thailand achieve sustainable low carbon growth and climate change resilience by 2050.

2016
The Twelfth National Economic and Social Development Plan (2017-2021) was announced.

2017
Corporate Governance Code for listed companies 2017 integrated the essence of G20 / OECD Principles, and delineated the board's roles and responsibilities for the company's long-term sustainable value creation.

Sustainability Reporting Guidelines

2012
Guidelines for Sustainability Reporting was published in Thai language.

Sustainability Index SET Thailand Sustainability Index (SETTHSI) was launched in 2018 to motivate listed firms to adhere their operations to the ESG practices so as to gain investors' trust and confidence.

Figure 1: Sustainable development and disclosure initiatives across ASEAN countries - continued

4. METHODOLOGY

4.1 Scope of Study

This study shortlisted the largest companies in five countries based on the market capitalisation, as listed in the Indonesia Stock Exchange, Bursa Malaysia Securities Berhad, Singapore Exchange, Stock Exchange of Thailand and the Philippine Stock Exchange. Additional criteria established that only companies with sustainability disclosures in English communicated in the financial year ending 2017 communicated up to 31 May 2018 would be included in this study. A total sample of 100 companies was reviewed for each country, with the exception of the Philippines, where there were 44 companies due to the lack of accessibility to their corporate sustainability reports.

The modes of sustainability reporting registered in this study include reporting communicated via the corporate website, or annual report, standalone reports, integrated reports or any combination thereof. A standalone report is a sustainability report or any form of social or environment reporting such as CSR report, Corporate Responsibility (CR) report, Social and Environmental (SE) report or Triple Bottom Line (TBL)[6] report.

4.2 Research Framework

To evaluate the sustainability performance of all companies included in the study sample, the GRI Standards were adopted as a reference to develop a robust framework and assess the level of the companies' sustainability disclosures. This methodology builds on previous sustainability studies (Loh, Nguyen, Sim, Thomas, & Wang, 2016) to assess sustainability disclosures. Guided by the GRI Standards, the extensive framework developed for this study extends beyond internal sustainability performances to external sustainability issues including those related to supply chain management and human rights.

This assessment framework consists of a two-pronged approach, which breaks down to 27 criteria. The first prong sets the foundation, driven by Reporting Principles and Governance. The second level of the assessment is grouped into the following three aspects: economic, environmental and social (please refer to Table 1). The depth of disclosure is analysed through the assignment of points ranging from 1 to 5 for each criterion. 1 point is awarded if there is no information provided or specified for the particular criterion, while 5 points are awarded if detailed information substantiated with target and performance measurements are furnished.

[6] The triple bottom line is an accounting framework with three parts: social, environmental (or ecological) and financial. Source: www.johnelkington.com/archive/TBL-elkington-chapter.pdf

Each of the two levels accounts for 50% of the total score. In the first level, the 2 aspects are converted to a relative score out of 25% for Reporting Principles and 25% for Governance. In the second level, equal weight is assigned to each of the three aspects – economic, environmental and social – together totaling 50%. The absolute score obtained reflects the level of sustainability disclosure of the company to the areas of assessment in this methodology. This level of disclosure also reflects the quality of sustainability disclosure of the company. This scoring method is a quantitative mean employed to gauge the comprehensiveness of information disclosed by a given company and does not represent its actual sustainability performance.

Drivers Score: 50%		EES Disclosures Score: 50%		
REPORTING PRINCIPLES	GOVERNANCE	ECONOMIC	ENVIRONMENTAL	SOCIAL
RP 1. Organisational profile	Gov 1. Sustainability-centric corporate governance	Econ 1. Economic value generated	Env 1. Energy	Soc 1. Diversity and equal opportunity
RP 2. Materiality and boundaries	Gov 2. Strategy and analysis regarding sustainability	Econ 2. Value and supply chain	Env 2. Water	Soc 2. Labour and industrial relations
RP 3. Stakeholder engagement and inclusiveness	Gov 3. Corporate responsibility for sustainability	Econ 3. Economic impact from climate change	Env 3. Waste management	Soc 3. Occupational health and safety
	Gov 4. Anti-corruption and code of ethics	Econ 4. Indirect economic impact	Env 4. Emissions	Soc 4. Training and education
		Econ 5. Anti-competitive behaviour	Env 5. Biodiversity	Soc 5. Human rights
			Env 6. Compliance	Soc 6. Community involvement
			Env 7. Product and service stewardship	Soc 7. Product responsibility
				Soc 8. Philanthropy

Table 1: Assessment framework

4.3 Definitions and Assumptions

Sustainability Reporting

For the purposes of this report, this study defines 'sustainability reporting' as the disclosure of publicly available, non-financial information by companies to their stakeholders. This non-financial information generally ranges from disclosure of governance, economic, environmental and social aspects of the respective companies' business operations. It can also account for general standard disclosures, such as strategy, analysis, materiality and stakeholder engagement. These disclosures encourage companies to be transparent about the details of their operations that are pertinent to their stakeholders and thereby reflect their commitment and accountability to ensuring the sustainability of their practices.

In the assessment of this study, a company must discuss at least one environmental or social material topic relevant to their businesses, in order to be regarded as communicating sustainability.

Accessibility of Information

In communicating their sustainability efforts, companies can choose to do so through their corporate websites, standalone reports or including it as a part of an annual report. A standalone report is either a sustainability report or CSR report and it discloses a comprehensive and detailed reporting that a company is encouraged to do. Either a standalone report or sustainability section embedded in an annual report can be supplemented with or without additional reporting on their corporate website. Nevertheless, all three mediums should be publicly available and readily accessible to all stakeholders.

Practicing versus Communicating Sustainability

This study assesses companies' comprehensiveness and level of disclosure based on the information provided. This assessment does not seek to evaluate companies' actual performance in implementing sustainability policies. However, it is inherently assumed that a company's actual and implemented sustainable business practices are reflected through its sustainability reports and communications.

Assessment as Separate Entities

When a company is a subsidiary of a larger corporation group, each company is assessed as a separate entity. Even though the parent company may have reported sustainability practices of all entities, individual entities will not be constituted as having communicated its sustainability efforts, unless independent reports are made available separately. The rationale for this is to prevent overstating and ensure reporting is proportional to actual efforts.

5. SUSTAINABILITY REPORTING PRACTICES IN ASEAN

5.1 Overview of Sustainability Reporting

Medium of Reporting

Companies invest considerable time and resources in ensuring their contribution to sustainable development is communicated within and outside the company effectively.

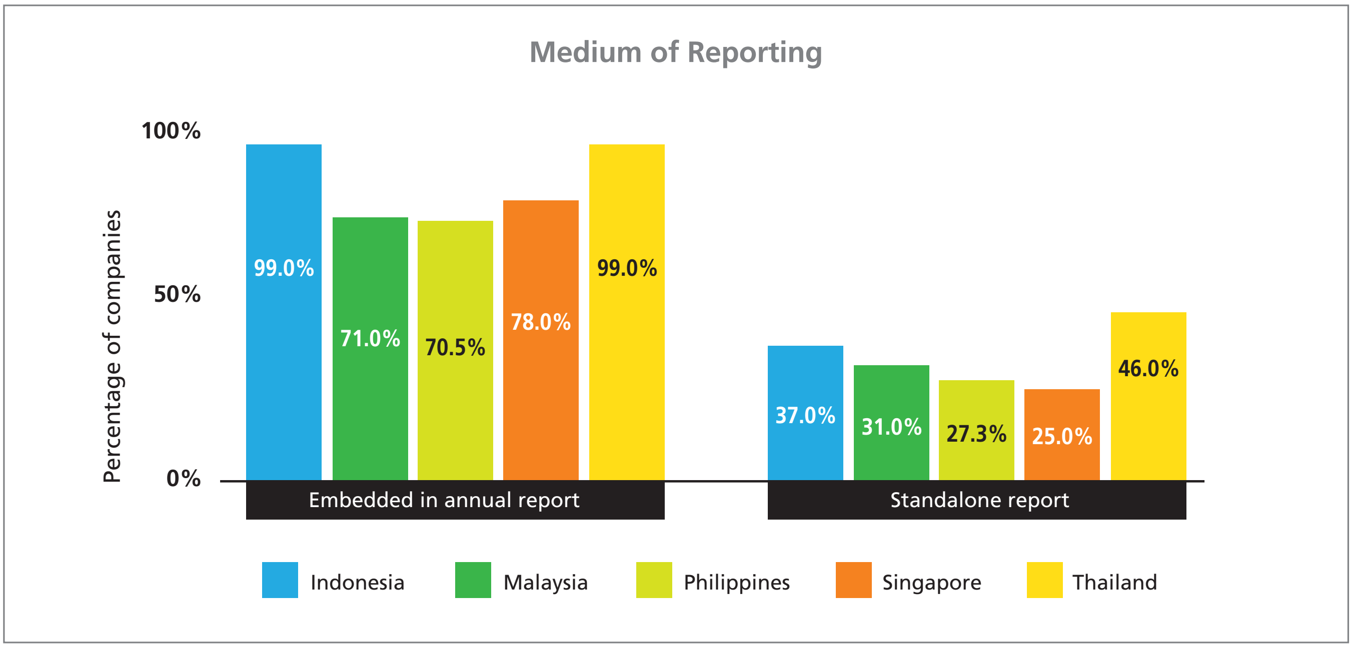


Figure 2: Medium of sustainability reporting

The majority of listed companies across the five ASEAN countries communicated their sustainability efforts by embedding their sustainability reports within their annual reports. 99% of companies listed in Indonesia and Thailand included a sustainability section in their annual reports. (See Figure 2)

Fewer companies published standalone sustainability reports, compared to embedding a sustainability section in annual reports. Standalone reports were released by Thailand listed companies (46.0%) and Indonesia listed companies (37.0%). The leading results demonstrated by Indonesia and Thailand can be attributed to the long-established sustainability reporting institutions and initiatives in both countries. Guided by Sufficiency Economy Philosophy[7], Thai businesses are especially dedicated to decreasing their environmental and social footprints, with reporting as a key phase of their sustainability journey (Eco-Business, 2017). In Indonesia, NCSR has helped inaugurate the nation's

[7] Sufficiency Economy Philosophy is an approach for sustainable development which espouses moderation, reasonableness and prudence as development framework based on knowledge and virtue. Source: http://www.tica.thaigov.net/main/en/information

sustainability reporting landscape since 2005. It has forged partnerships with a circle of diverse industries and institutions within the country to support the respective industries' sustainability reporting efforts.

Methods of reporting and communication are changing to increasingly include digital or hybrid platforms beyond traditional printing channels. A large amount of companies embedded the sustainability report section into their annual reports and simultaneously provided an online standalone platform for sustainability communication. Leading reporters have ventured into integrated reporting by the International Integrated Reporting Council (IIRC)[8], a step further in communicating how it manages long-term shared value creation by adopting an integrated approach to both traditional risks and the wider sustainability risks. Instead of reporting on financial performance and sustainability performance separately, or even within the same annual report, integrated reporting presents how the company integrates environmental and social sustainability together into its business.

[8] The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting.
Source: http://integratedreporting.org/the-iirc-2/

Framework

Sustainability reporting frameworks or guidelines provide structures that assist companies in reporting their sustainability performance. The intended content of the report and target audience determine which framework is most appropriate for a company. Among the frameworks or guidelines, some of them have wider range of capital providers as their target audiences and suggest disclosing Environmental, Social and Governance (ESG) issues that potentially affect investors' decisions. Some of the frameworks operate in specific sectors, while others have more comprehensive scopes.

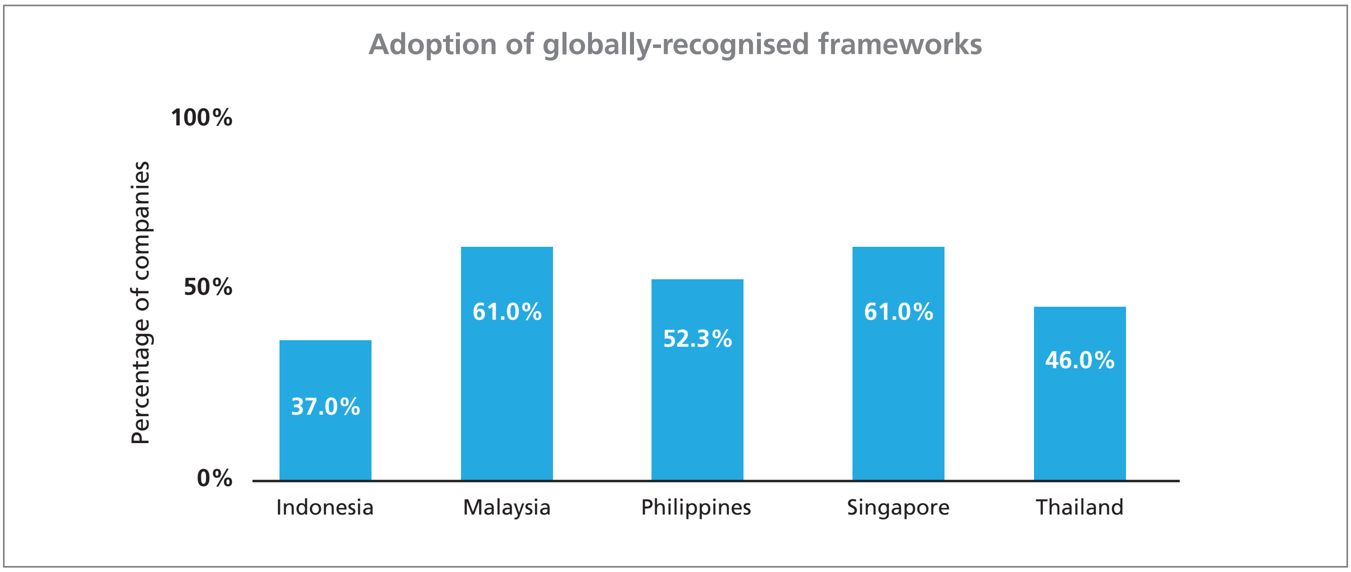


Figure 3: Adoption of globally-recognised frameworks

As observed in Figure 3, the majority of sample companies reported their sustainability performance in line with globally-recognised frameworks. Malaysia (61.0%) and Singapore (61.0%) ranked the highest, closely followed by Philippines (52.3%), Thailand (46.0%) and Indonesia (37.0%). The majority of Malaysia listed companies and Singapore listed companies reported in line with standard frameworks, which could be due to the sustainability reporting guidelines introduced by the respective stock exchanges. Giving no preference, Sustainability Reporting Guide[9] released by Bursa Malaysia Securities Berhad and Singapore Exchange Sustainability Reporting Guide[10] recommend publicly listed companies to adhere to any globally recognised frameworks which deemed to be appropriate for their business model and industry. We anticipate a higher number of Philippines listed companies reporting according to recognised frameworks when the Securities and Exchange Commission (SEC) Philippines introduces the new Sustainability Reporting Guidelines and

[9] Sustainability Reporting Guide is issued by to, among others, assist listed issuers in preparing the Sustainability Statement as required under the Listing Requirements of Bursa Malaysia Securities Berhad. Source: http://www.bursamalaysia.com/misc/system/assets/15789/BURSA%20MALAYSIA%20SUSTAINABILITY%20REPORTING%20GUIDE%20(final).pdf

[10] SGX Sustainability Reporting Guide issued by the Singapore Exchange. Source: http://rulebook.sgx.com/net_file_store/new_rulebooks/s/g/SGX_Mainboard_Practice_Note_7.6_July_20_2016.pdf

Reporting template for publicly-listed companies.[11] We observed close to 80% of frameworks are adopting the GRI framework. Other internationally recognised frameworks and industry specific guidelines gaining in popularity are the Sustainable Development Goals (SDGs)[12], Roundtable on Sustainable Palm Oil (RSPO)[13], the Ten Principles of UNGC, the Carbon Disclosure Project (CDP)[14] and Task Force on Climate-related Financial Disclosures (TCFD)[15].

While every company can independently decide if selected topics will be provided in their sustainability reports, adhering to globally recognised framework is a significant step toward ensuring higher quality and comparability of sustainability disclosures. Specifically, this framework unifies the content of presented non-financial information while allowing benchmarking among companies, especially those in the same industry.

[11] Draft of Sustainability Reporting Guidelines and Reporting template for Publicly-listed companies has been issued by Securities and Exchange Commission (SEC) Philippines on 12 July 2018.
Sources: http://www.sec.gov.ph/wp-content/uploads/2018/07/2018Notice_
CGFDDraftSustainabilityReportingGuidelinesandReportingTemplateforPubliclyListedCompanies1.pdf

[12] Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all which address the global challenges we face. Source: https://www.un.org/sustainabledevelopment/sustainable-development-goals/

[13] Roundtable on Sustainable Palm Oil (RSPO) has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). Source: https://www.rspo.org/about

[14] Carbon Disclosure Project (CDP) runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Source: https://www.cdp.net/en/info/about-us

[15] Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

Completeness

"Completeness" is the extent to which all significant impacts are covered by the report, including information collection practices that alter the information perceived by stakeholders (GRI, 2016). Unlike financial reporting, which is guided by a set of requirements and detailed measures in controlling financial malfeasance, non-financial reporting builds trust with stakeholders by demonstrating performance as it relates to sustainability.

Countries	Indicating entities covered by SR	Defining report content and topic boundaries	Providing a list of material topics
Indonesia	38.0%	42.0%	31.0%
Malaysia	83.0%	91.0%	94.0%
Philippines	65.9%	59.1%	56.8%
Singapore	70.0%	78.0%	80.0%
Thailand	50.0%	67.0%	55.0%

Table 2: Performance of companies on completeness of reporting

Of the three aspects of completeness assessed in the present study, most Malaysia listed companies scored high: 83.0% indicated the entities included in information collection process, 94.0% listed material topics and 91.0% defined topic boundaries. Indonesia listed companies demonstrated a lower performance: 38.0% indicating the entities pertaining to the discussion in the reports, 42.0% defining topic boundaries and 31.0% listing material topics. 55.0% Thailand listed companies and 56.8% Philippines listed companies reported their material topics in their sustainability communication.

While the selective disclosure approach was deemed to be a common practice across countries (Kuasirikun & Sherer, 2004; Spence & Gray, 2007), presenting information honestly is the only means to demonstrate a company's commitment to transparency.

5.2 Assessment of Disclosure Level

As sustainability reporting gains momentum in the ASEAN region, it is imperative for companies to adopt sustainability-centric business strategies and improve their transparency through increased disclosures. Underpinning a company's long-term sustainability are the governance mechanisms, reporting principles and EES performance as illustrated in Table 1.

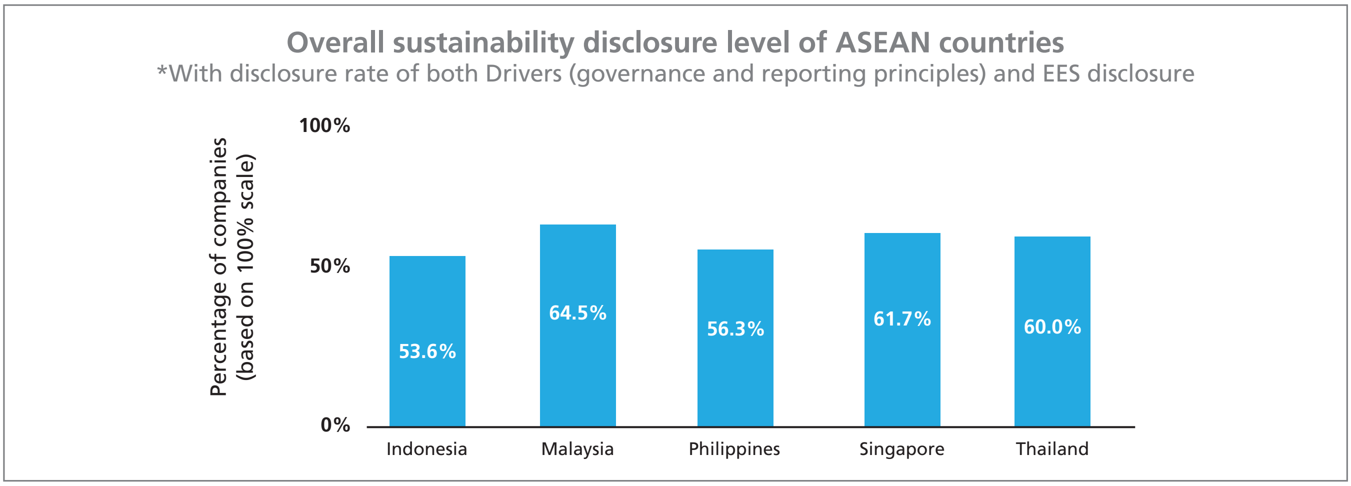


Figure 4: Overall sustainability disclosure level of ASEAN countries

According to Figure 4, the companies assessed in the respective ASEAN countries demonstrated fairly adequate levels of disclosure. Malaysia listed and Singapore listed companies performed well, with 64.5% and 61.7% average disclosure levels respectively, while Indonesian companies displayed relatively lower disclosure levels (53.6%).

Malaysia and Singapore are among the ASEAN countries that have demonstrated deeper commitments to communicating non-financial information. Back in September 2006, the Bursa Malaysia CSR Framework for public-listed companies was launched to provide a guide to develop corporate social responsibility initiatives. In 2015, Bursa Malaysia Securities Berhad issued amendments to the above requirements by replacing the CSR related statement with a narrative sustainability statement consisting of the management of material economic, environmental and social risks and opportunities.[16] Likewise, in 2016, the Singapore Exchange introduced a new listing rules requesting that listed companies submit their sustainability reports with their annual financial reports. The Stock Exchange of Thailand (SET) is committed to promoting listed companies to realise the importance of sustainable business and encourage Thailand listed companies to participate in the Dow Jones Sustainability Indices (DJSI)[17] assessment in order to meet international sustainable standards (Stock Exchange of Thailand, 2017).

---

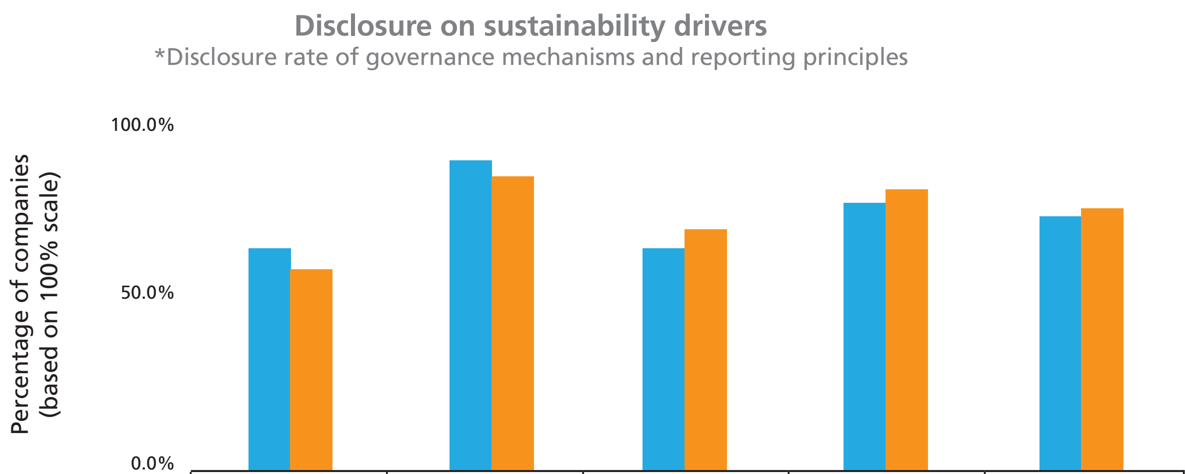
[16] Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports and Issuance of the Sustainability Reporting Guide and Toolkits. Source: http://www.bursamalaysia.com/misc/system/assets/15709/Main%20Circular_Issuance%20(Sustainability)_fair.pdf

[17] Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognised that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. Source: http://www.sustainability-indices.com/index-family-overview/djsi-family-overview/index.jsp

We expect a higher level of disclosure from Indonesia listed companies when the Regulation of the Financial Service Authority No. 51/POJK.03/2017[18] regarding the implementation of sustainable finance for financial services institutions, issuer companies and public companies takes effect in coming years.

Disclosure on Sustainability Drivers

An organisation's sustainability is driven by two pillars: the Governance and Reporting Principles. Governance disclosures are centred upon board-level involvements to engage stakeholders, develop strategies, monitor and incentivise for sustainability accomplishments and promote a code of ethics. Reporting principles disclosures focus on how materiality issues and boundaries of impact within and outside of the organisation are established through stakeholder engagement. Top performers in governance and reporting typically achieve better EES performances.



	Indonesia	Malaysia	Philippines	Singapore	Thailand
Average of Governance disclosure	59.5%	72.6%	58.2%	68.0%	64.8%
Average of Reporting Principles disclosure	57.8%	70.5%	62.8%	69.5%	66.9%

Figure 5: Disclosure on sustainability drivers

Consistent with the observations in Figure 4, Figure 5 indicates countries with higher disclosure levels correspond to stronger performance in the two foundational pillars: governance and reporting principles. Malaysia led the pack, followed by Singapore and Thailand. In Malaysia and Singapore, the Malaysian Code on Corporate Governance[19] and Code of Corporate

[18] The Regulation of the Financial Service Authority No. 51/POJK.03/2017 requires financial services institutions, issuer companies and public companies to prepare sustainability report covering the economic, financial, social and environmental performance of the reporting company. Source: http://forestsandfinance.org/wp-content/uploads/2017/09/POJK-51-Unoffical-English-Translation-2017.pdf

[19] Malaysian Code on Corporate Governance was revised in 2017 supersedes its earlier edition to promote greater internalisation of corporate governance culture. Source: https://www.sc.com.my/wp-content/uploads/eng/html/cg/mccg2017.pdf

Governance[20] of Singapore are constantly refurbished and supplemented with legal enforcements, promoting a culture of openness and inclusivity that benefit both reporting company and stakeholders. Likewise, the Corporate Governance Code[21] of Thailand delineates the board's roles and responsibilities for the company's long-term sustainable value creation.

In addition to national policies and regulations, Malaysia, Singapore and Thailand have clear sustainability reporting guidelines championed by their respective stock exchanges to encourage higher disclosure level. Aimed at assisting companies in improving their sustainability disclosures, these reporting guidelines provide detailed guidance on some of the steps that listed companies could follow to meet their disclosure obligations, as in Figure 1.

The remaining countries scored below average. The lower levels of disclosures may result from the lower compliance rate of adopting comparable international frameworks. On a positive note, the OJK of Indonesia has introduced an OJK Regulation[22] that emphasises corporate governance through stakeholder participation. In Philippines, the SEC Philippines is establishing Sustainability Reporting Guidelines and Reporting Template for publicly-listed companies for recommending frameworks, material topics and reporting principles to ensure the quality of information in sustainability reporting[23].

In general, ASEAN countries have their respective sets of effective corporate governance frameworks that are becoming more stakeholder inclusive. Measures outlined by reporting principles link the reporting company to stakeholders' concerns, subsequently ensuring the reporting company's sustainability strategies remain responsive and relevant. These drivers serve as the foundation upon which companies embed EES values in their core business strategies and policies.

[20] Code of Corporate Governance was updated in 2018. Source: http://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulatory%20and%20Supervisory%20Framework/Corporate%20Governance%20of%20Listed%20Companies/Code%20of%20Corporate%20Governance%206%20Aug%202018.pdf

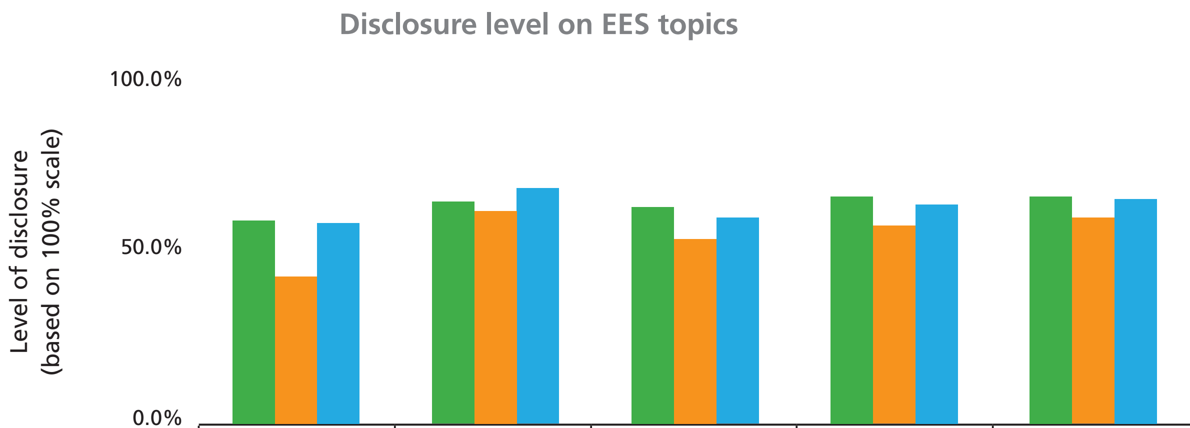
[21] Corporate Governance Code of Thailand integrates the essence of the G20/OECD Principles of Corporate Governance. Source: https://www.sec.or.th/mpublish/cgcode_en/documents/CGcode2017_en.pdf

[22] OJK Regulation No. 21 /POJK.04/2015 (Peraturan Otoritas Jasa Keuangan Nomor 21 /POJK.04/2015 tentang Penerapan Pedoman Tata Kelola Perusahaan Terbuka) Source: https://www.ojk.go.id/id/kanal/pasar-modal/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-21POJK042014-Penerapan-Pedoman-Tata-Kelola-Perusahaan-Terbuka/pojk-nomor-21042014-penerapan-pedoman-tata-kelola-pt.pdf

[23] Draft Sustainability Reporting Guidelines and Reporting Template for Publicly-listed companies prepared by Securities and Exchange Commission (SEC) Philippines in 2018.
Source: http://www.sec.gov.ph/wp-content/uploads/2018/07/2018Notice_CGFDDraftSustainabilityReportingGuidelinesandReportingTemplateforPubliclyListedCompanies1.pdf

Disclosure on Economic, Environmental and Social Topics

Transparent EES disclosures enable the benchmarking of performance against stated objectives and facilitates comparison over time and across entities. For companies demonstrating clear links between sustainability risks and opportunities with tactical strategies, EES performance measurements and performance incentives not only reinforcing the value of environmental and social capital, but also provide an engine for improvement, innovation and accountability.



	Indonesia	Malaysia	Philippines	Singapore	Thailand
Average of Economic disclosure	53.0%	57.6%	56.2%	57.5%	57.5%
Average of Environment disclosure	40.6%	54.4%	48.1%	50.8%	48.9%
Average of Social disclosure	52.1%	60.6%	52.1%	55.7%	56.3%

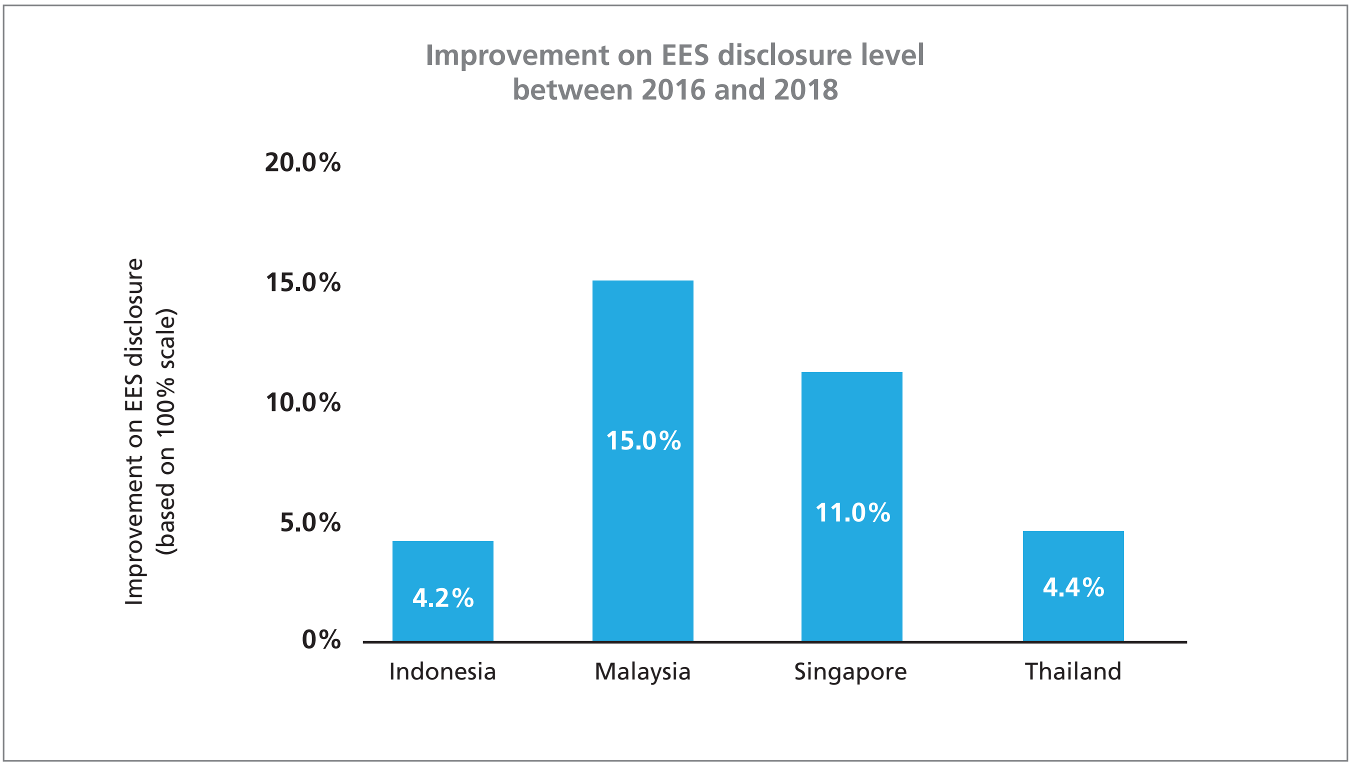
Figure 6: Disclosure on EES topics

Similarly, the overarching trends observed from the earlier figures were reflected in the disclosure on EES topics. Comparing the three derivatives of EES aspects from Figure 6, companies had more disclosures on social and economic topics compared to environmental topics. Malaysia listed companies, in particular, emphasised social over economic disclosures, a trend that does not hold among assessed companies in the remaining countries.

In light of the threats posed by climate change, the unanimously lower levels of environmental disclosure is an imminent concern. There are opportunities identified for companies to be more holistic in their disclosures through concerted efforts to address issues that are material to their respective businesses.

5.3 Comparison on Economic, Environmental and Social Disclosure between 2018 and 2016

Compared to the previous installation of this assessment, 2018 witnessed an increasing trend of EES disclosure levels, signifying the increased traction of sustainability across ASEAN countries (Figure 7).



Note: 1. Philippines was not included in 2016's assessment. Thus, there was no past benchmark for comparison. 2. Disclosure level in 2016 are restated in accordance with 2018 assessment framework.

Figure 7: Improvement on EES disclosure

It was observed that the most significant improvements occurred in environmental and social topics, followed by minimal improvement on economic topics. Malaysia listed and Singapore listed companies experienced a significant improvement in the disclosure level breakdowns, while Thailand and Indonesia experienced a moderate improvement in EES disclosures.

Compared with the results from 2016, the five ASEAN countries experienced improvement across all areas, which could be attributed to the increase of sustainability reporting instruments[24] introduced in the region, as issued by stock exchanges.

[24] Reporting instruments refer to sustainability reporting guidelines, requirements, expectations, regulations or policies issued by governing bodies, organisations or specific sectors. Occasionally, they also refers to standards on sustainability assurance. Source: https://www.globalreporting.org/resourcelibrary/Carrots%20and%20Sticks-2016.pdf

5.4 Disclosure on Economic, Environmental and Social Topics across Countries

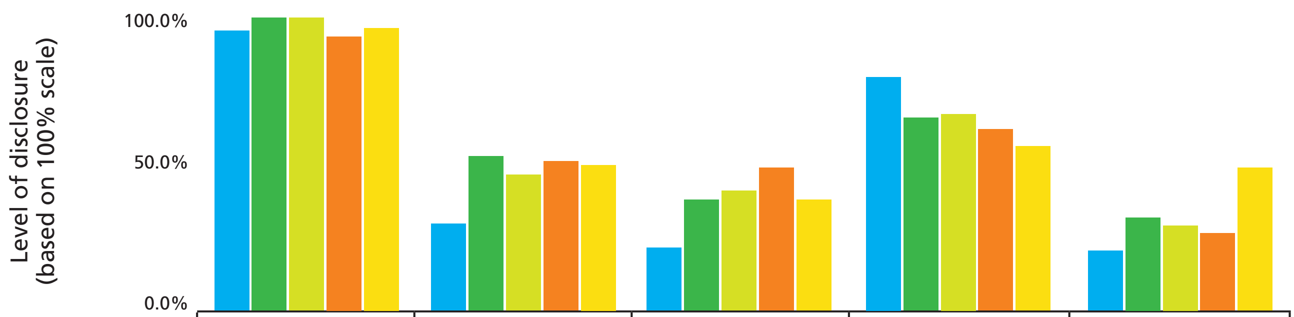
The second level of the assessment is conducted on companies' disclosure of EES-related information. Broken down to each topic of each disclosure, several common trends were observed.

Economic Performance

Increased business complexity has propelled companies to increasingly behave as responsible citizens, bringing economic development into the social fabric. In a holistic manner, businesses are expected to create a positive impact on the economic conditions of its stakeholders, as well as on the economic systems at local, national or international level.

Economic performance assessment addresses the economic impacts of a company throughout society, and how it manages them. The five topics under Economic disclosure are "Economic value generated", "Value and supply chain", "Economic impact from climate change", "Indirect economic impact" and "Anti-competitive behaviour".

Disclosure on economic topics across countries



	Economic value generated	Value and supply chain	Economic impact from climate change	Indirect economic impact	Anti competitive behaviour
Indonesia	97.6%	37.4%	29.0%	73.6%	27.2%
Malaysia	100.0%	50.6%	39.2%	63.2%	34.8%
Philippines	100.0%	41.8%	40.0%	65.5%	33.6%
Singapore	95.6%	49.4%	48.8%	61.6%	32.0%
Thailand	97.2%	48.4%	38.0%	56.8%	47.2%

Figure 8: Disclosure on economic topics across countries

Economic performance is managed as part of business strategy in most of the assessed companies. It can be observed that most of the listed companies from all five countries holistically disclosed "Economic value generated", which closely relates to the required disclosure of financial information. On the contrary, less disclosed topics include "Anti-competitive behaviour", "Economic impact from climate change" and "Value and supply chain", with the exception of Thailand reflecting a higher disclosure on its anti-competitive policies compared to counterparts in other ASEAN countries. Indonesia disclosed the least in most of the topics, with the exception of economic value and benefits of its non-core business arms, in which it performed better than the other assessed countries.

Discussion: Anti-competitive behaviour

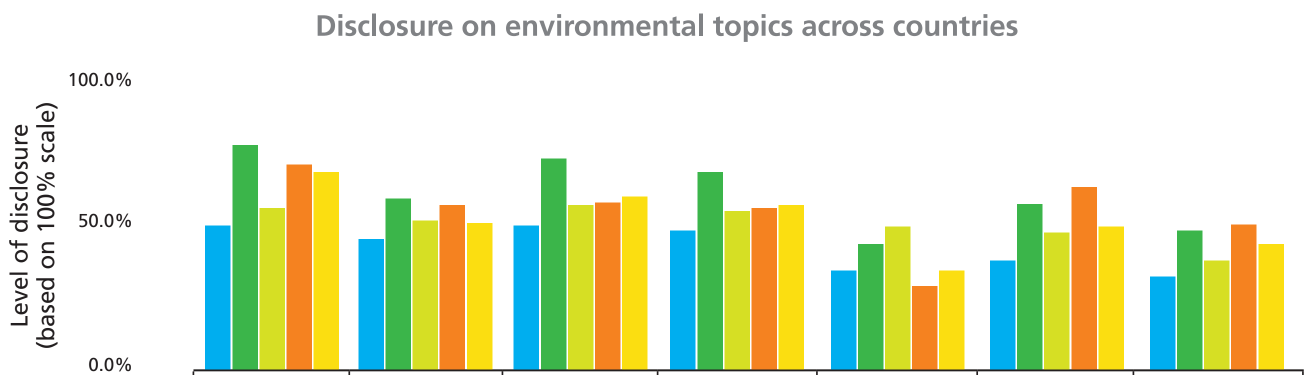
Despite being expected to have nationwide competition laws by 2015, as per the ASEAN Economic Community Blueprint[25] in 2008, all five countries demonstrated a weak performance in promoting anti-competitive behaviour. At present, there are only five ASEAN jurisdictions with generic competition laws, namely Indonesia, Malaysia, Singapore, Thailand and Vietnam. The Philippines has yet to enact its competition law (Rodyk & Davidson, 2013). As the competition law environment in ASEAN evolves, companies will be expected to embrace competition law compliance within the broader risk management environment. Multinational companies have compliance programmes with specific competition law structures and trainings provided, which may soon become a requirement for local companies. Companies are encouraged to go beyond the regular generic compliance programmes and work towards familiarising employees with updated competition law principles, thereby reducing the risks of inadvertent infringements of competition laws.

[25] ASEAN Economic Community Blueprint.
Source: https://asean.org/wp-content/uploads/archive/5187-10.pdf

Environmental Performance

Transformation from an agricultural economy to an industrial economy has increased human interventions into the fragile ecosystem, affecting its equilibrium. Maintaining the equilibrium of the ecosystem is essential to ensuring the long-term sustainability of businesses and economies. The environment should be treated like any stakeholder, with its survival closely linked with the business viability.

Environmental performance assessment examines environmental impacts and the management of company business activities. It emphasises seven topics under environmental disclosure: "Energy", "Water", "Waste management", "Emissions", "Biodiversity", "Compliance", and "Product and service stewardship".



	Energy	Water	Waste management	Emissions	Biodiversity	Compliance	Product and service stewardship
Indonesia	46.6%	40.8%	46.4%	42.8%	35.2%	39.2%	33.0%
Malaysia	65.4%	56.6%	62.4%	59.2%	38.8%	51.6%	46.8%
Philippines	52.7%	49.5%	53.2%	51.4%	45.9%	45.0%	38.6%
Singapore	61.4%	54.4%	54.2%	52.6%	30.6%	55.0%	47.6%
Thailand	60.6%	49.2%	56.2%	53.4%	35.2%	47.2%	40.6%

Figure 9: Disclosure on environmental topics across countries

On the whole, listed companies across ASEAN disclosed less information regarding biodiversity, and product and services stewardship. Malaysia showed the best results across most environmental topics. Areas of improvement for the country include "Biodiversity", "Compliance" and "Product and services stewardship". Environmental disclosures across the five countries lack completeness, as most companies have failed to identify and substantiate their measures taken to mitigate the detrimental environmental impacts caused by their business. Targets and proactive measures must be in place in order to work toward a long-term commitment to sustainable operations.

Discussion: Energy

Energy surfaced as the most disclosed material topics. These aspects tend to be easier to quantify and addressed by companies in their corporate plans and strategies. A well monitored and transparent performance measurement system would facilitate comparisons over time. When coupled with clear energy targets, a large number of companies have reportedly reaped significant cost savings.

Discussion: Biodiversity

Biodiversity conservation was not prioritised as a material issue across most sectors, especially in high impact industries. The ASEAN Centre for Biodiversity (ACB)[26], born from the Convention on Biological Diversity (CBD)[27], promotes and protects biodiversity in ASEAN through engaging businesses to strengthen their connection to biodiversity. Direct investments and support of meetings and events in various business communities are among the more popular initiatives. The ACB also provides a platform for cross-sharing of business cases and biodiversity conservation practices. Efforts by the ACB continue to face headwinds as there is greater need for awareness of the intrinsic relationship between businesses and the ecosystem in which they operate. Corporations need to realise this relationship and assume their role in ensuring its sustainability.

[26] ASEAN Centre for Biodiversity (ACB) promotes the mainstreaming of biodiversity by businesses. Source: https://www.cbd.int/business/nri/asean.shtml

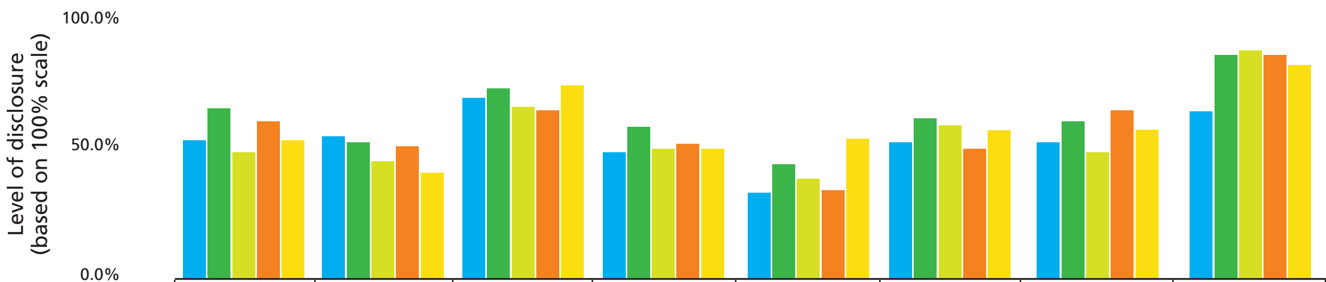
[27] Convention on Biological Diversity (CBD) is dedicated to promoting sustainable development and was signed by 150 government leaders at the 1992 Rio Earth Summit. Source: https://www.cbd.int/convention/

Social Performance

Societal pressure compels companies to develop more inclusive strategies in moving towards sustainable business practices. Society tends to disapprove the continuity of companies that deviate from social norms and values. Constraints imposed and opportunities offered by society secure a company's social legitimacy, in turn enhancing its competitiveness.

Social performance assessment looks into social impacts caused by companies' business activities and how it manages these impacts. Under Social disclosure, this assessment breaks focuses on eight key topics: "Diversity and equal opportunity", "Labour and industrial relations", "Occupational health and safety", "Training and education", "Human rights", "Community involvement", and "Product responsibility" and "Philanthropy".

Disclosure on social topics across countries



	Diversity and equal opportunity	Labour and industrial relations	Occupational health and safety	Training and education	Human rights	Community involvement	Product responsibility	Philanthropy
Indonesia	51.0%	52.4%	68.0%	52.6%	32.2%	50.4%	50.4%	59.7%
Malaysia	64.4%	50.9%	74.2%	57.2%	42.8%	58.4%	57.0%	80.3%
Philippines	48.2%	43.9%	55.5%	49.1%	36.4%	55.5%	46.8%	81.8%
Singapore	59.8%	49.1%	64.0%	50.6%	33.6%	47.8%	60.2%	80.8%
Thailand	51.4%	39.6%	71.2%	48.0%	51.2%	54.4%	55.8%	78.7%

Figure 10: Disclosure on social topics across countries

Businesses across ASEAN countries were most likely to disclose "Philanthropy", followed by "Occupational health and safety". Indonesia listed companies, however, tend to emphasise occupational health and safety (OHS). This could be attributed to the high feasibility of philanthropic contribution compared to other social aspects. Nevertheless, institutional intervention can contribute to improving this feasibility, as observed by the implementation of OHS policies by companies in the five countries. Occupational hazards and injuries have been prominently discussed in both the international and national scene, with regulations and institutional guidelines providing added incentives, in turn influencing the ease in implementation. For instance, Indonesia, Malaysia, Singapore and Thailand have ratified Convention No. 187 promoted by International Labour Organization (ILO) (ILO, 2006), which seeks to recognise occupational injuries, diseases and deaths, while also highlighting the causes so as to reduce them. The Convention also acknowledges the economic impact of occupational injuries, diseases and deaths and their effects on operations.

Discussion: Philanthropy

Sustainability is commonly clouded with misconceptions that it is about philanthropy. Therefore, many companies have delved into providing value added contributions to the local community. Historically, corporate philanthropy has always existed in one form or another. Companies disclose their support for social causes so as to strengthen their legitimacy by managing their local dependency and forging trust communities. Pioneered by Filipino companies, corporate philanthropy in ASEAN countries have advanced towards more philanthropic foundations founded by large companies as an avenue for continuous contribution to the society.

Discussion: Human rights

Most ASEAN countries have perpetrated human rights violations issues linked to fast economic development (Martin, 2015). Despite growing expectations that private companies will support and respect the protection of internationally proclaimed human rights, such efforts remain a work in progress. In sectors with high human rights impacts related to supply chain, companies are often more likely to not assume direct responsibility for the human rights performance of their supply chain.

With increased awareness of the ongoing human rights risks within the ASEAN community, multiple parties have come up with various initiatives to curb violations. In partnership with the ASEAN Intergovernmental Commissions on Human Rights (AICHR), the UN Working Group on Business and Human Rights (UNWG), UNDP, Human Rights Resource Centre for ASEAN, Singapore Management University and other partners, ACN actively supports the region's need for reform by promoting the adoption and implementation of internationally accepted standards and norms on business and human rights, especially the UN Guiding Principles on Business and Human Rights[28] (Guiding Principles). The Guiding Principles were developed as a blueprint for action, clarifying the role of governments and companies to safeguard human rights in a business context. With these initiatives in place, we expect more companies to establish effective accountability mechanisms for human right protections and empowering people in years to come.

[28] UN Guiding Principles on Business and Human Rights.
Source: https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

6. PRINCIPLES OF REPORTING

6.1 Sustainability and Business Model

Why It Is Important

The commitment of top management to sustainability, as demonstrated by leadership and clear directions regarding what sustainability means to a company, is crucial to setting the tone and direction forward. Discussing key sustainability trends that most affect the company by identifying risks and opportunities with clearly defined long term business strategies will in turn boost stakeholders' confidence.

State of Practice

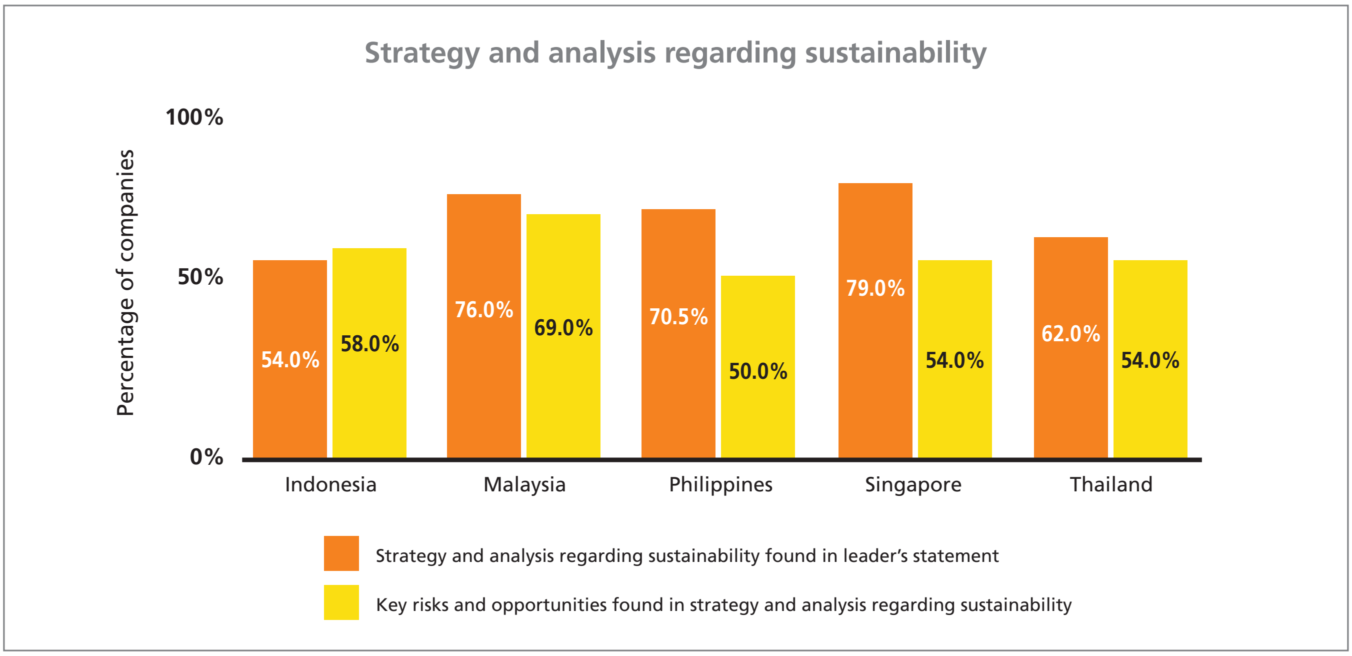


Figure 11: Percentage of companies demonstrating strategy and analysis regarding sustainability

This assessment evaluated companies' sustainability strategies and analyses on two levels: whether or not statement from decision-makers further substantiated the company's direction in its sustainability effort, and the identification of key impacts of sustainability trends, risks and opportunities found in strategy and analysis regarding sustainability. Both of the assessed aspects were regarding the company's strategies in addressing sustainability issues, managing expectations and projecting long-term prospects. Figure 11 showed the progress of incorporating sustainability analysis into leaders' strategic statement with a description of key risks and opportunities across ASEAN countries, with Singapore leading the trend. Generally, more companies stated sustainability strategy in leaders' messages than those reporting key risks and opportunities within each country, with the exception of Indonesia.

The performance in sustainability strategy and analysis in the ASEAN region is mainly attributed to reporting guidelines by stock exchanges. Main Market Listing Requirements published by Bursa Malaysia (updated as at 30 June 2018) requires a "Sustainability Statement," that entails material EES risks and opportunities.[29] Similar rules can be seen in Singapore's case. Under Sustainability Reporting Guide by Singapore Exchange, a sustainability report should comprise of primary components including "Board statement" that showcases the board having taken into account sustainability concerns and determined material ESG factors in the formulation of its strategies.

Companies that recognise sustainability trends and adequately address them will be better positioned to anticipate new business opportunities and more effectively protect themselves from reputation challenges, environmental and social risks or any other inefficiencies that may affect shareholder value. This can be done through regular interaction with stakeholder groups whose inputs will enable companies to navigate change and remain relevant in business.

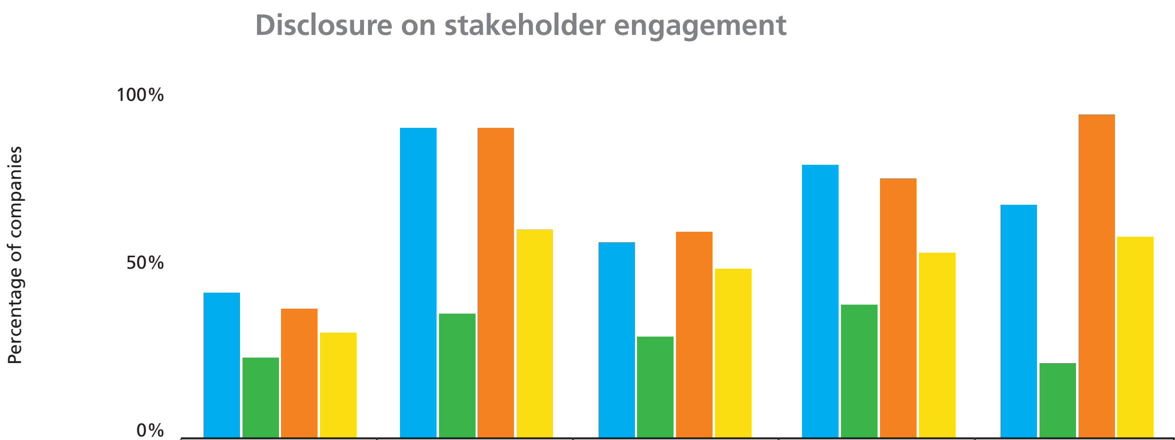
[29] Bursa Malaysia: Main Market Listing Requirements [Updated to incorporate amendments issued up to 1 September 2018]. Source: http://www.bursamalaysia.com/misc/system/assets/15741/Consolidated_listing_requirement_main_market_consolidated_30Aug18.pdf

6.2 Stakeholder Engagement

Why It Is Important

Companies count on their stakeholders to provide a stable environment in which the business can flourish. In turn, companies are expected to meet the expectations of stakeholders to ensure society's sustainability. Stakeholder engagement is an essential process which aligns the company and its stakeholders on the sustainability aspects to bring mutual benefits. While the initial objectives may be information gathering, learning and decision-making, the goal may also evolve to include relation-building either through consultation or collaboration.

State of Practice



	Indonesia	Malaysia	Philippines	Singapore	Thailand
Approach to stakeholder engagement	38.0%	87.0%	52.3%	77.0%	66.0%
Identifying and selecting stakeholders	20.0%	34.0%	29.5%	39.0%	25.0%
Provided a list of stakeholders	33.0%	87.0%	56.8%	74.0%	90.0%
Discuss key topic and concerns raised by stakeholders	26.0%	59.0%	43.2%	48.0%	56.0%

Figure 12: Percentage of companies with disclosure on stakeholder engagement

The present study examined the practice of stakeholder engagement and inclusiveness in terms of company reporting rate (measured by percentage of companies with disclosure). According to Figure 12, Malaysia, Singapore and Thailand were outstanding performers in identifying and selecting stakeholders and providing lists detailing discussions on topics and concerns, and ultimately taking approach to stakeholder engagement, while Indonesia fell a bit behind in company reporting rates. Across the four indicators, identifying and selecting stakeholders gained the least level of disclosure.

The presented statistics highlight assessed companies' achievements in integrating stakeholder involvement into strategic decision making, but there are still opportunities to enhance reporting quality. Stakeholder engagement is a crucial element not only in sustainability reporting but also in the broader context of governance, which requires domestic efforts and regional advocacy. At the national level, the code of corporate governance has been revised to embrace stakeholder involvement practices. At a regional level, Enterprise & Stakeholders Engagement Division under ASEAN Economic Community Department[30] works closely with ASEAN countries to build a more inclusive stakeholder community. Joint efforts in stakeholder engagement builds resilience, strength and sustainable growth in the region.

[30] Association of Southeast Asian Nations. (2018). ASEAN Secretariat Organisational Chart.
Source: https://asean.org/asean/asean-structure/organisational-structure-2/

6.3 Materiality

Why It Is Important

Materiality refers to the key areas that companies believe to be important to the long-term sustainability of their business. It distils the information to be disclosed in the reports. The social aspect inherently linked to community livelihood and natural resources that the public rightfully see as theirs should be taken into account when companies come to pursue their specific interests.

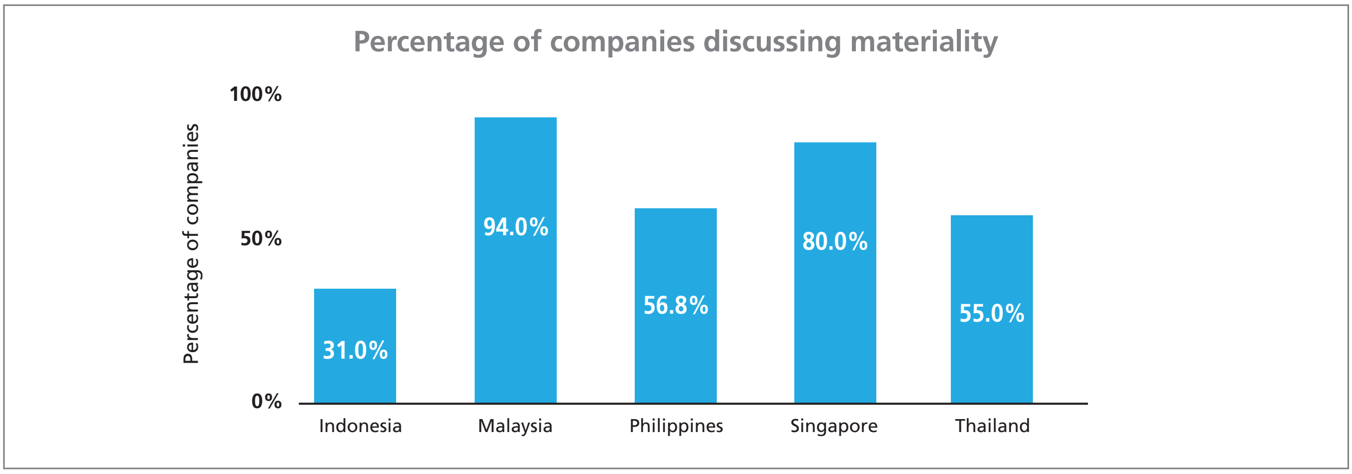


Figure 13: Percentage of companies discussing materiality

State of Practice

Figure 13 reveals a large gap in material topics reporting rate. There were notably more Malaysia listed companies (94.0%) and Singapore listed companies (80.0%) that provided a list of material topics for their businesses. This result is in contrast to the other three countries which continue to reveal significant gaps in their reporting.

Identifying material topics is fundamental to setting targets and tackling key issues. Proper stakeholder engagement would be a useful platform to understand and solicit feedback on material topics that could affect both the company and stakeholders. Additionally, several tools are available to assist companies with sustainability and materiality identification. For instance, the Sustainability Accounting Standards Board (SASB) Materiality Map and GRI Sustainability Topics for Sectors are directly accessible resources for preliminary assessment of materiality (Wu, Shao, & Chen, 2018). The SASB Materiality Map provides guidance for specific sectors and industries on key sustainability issues that are mostly likely to impact financial performance[31]. In accordance with GRI Guidelines, some matrices have been developed to prioritise sustainability topics in various sectors, considering significance of economic, environmental and social impacts, as well as influence of stakeholder assessments and disclosures[32]. Various tools enable reporting companies to cross check their materiality defining processes.

[31] The SASB Materiality Map™. Source: https://materiality.sasb.org/

[32] Defining What Matters: Do companies and investors agree on what is material? Source: https://www.globalreporting.org/resourcelibrary/Defining-Materiality-What-Matters-to-Reporters-and-Investors.pdf

6.4 Target Setting and Performance Measurement

Why It Is Important

A set of sustainability goals clearly communicated and supported by management is essential for its integration into the company's operations. The goals serve as a yardstick for target setting and performance measurement which allows companies to make mid-course corrections whenever necessary. In addition, a regular performance measurement against set goals allows stakeholders to assess the company's progress and future prospects.

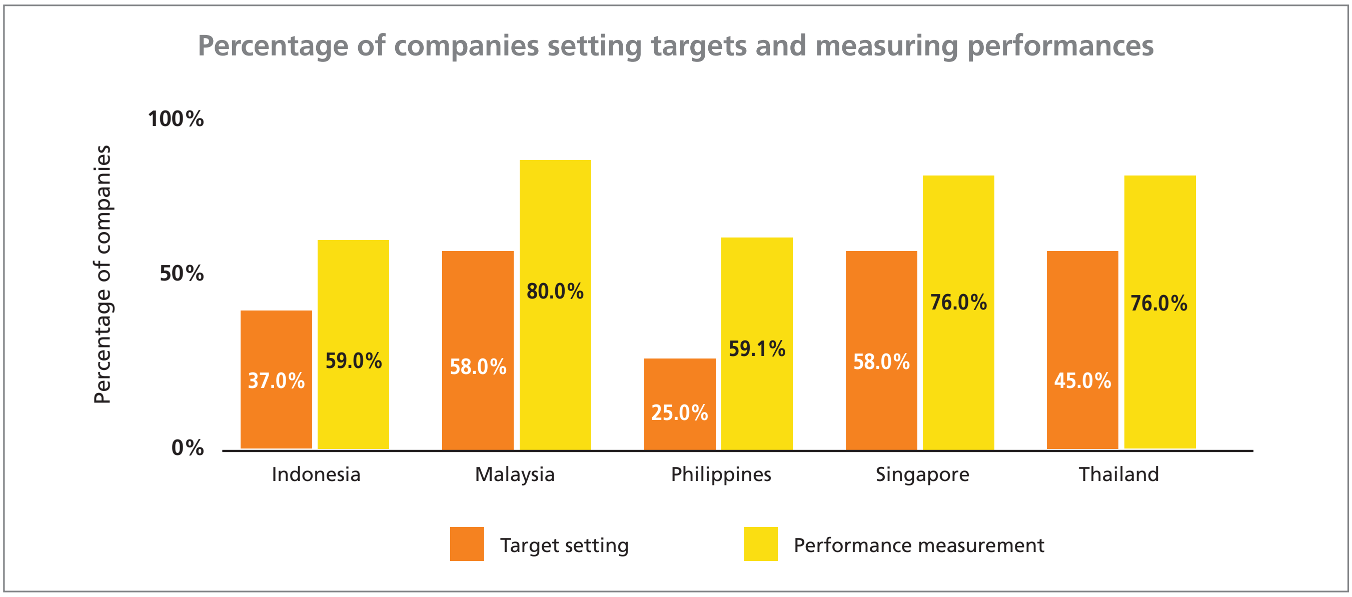


Figure 14: Percentage of companies setting targets and measuring performance

State of Practice

It was assessed whether a company presented evidence on the performance/ target of at least one environmental or social topic in their sustainability reporting. Figure 14 implies that both performance measurement and target information were more accessible in the sustainability reports of Malaysia, Singapore and Thailand listed companies. Assessed companies of these three countries displayed a holistic disclosure on performance and target system. It was noted however, that across the five ASEAN countries, fewer listed companies have evaluated their targets for sustainability policies to be implemented against performance measures. Singapore displayed the smallest gap between performance reporting rate and target reporting rate, with 76.0% companies disclosing performance data and 58.0% revealing sustainable goals.

Quantitative information of practices, performance and targets in sustainability reporting enable business entities to measure their achievements and facilitate sustainability policy implementation. More significantly, comparable performance and target data also allow stakeholders to evaluate the trending performance of the company's initiatives over time. Data disclosure requires support and collaboration across different business units within a company. In order to drive corporate sustainability performance, a heightened sentiment of corporate culture and ownership of sustainability initiatives is required. Targets and goals should be disseminated across the organisation, addressed in each department's key performance indicators. The absence of goal setting in sustainability communication signals that there are internal challenges in setting corporate sustainability goals. It is suggested that companies should rethink their business context and set practical targets aligned to business strategy. Some international conventions and national targets can be benchmarked to develop corporate sustainability goals, such as SDGs and Nationally Determined Contribution (NDC)[33] submitted to the United Nations Framework Convention on Climate Change (UNFCCC)[34] by the respective countries.

---

[33] The Paris Agreement requests each country outline and communicate their post-2020 climate actions, known as their NDCs. Source: https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf

[34] The United Nations Framework Convention on Climate Change (UNFCCC) is an international environmental treaty adopted on 9 May 1992. Source: https://unfccc.int/resource/docs/convkp/conveng.pdf

6.5 External Assurance

Why It Is Important

Investors, regulators and other stakeholders are paying increasing attention to the accuracy, completeness and reliability of data disclosure. Independent assurance provides both the company and its stakeholders with increased confidence in performance data, as the contents of the report have been externally verified for accuracy and adequacy. Verification standards like the AccountAbility's AA1000 Assurance Standard (AA1000 AS) and the International Standard on Assurance Engagement 3000 (ISAE 3000) are among the most common guides adopted by the companies assessed.

State of Practice

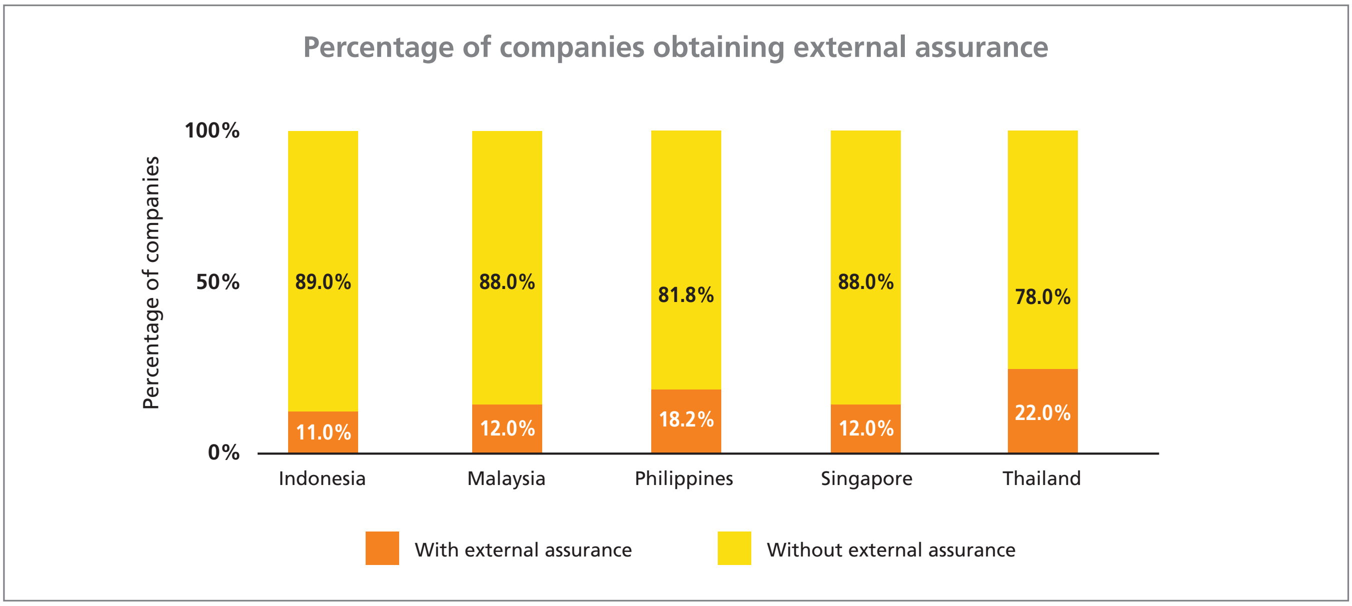


Figure 15: Percentage of companies obtaining external assurance

Third-party assurance for sustainability reporting occurs on a voluntary basis. The majority of the companies across the five ASEAN countries have not sought independent assurance. Thailand (22.0%) and the Philippines (18.2%) had notably more companies engaging external parties to verify their sustainable practices compared to Malaysia (12.0%), Singapore (12.0%) and Indonesia (11.0%).

External assurance of the sustainability report is gaining momentum, reflecting a growing demand for companies to attain external validation and a shift in views about how much it affects the credibility of the report. The perception of stakeholders is determined by the attitude of company towards reporting. Therefore, company should take external assurance seriously by addressing the inconsistency in approach, lacking in explanation of observed weakness, along with the unlimited range of the verifier's statement, which potentially undermine the credibility of verification.

7. MATERIALITY TRENDS BY SECTOR

Determining material topics potentially critical to companies' strategies is fundamental to management activities and high quality sustainability reporting. Central to the core operations of the business and the cultural context in which the business operates, each company carries a unique set of social and environmental impacts determined by the material topics of the sector to which the company belongs.

Most of the reporting companies discussing EES disclosures identified social disclosure as a major material focus. Some sectors are clearly ahead with respect to putting the materiality approach into effect. The Consumer staples and Utilities sectors led the way, with more than 50 percent of companies demonstrating their concerns over thirteen or more EES topics. The Materials and Communication services sectors also performed well, with the majority of the companies discussing close to twelve EES topics in detailing their sustainability initiatives.

"Corporate philanthropy", "Occupational health and safety", and "Diversity and equal opportunity" were the most discussed topics across sectors among ASEAN top listed companies. Companies undertaking proper materiality identification and stakeholder engagement were more likely to identify industry specific EES topics stretching across the supply chain, which may go beyond their daily operations. These findings suggest that identifying a credible set of materiality topics relevant to the core business remains challenging to most companies. Materiality gaps persist, as most of the expected sector specific topics were not included in reporting. It is therefore crucial to pursue mandatory sustainability reporting while standardising key EES topics specific to each sector with clear targets established.

SECTORS	Where are we Key EES disclosures by sector	What to address Key sustainability issues in sector
Consumer Discretionary	Philanthrophy Occupational health and safety Energy Training and Education Diversity and equal opportunity	Corruption, customer satisfaction and supply chain in apparel retail; corruption, customer satisfaction, litigation risks in broadline retail (Pimentel & Volder, 2016) (Note: Consumer discretionary covers a wide range of sub-industries and SASB has yet to cover some major industry sectors in GICS, so the materiality are mostly discussed in sub-industry level.)
Consumer Staples	Philanthrophy Occupational health and safety Product responsibility Diversity and equal opportunity	Water management (Geraghty, 2015); litigation risks, corruption and customer satisfaction in food product sector (Pimentel & Volder, 2016)
Energy	Philanthrophy Occupational health and safety Community Involvement Waste Management	Concern over environmental impact of drilling and fossil fuel on global warming (Andrew W. Savitz, 2006); dominance of environment factor including GHG/NOX/SO2 emissions, water management (Geraghty, 2015);
Financials	Philanthrophy Indirect economic impact Occupational health and safety Diversity and equal opportunity	Need a systematic and credible evaluation of the environmental, economic, and social impacts of development projects to which financial support is given(Andrew W. Savitz, 2006); business model and innovation (Geraghty, 2015)
Health Care	Product responsibility Philanthrophy Occupational health and safety Diversity and equal opportunity	Product quality and safety, product affordability and access (Geraghty, 2015)
Industrials	Philanthrophy Occupational health and safety Diversity and equal opportunity Waste Management Community Involvement	Energy usage, water discarded, NOX emissions (Geraghty, 2015)
Information Technology	Occupational health and safety Diversity and equal opportunity Product responsibility Compliance Energy Anti-competitive behaviour	Data scandal/breaches, electronic trash, development of bottom-of-the pyramid products; Leadership and governance, social capital and human capital (Geraghty, 2015)
Materials	Philanthrophy Occupational health and safety Diversity and equal opportunity Waste Management Emissions	GHG/NOX/SO2 emissions, energy consumption (Geraghty, 2015)
Real Estate	Philanthrophy Occupational health and safety Diversity and equal opportunity Water	Energy/water efficiency and waste management (Allianz Global Investors, 2015)
Communication Services	Philanthrophy Indirect economic impact Occupational health and safety Energy	Data privacy and security (Geraghty, 2015)
Utilities	Philanthrophy Occupational health and safety Waste Management Compliance	Emissions, Effluents and Waste; Community Relations and Product Sustainability (Sustainalytics, 2015)

*Note: Economic topic Environmental topic Social topic

Note: 1. Companies were classified based on the Global Industry Classification Standard35 (GICS). 2. "Key sustainability issues in sector" is a literature review basis in a general context. It may not be fully applicable to ASEAN context.3. The disclosure on Econ 1 Economic Value Generated has been common practice across sectors such that the issue is not further discussed as the most cited material issues.

Table 3: Materiality gaps between current practices and expectations

[35] The Global Industry Classification Standard (GICS)is a four-tiered, hierarchical industry classification system. Source: https://www.msci.com/gics

8. LIMITATIONS AND RECOMMENDATIONS

This study is not without limitations. In drawing deeper insights from the findings of the study and progressing future studies, several points should be kept in mind.

First, even though this year's study was not the first for four of the assessed five countries (Indonesia, Malaysia, Singapore and Thailand), it is the first study involving the Philippines. It is important for the Philippines to take these findings as a baseline for performance measure. Quantifiable and comparable data on the sustainability regulatory landscapes, as well as levels of disclosures of each country from year to year, would enable the development of sustainability reporting in each country and throughout ASEAN.

Second, the study only considers listed companies' sustainability sections on their sustainability disclosure. However, these disclosures do not necessarily represent the company's actual performance. Hence, deeper research is recommended in order to expand the pool of information used and enhance the validation process.

Nevertheless, the results of this study serve as a benchmark and provide insights to motivate further research about sustainability reporting in ASEAN countries. Furture studies should include other countries, such as Brunei, Cambodia, Laos, Myanmar and Vietnam, for a more comprehensive and complete understanding of the disclosure of sustainability reporting landscapes in ASEAN.

9. CONCLUSION

Sustainability reporting has evolved to become a mainstream practice among ASEAN businesses. Sustainability disclosures reflect the extent to which companies integrate sustainability into their core business strategy and subsequently communicate their sustainability initiatives.

Malaysia listed companies scored the highest disclosure ratings, while Indonesia listed companies scored the lowest disclosure ratings. In comparison to 2016 results, improvements were seen across all five countries. These results also indicate a shift in focus among the top companies, as they recognise sustainability reporting as a tool to strengthen their credibility, with a clear acceptance that sustainability integration and credible disclosure are fundamental to gaining a competitive advantage in the pursuit of long-term values.

Moving forward, the regulatory drivers of each nation and the listing requirements of stock exchanges are catalysing further ESG disclosure in this region. We anticipate the new Philippine Stock Exchange requirement for all Philippines-listed companies to produce sustainability reports will spur a notable rise in both the quantity and quality of reporting in the Philippines. Similarly, a new era of sustainability reporting in Indonesia is expected when the regulation of Financial Services Authority of Indonesia (OJK) mandating sustainability reporting among publicly-listed companies begins to take effect. While initiatives to promote sustainability will continue, it is likely that the ASEAN sustainability reporting landscape will be increasingly dynamic for the foreseeable future.

10. REFERENCES

Allianz Global Investors. (2015). ESG in Equities. Retrieved from https://www.allianzgi.com/-/media/allianzgi/globalagi/our-firm/ouresgapproach/esg-in-equities.pdf

Bursa Malaysia Securities Berhad. (2015). Sustainability Reporting Guide. Retrieved from http://www.bursamalaysia.com/misc/system/assets/15789/BURSA%20MALAYSIA%20SUSTAINABILITY%20REPORTING%20GUIDE%20(final).pdf

Bursa Malaysia Securities Berhad. (2015). Toolkit: Governance. Retrieved from http://www.bursamalaysia.com/misc/system/assets/15805/Toolkit%20on%20Governance%20-%20final.pdf

Complexity Labs. (2017, May 18). *The rise of sustainability* [Video file]. Retrieved from https://www.youtube.com/watch?v=L_skrxnh7lk

Eco-Business. (2017, October 17). How Thailand built Southeast Asia's most sustainable stock exchange. Retrieved from https://www.eco-business.com/news/how-thailand-built-southeast-asias-most-sustainable-stock-exchange/

Geraghty, M. (2015). *A shifting ESG materiality matrix: what has mattered, what may matter*. Retrieved from Cornerstone Capital Group website: https://cornerstonecapinc.com/wp-content/uploads/2015/10/Materiality-Matrix-2-October-21_Summary.pdf

Geraghty, M. (2015). *ESG in sector strategy: what's material?* Retrieved from Cornerstone Capital Group website: http://cornerstonecapinc.com/wp-content/uploads/2015/06/ESG-in-Sector-Strategy-Whats-Material-FINAL-JUNE-24.pdf

Global Reporting Initiative. (2016). GRI 101: Foundation. Retrieved from https://www.globalreporting.org/standards/media/1036/gri-101-foundation-2016.pdf#page=30

House of Representatives of the Philippines. (2013). *An Act Encouraging Corporate Social Responsibility, Providing Incentives Therefor, and for Other Purposes*. Retrieved from http://www.congress.gov.ph/legisdocs/basic_16/HB00306.pdf

Indonesia Company Law. (2012). Corporate social responsibility by Limited Liability Companies. Retrieved from http://www.indonesiacompanylaw.com/company/corporate-social-responsibility-by-limited-liability-companies/

Initiative for Responsible Investment, & The Hauser Institute for Civil Society at the Center for Public Leadership. (2015). *Corporate social responsibility disclosure efforts by national governments and stock exchanges*. Retrieved from http://iri.hks.harvard.edu/files/iri/files/corporate_social_responsibility_disclosure_3-27-15.pdf

International Labour Organization. (2006). C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187). Retrieved from http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C187

KPMG (2017). *The road ahead: The KPMG Survey of Corporate Responsibility Reporting 2017*. Retrieved from https://home.kpmg.com/content/dam/kpmg/campaigns/csr/pdf/CSR_Reporting_2017.pdf

KPMG International, GRI, United Nations Environment Programme, Centre for Corporate Governance in Africa (2016). *Carrots Sticks: Global trends in sustainability reporting regulation and policy*. Retrieved from https://www.carrotsandsticks.net/wp-content/uploads/2016/05/Carrots-Sticks-2016.pdf

Kuasirikun, N., & Sherer, M. (2004). Corporate social accounting disclosure in Thailand. *Accounting, Auditing & Accountability Journal*, 17(4), 629-660.

Lee, M. (2018, August 6). SGX amends listing rules after MAS accepts proposals to enhance corporate governance. *The Straits Times*.

Leks&Co. (2012). Government Regulation No. 47 of 2012 on Social and Environmental Responsibility of Limited Liability Company - Indonesia. Retrieved from https://www.hg.org/legal-articles/government-regulation-no-47-of-2012-on-social-and-environmental-responsibility-of-limited-liability-company-indonesia-26532

Loh, L., Nguyen, T., Sim, I., Thomas, T. and Wang, Y. (2016). *Sustainability reporting in Singapore*. Retrieved from https://bschool.nus.edu.sg/Portals/0/docs/CGIO/susatainability-reporting-asean-cgio-acn-oct2016.pdf

Martin, C. (2015). Business and Human Rights in ASEAN: Case Study of Cambodia. *Journal of Human Rights and Peace Studies*, 1(2), 1-32.

Ministry of Finance of The Republic of Indonesia. (2006). *Duplicate of Decision of The Chairman of The Capital Market And Financial Institutions Supervisory Agency Number: Kep-134/Bl/2006 Concerning Obligation oo Submit Annual Report for Issuers or Public Companies*. Retrieved from https://www.ojk.go.id/Files/regulation/capital-market/bap-rules/is-pc/12/XK6.pdf

Monetary Authority of Singapore (2012). *Code of Corporate Governance*. Retrieved from http://www.mas.gov.sg/~/media/resource/fin_development/corporate_governance/CGCRevisedCodeofCorporateGovernance3May2012.pdf

Monetary Authority of Singapore (2018). *Code of Corporate Governance*. Retrieved from http://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulatory%20and%20Supervisory%20Framework/Corporate%20Governance%20of%20Listed%20Companies/Code%20of%20Corporate%20Governance%206%20Aug%202018.pdf

Office of the National Economic and Social Development Board, & Office of the Prime Minister (Thailand). (2016). *The Twelfth National Economic and Social Development Plan (2017-2021)*. Retrieved from http://www.nesdb.go.th/nesdb_en/ewt_w3c/ewt_dl_link.php?nid=4345

Pimentel, G., & Volder, T. (2016). *Materiality of ESG KPIs*. Retrieved from PRI Brazil ESG Integration Working Group website: https://www.sitawi.net/wp-content/uploads/2016/01/Sitawi_Materiality-of-ESG-PIs.pdf

Prime Minister Yab Dato' Seri Abdullah Bin HJ. Ahmad Badawi. (2006). *The 2007 Budget Speech*. Retrieved from http://www.bnm.gov.my/files/budget2007.en.pdf

Pipitsombat, N. (n.d.). Thailand climate policy: perspectives beyond 2012. Retrieved from http://eeas.europa.eu/archives/delegations/thailand/documents/thailande_eu_coop/environment_energy/onep_climate_policy_en.pdf

Rodyk & Davidson. (2013). *Competition laws In ASEAN – Overview of the main prohibitions*. Retrieved from http://www.theworldlawgroup.com/Document.asp?DocID=759

Rusmanto, T., & Williams, C. (2015). Compliance Evaluation on CSR Activities Disclosure in Indonesian Publicly Listed Companies. *Procedia-Social and Behavioral Sciences*, 172, 150-156.

Securities and Exchange Commission (Philippines). (2016). *Code of Corporate Governance for Publicly-listed Companies*. Retrieved from https://www.sec.gov.ph/wp-content/uploads/2016/12/2016_memo_circular_no.19.pdf

Securities and Exchange Commission (Philippines). (2018). *Draft Sustainability Reporting Guidelines and Reporting Template for Publicly-Listed Companies*. Retrieved from http://www.sec.gov.ph/wp-content/uploads/2018/07/2018Notice_CGFDDraftSustainabilityReportingGuidelinesandReportingTemplateforPubliclyListedCompanies1.pdf

Securities and Exchange Commission Thailand. (2014). Sustainability development roadmap for listed companies. Retrieved from https://www.sec.or.th/EN/Documents/sd_roadmap_en.pdf

Securities Commission Malaysia. (2017). Malaysian Code on Corporate Governance. Retrieved from https://www.sc.com.my/wp-content/uploads/eng/html/cg/mccg2017.pdf

Securities Commission Malaysia. (2017). Guidelines on Sustainable and Responsible Investment Funds. Retrieved from https://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/sri/guidelines_sri_171219.pdf

Senate of the Philippines. (2011). *An Act Institutionalizing Corporate Social Responsibility among Large Tax Payers and Providing Incentives Therefor*. Retrieved from https://www.senate.gov.ph/lisdata/109799357!.pdf

Singapore Exchange. (2016). SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide. Retrieved from http://rulebook.sgx.com/net_file_store/new_rulebooks/s/g/SGX_Mainboard_Practice_Note_7.6_July_20_2016.pdf

Singapore Exchange. (n.d.). What are ESG Indices? Retrieved from http://www.sgx.com/wps/wcm/connect/sgx_en/home/newsletter/Sustainability-Index

Sirinapaporn, P. (2015). Thailand's climate change policy. Retrieved from http://www.thai-german-cooperation.info/userfiles/20150120_01_cca_thai_cc_policy.pdf

Spence, C., & Gray, R. (2007). *Social and environmental reporting and the business case*. Certified Accountants Educational Trust.

Stock Exchange of Thailand. (2012). Guidelines for Sustainability Reporting (in Thai). Retrieved from https://www.set.or.th/sustainable_dev/th/sr/publication/files/sustainability_report.pdf

Stock Exchange of Thailand. (2017, September 11). SET News: Thai listed firms mark top inclusions in DJSI among ASEAN, largest additions in emerging markets. Retrieved from https://www.set.or.th/set/newsdetails.do?newsId=15050869954560&sequence=2017075170&language=en&country=US

Stock Exchange of Thailand. (2018, September 17). SET News: Five Thai-listed firms named world's industry leaders with highest number of firms in DJSI in ASEAN for 5 consecutive years Retrieved from https://www.set.or.th/set/newsdetails.do?newsId=15371344887340&sequence=2018086201&language=en&country=US

Stock Exchange of Thailand. (n.d.). Development of sustainability reporting. Retrieved from https://www.set.or.th/sustainable_dev/en/sr/sd/report_p1.html

Suruhanjaya Syarikat Malaysia. (2009). Corporate responsibility agenda. Retrieved from https://www.ssm.com.my/Pages/CR/SSMCRAgenda.pdf

Suruhanjaya Syarikat Malaysia. (2013). Corporate responsibility: Guidance to disclosure and reporting. Retrieved from http://www.ssm.com.my/Pages/CR/8-BBPC-5-2013-low-res.pdf

Suruhanjaya Syarikat Malaysia. (n.d.). SSM's corporate responsibility initiatives. Retrieved from http://www.ssm.com.my/Pages/CR/Presentation%202%20-%20SSM%27s%20CR%20Initiatives.pdf

Sustainable Stock Exchanges Initiative. (2017). Bursa Malaysia (Malaysian Exchange). Retrieved from http://www.sseinitiative.org/fact-sheet/bursa/

Sustainable Stock Exchanges Initiative. (2017). Indonesia Stock Exchange. Retrieved from http://www.sseinitiative.org/fact-sheet/idx/

Sustainalytics. (2015). *Utilities: the great transformation begins – sector report webinar*. Retrieved from https://www.sustainalytics.com/webinar/utilities/

The Financial Services Authority of The Republic of Indonesia. (2017). *Unofficial Translation Copy of The Regulation of The Financial Services Authority Number 51/Pojk.03/2017 Regarding The Implementation of Sustainable Finance for Financial Services Institutions, Issuer Companies, and Public Companies*. Retrieved from http://forestsandfinance.org/wp-content/uploads/2017/09/POJK-51-Unoffical-English-Translation-2017.pdf

The Law Revision Commission (Singapore). (2002). *Environmental Public Health Act (Chapter 95)*. Retrieved from https://sso.agc.gov.sg/Act/EPHA1987?ViewType=Pdf&_=20180430230334

The Law Revision Commission (Singapore). (2014). *Energy Conservation Act (Chapter 92C)*. Retrieved from https://sso.agc.gov.sg/Act/ECA2012?ViewType=Pdf&_=20181004135801

The Legal 500. (2012). Bapepam introduces requirement for the disclosure of ultimate shareholders. Retrieved from http://www.legal500.com/c/indonesia/developments/21741

The National Corporate Governance Committee (Thailand). (2017). *Corporate Governance Code for listed companies 2017*. Retrieved from https://ecgi.global/node/6197

The Republic of Indonesia. (2007). *Law of The Republic of Indonesia. Number 40 of 2007*. Retrieved from https://cdn.indonesia-investments.com/documents/Company-Law-Indonesia-Law-No.-40-of-2007-on-Limited-Liability-Companies-Indonesia-Investments.pdf

The UNEP Inquiry into the Design of a Sustainable Financial System, The Association for Sustainable and Responsible Investment in Asia, & International Finance Corporation. (2015). *Towards a sustainable financial system in Indonesia*. Retrieved from http://documents.worldbank.org/curated/en/819461487145062821/pdf/112817-WP-Indonesia-Towards-a-Sustainable-Financial-System-PUBLIC.pdf

World Business Council for Sustainable Development. (2018). *Corporate and sustainability reporting in Singapore and Southeast Asia*. Retrieved from https://www.wbcsd.org/contentwbc/download/5765/76893

Wu, S., Shao, C., & Chen, J. (2018). Approaches on the Screening Methods for Materiality in Sustainability Reporting. Sustainability, 10(9), 3233.

11. GLOSSARY

Boundaries	Description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Note: Topic Boundaries vary based on the topics reported.
Governance Body	Committee or board responsible for the strategic guidance of the organization, the effective monitoring of management and the accountability of management to the broader organization and its stakeholders.
Impact	In this study, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.
Material Topic/Materiality	Topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders.
Reporting Principle	Concept that describes the outcomes a report is expected to achieve, and that guides deciisons made throughout the reporting process around report content or quality.
Stakeholder	Entity of individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. Note 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization. Note 2: Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups, local communities and NGOs or other civil society organizations, among others).
Supply Chain	Sequence of activities or parties that provides products or services to an organization.
Sustainability	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Note 1: Sustainable development encompasses three dimensions: economic, environmental and social. Note 2: Sustainable development refers to broader environmental and societal interests, rather than to the interests of specific organizations. Note 3: In this study, the terms 'sustainability' and 'sustainable development' are used interchangeably.

Source: GRI Standards Glossary 2018[36]

[36] GRI Standards glossary 2018 is a glossary prepared by Global Reporting Initiative. https://www.globalreporting.org/standards/media/1913/gri-standards-glossary.pdf

12. AUTHORS

PROJECT LEADER

DR. LAWRENCE LOH, Director, Centre for Governance, Institutions and Organisations & Deputy Head and Associate Professor, Department of Strategy and Policy, NUS Business School, National University of Singapore

MR. THOMAS THOMAS, Chief Executive Officer, ASEAN CSR Network

PROJECT TEAM

MS. SHIAU PING LEE, Senior Research Analyst, Centre for Governance, Institutions and Organisations, NUS Business School, National University of Singapore

MS. LYNDA LIM, Programme Director, ASEAN CSR Network

MS. HAIYI PAN, Research Associate, Centre for Governance, Institutions and Organisations, NUS Business School, National University of Singapore

MS. MARYA MALEK, Programme Manager, ASEAN CSR Network

MS. SHARMINE TAN, Sustainability Project Analyst, Centre for Governance, Institutions and Organisations, NUS Business School, National University of Singapore

MS. NGUYEN THI PHUONG THAO, Senior Manager, Advocacy, Research and Communications, ASEAN CSR Network

SUPPORTED BY

MR. LUWEN KOH, Research Assistant, Centre for Governance, Institutions and Organisations, NUS Business School, National University of Singapore

MS. RODERICA WYNNE, Student Research Assistant, Centre for Governance, Institutions and Organisations, NUS Business School, National University of Singapore

13. ACKNOWLEDGEMENTS

This project was made possible by contributions from the following:

CENTRE FOR GOVERNANCE, INSTITUTIONS AND ORGANISATIONS

CENTRE STAFFS

- Mr. Ace Chiu
- Ms. Lou Jun Ying
- Ms. Verity Thoi
- Ms. Maureen Ho

STUDENTS FROM NUS BUSINESS SCHOOL (BY ALPHABETICAL ORDER)

- Mr. Aaron Hei
- Ms. Ang Jia Xuan
- Mr. Bernardus Christianto
- Ms. Deborah Goh
- Ms. Denise Tew
- Ms. Heng Shi Ning
- Mr. Malcolm Chan
- Mr. Matthew Cheng
- Ms. Ong Sin Ee
- Mr. Raphael Te En Theseira
- Mr. Samuel Lau
- Ms. Shao Anan
- Ms. Soh Qi Min
- Ms. Toh Hui Ying

DISCLAIMER