



SUSTAINABILITY REPORTING IN SINGAPORE

LISTED MAINBOARD COMPANIES AND REAL ESTATE INVESTMENT TRUSTS

Prof Lawrence Loh

Director

Centre for Governance, Institutions and Organisations
NUS Business School

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Collaborators



Centre for Governance, Institutions & Organisations
NUS Business School

Background

- This Singapore report is part of an ASEAN multi-country study in sustainability reporting
- Basis for sustainability reporting
 - Corporate Social Responsibility (CSR)
 - Triple Bottom Line (Profit, People, Planet)
 - EESG (Economic, Environmental, Social & Governance)
- Enforcement level in Singapore
 - Current: Voluntary
 - FY ending or after 31 Dec 2017: Comply or explain

Scope of Study

**All Mainboard listed companies &
listed REITs on Singapore Exchange**

Covered disclosed information
from 1 Jan 2014 to 31 Dec 2015

Overall Framework for Evaluation

- Based on Global Reporting Initiative (GRI)
 - Specific Criteria
 - General Criteria
- Based on SGX Guide to Sustainability Reporting for Listed Companies*

**The findings are available in the Annex*

GRI Based Evaluation

Assessment categories	
<p><u>Specific Criteria</u></p> <ul style="list-style-type: none">• Governance• Economic• Environmental• Social <p><i>Aggregate score range: 20-100</i></p>	<p><u>General Criteria</u></p> <ul style="list-style-type: none">• Strategy and analysis• Materiality• Stakeholder engagement <p><i>Item-level scoring</i></p>

Specific Criteria

Score Range: 20 - 100	
Governance	Economic
<p><i>Gov 1:</i> Code on Corporate Governance</p> <p><i>Gov 2:</i> Governance Procedures</p> <p><i>Gov 3:</i> Anti-corruption & Code of Ethics</p>	<p><i>Econ 1:</i> Economic Value generated</p> <p><i>Econ 2:</i> Value & Supply Chain</p> <p><i>Econ 3:</i> Climate Change – Implications, Risks, Opportunities</p> <p><i>Econ 4:</i> Investment in Non-core Business Infrastructure</p> <p><i>Econ 5:</i> Risk Management</p>
Environmental	Social
<p><i>Env 1:</i> Energy</p> <p><i>Env 2:</i> Water</p> <p><i>Env 3:</i> Waste Management</p> <p><i>Env 4:</i> Carbon Emissions</p> <p><i>Env 5:</i> Biodiversity</p> <p><i>Env 6:</i> Compliance</p> <p><i>Env 7:</i> Product & Service Stewardship</p>	<p><i>Soc 1:</i> Diversity & Equal Opportunity</p> <p><i>Soc 2:</i> Labour & Industrial Relations</p> <p><i>Soc 3:</i> Occupational Health & Safety</p> <p><i>Soc 4:</i> Training & Education</p> <p><i>Soc 5:</i> Human Rights</p> <p><i>Soc 6:</i> Community Involvement</p> <p><i>Soc 7:</i> Product Responsibility</p> <p><i>Soc 8:</i> Philanthropy</p>

General Criteria

Strategy and Analysis

- Provide CEO statement on sustainability
- Provide description of key impacts, risks and opportunities

Materiality

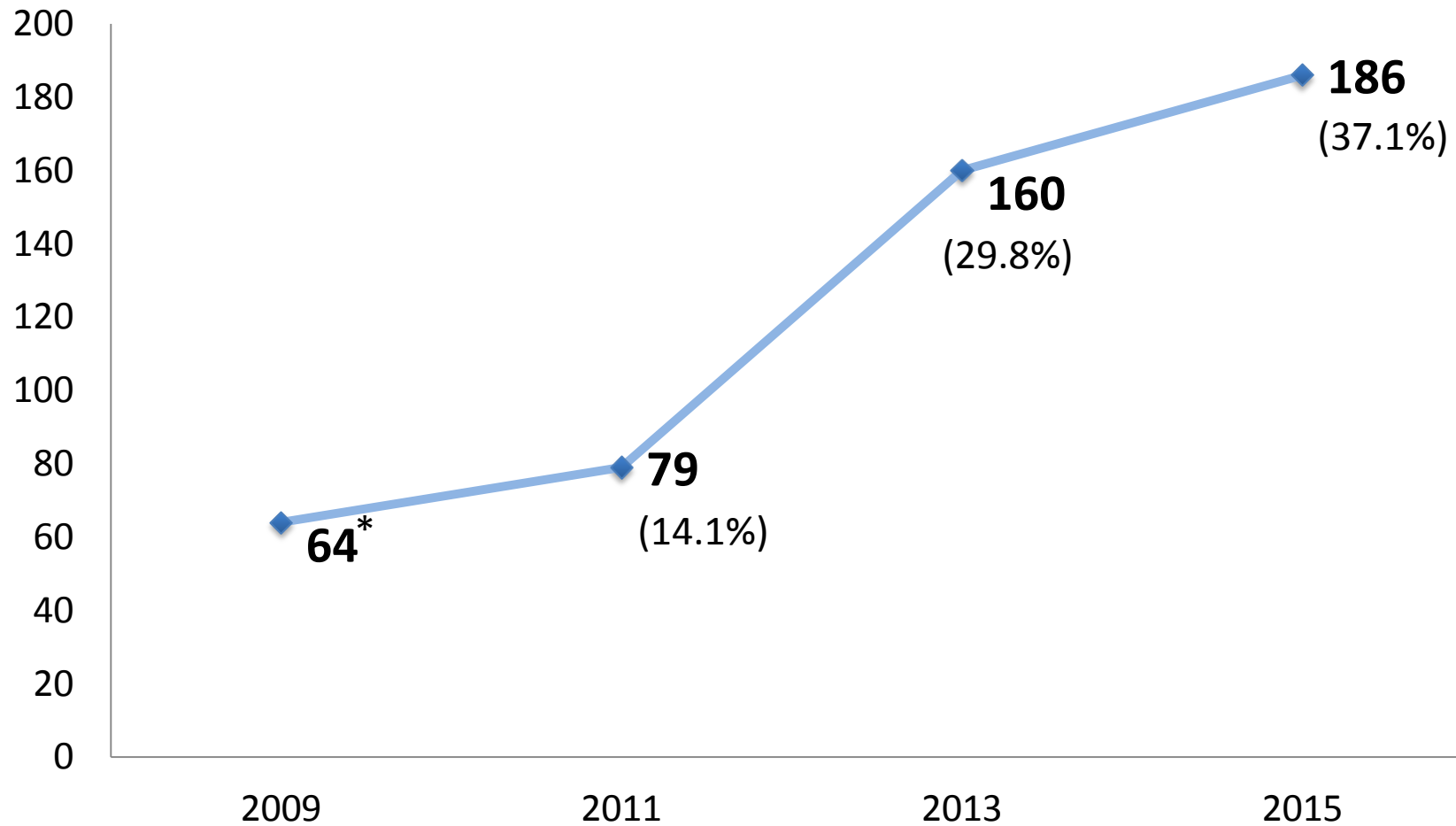
- Explain process for defining report content and aspect boundaries
- List material aspects identified
- Report aspect boundaries for each material aspect

Stakeholder Engagement

- Stakeholder engagement and inclusiveness policies and procedures
- Provide list of stakeholder groups engaged
- Report basis for identification and selection of stakeholders

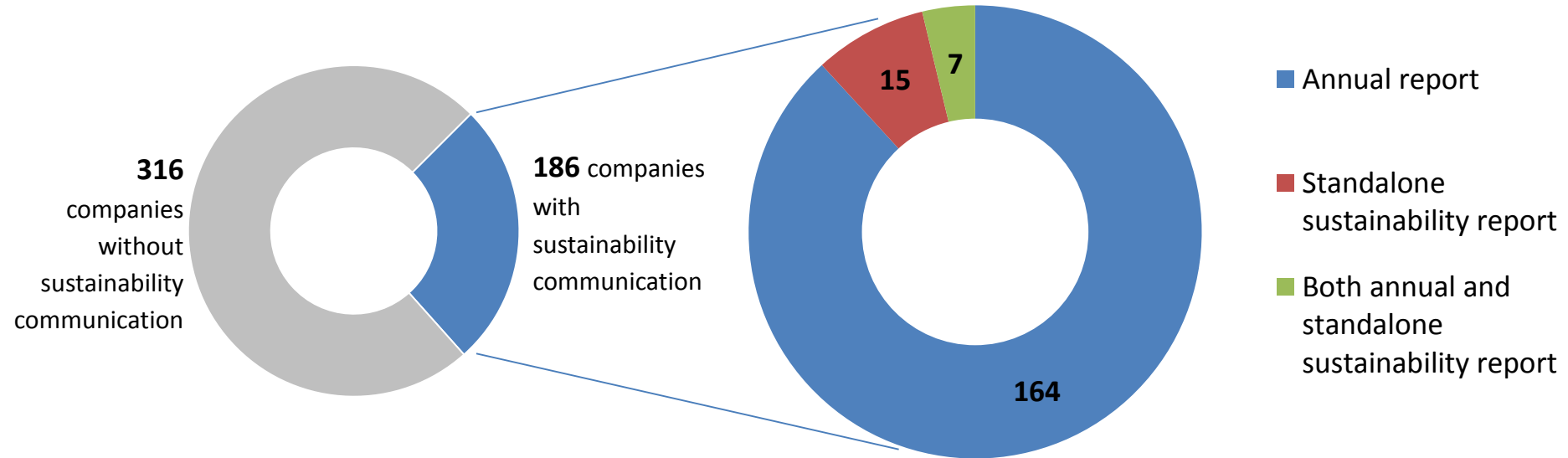
Mainboard Companies

Number of Companies with Sustainability Reporting

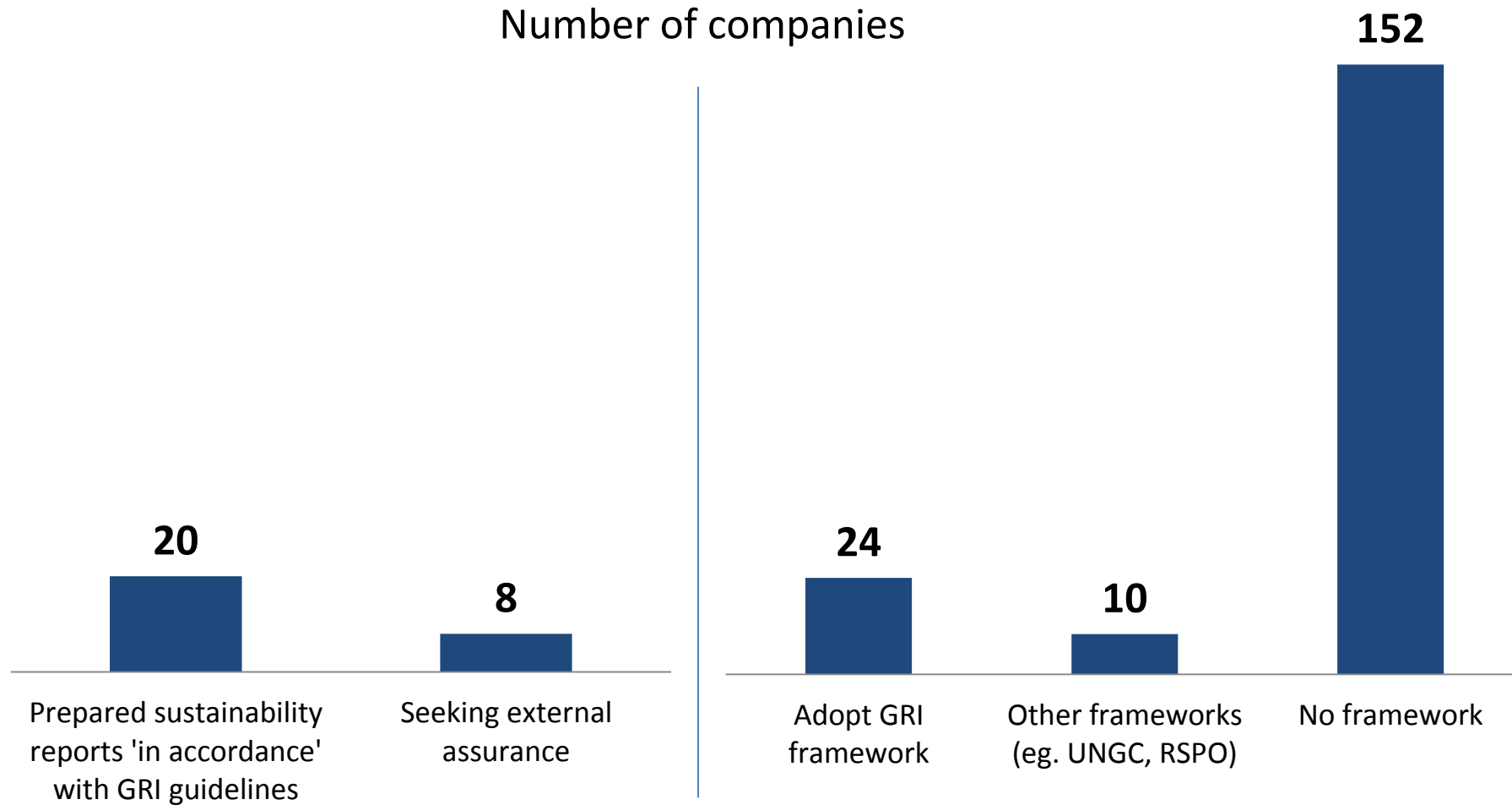


*Early indicative study mentioned in 2011 report

Report Characteristics

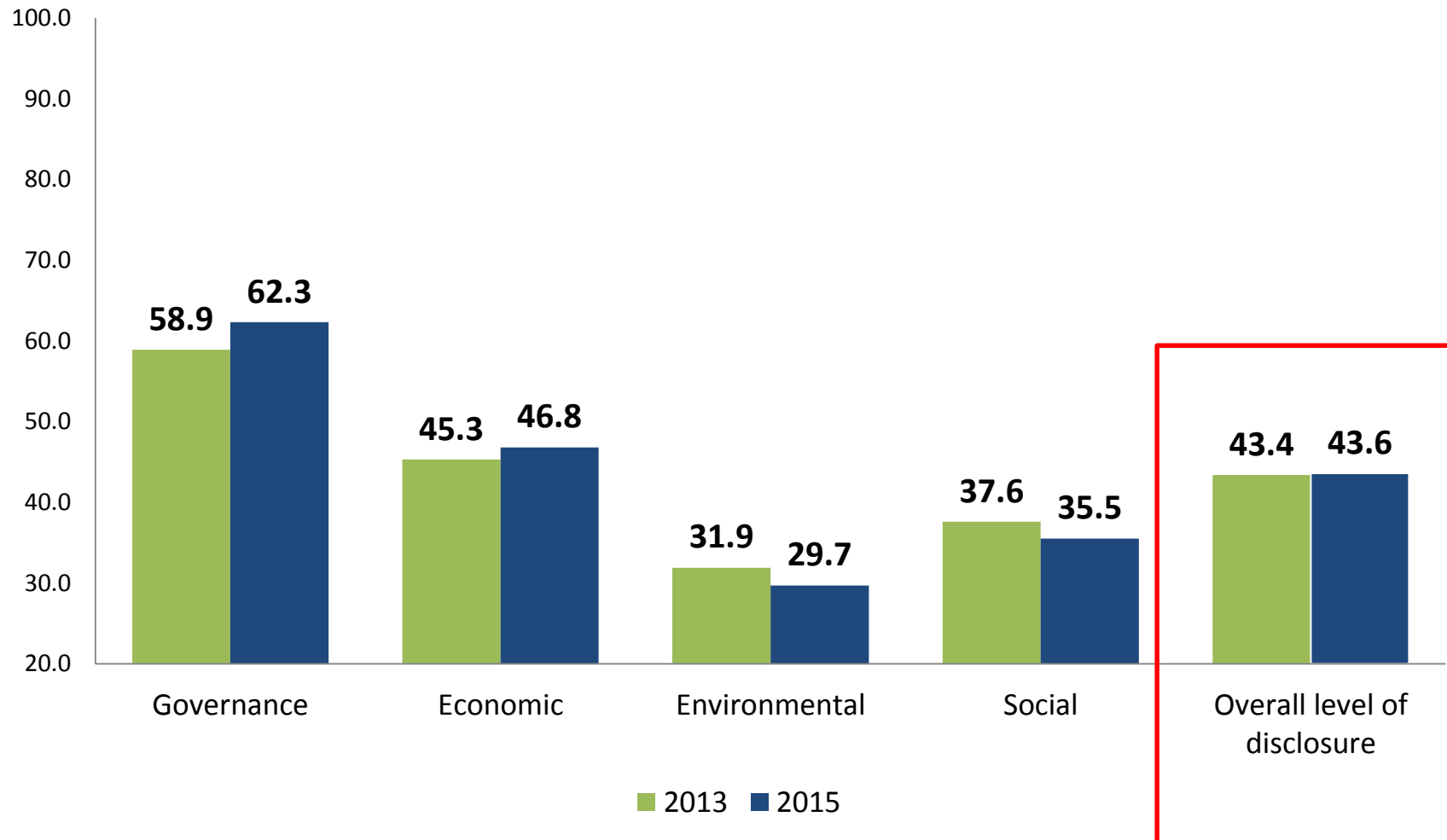


Report Characteristics



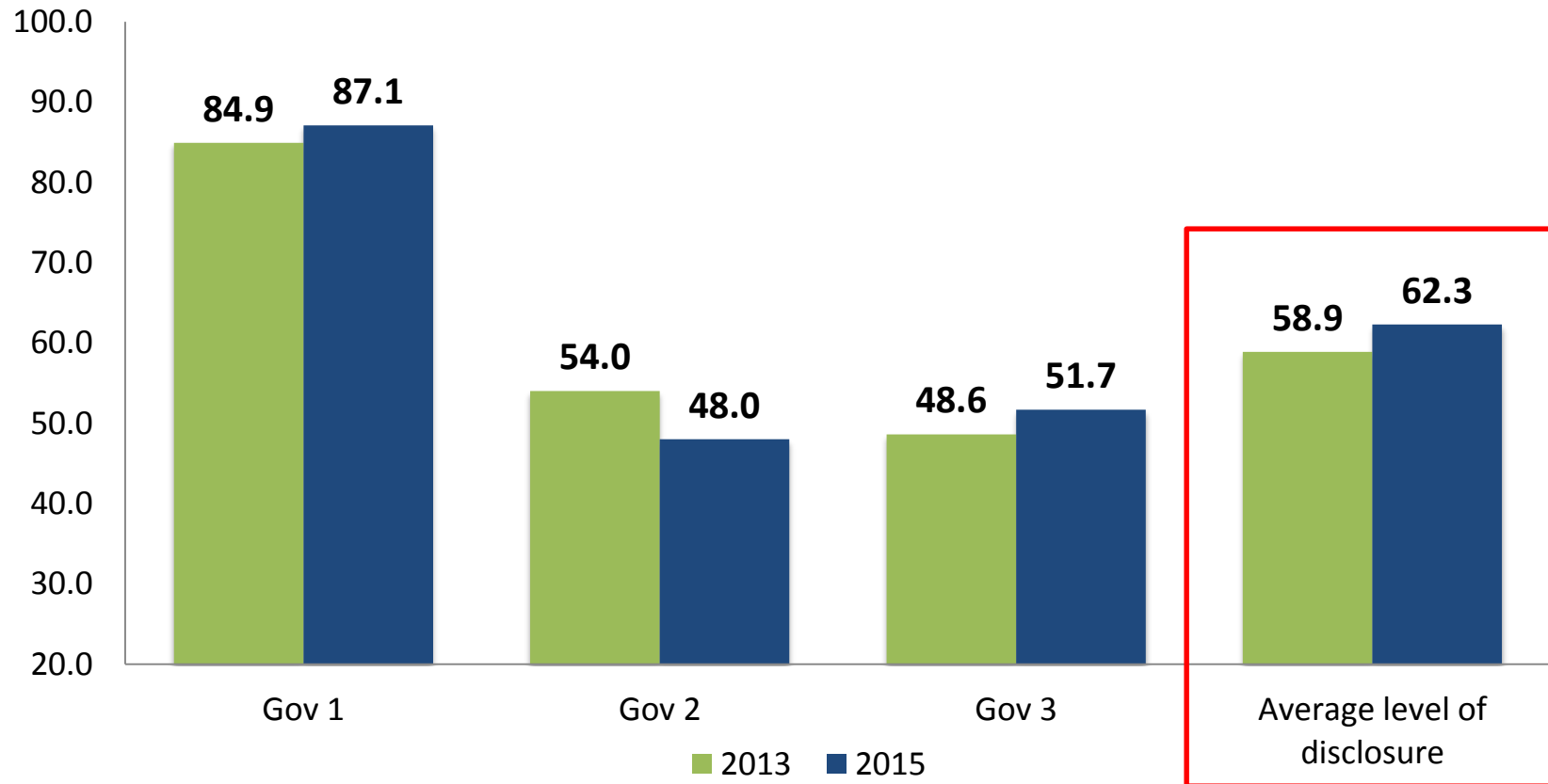
Findings of GRI Based Evaluation

Overall Level of Disclosure



Aggregate score range: 20-100

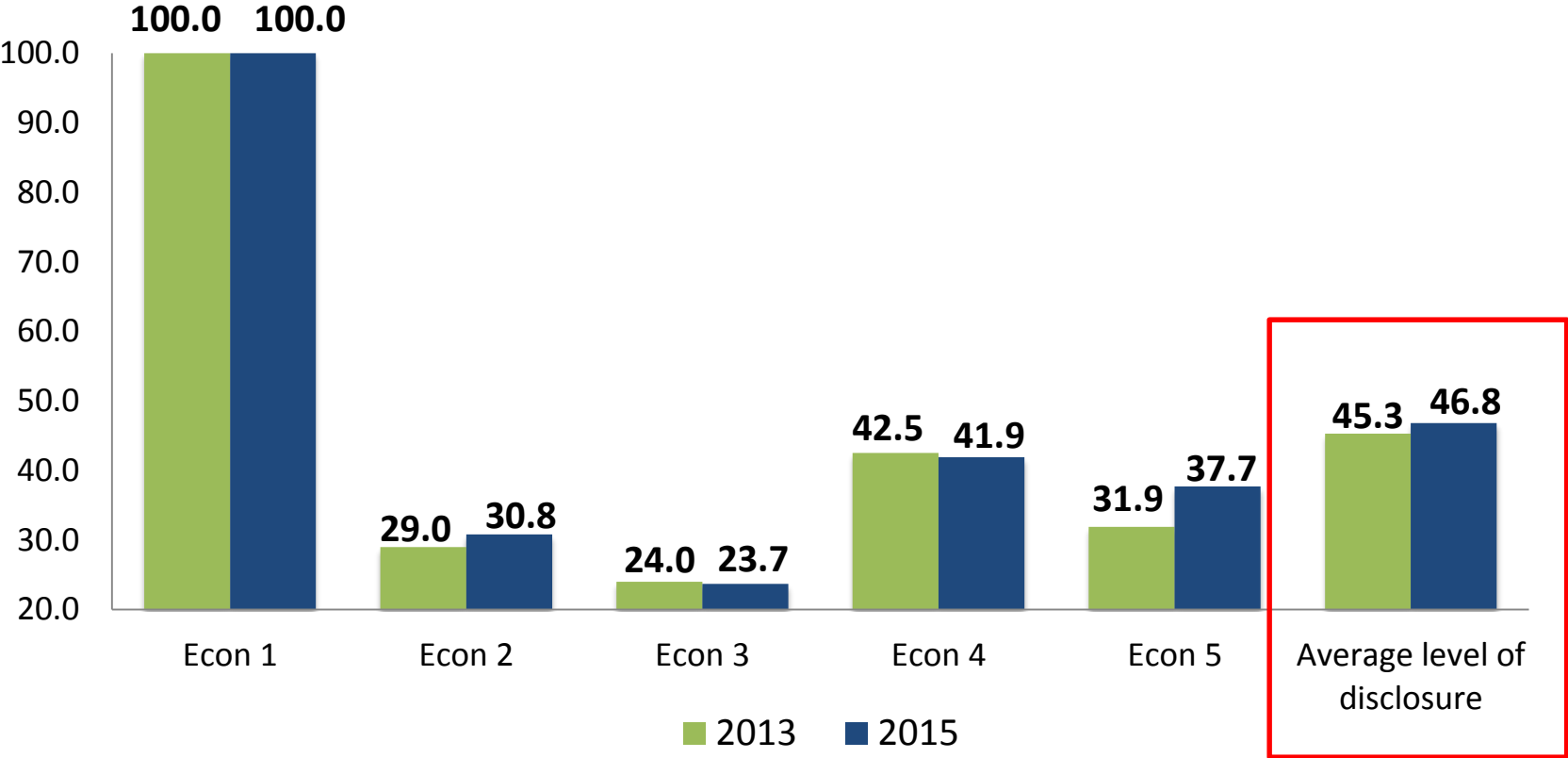
Level of Disclosure by Governance Indicator



Aggregate score range: 20-100
Gov 1: Code of Corporate Governance

Gov 2: Governance Procedures disclosed
Gov 3: Anti-corruption & Code of Ethics

Level of Disclosure by Economic Indicator



Aggregate score range: 20-100

Econ 1: Economic Value Generated

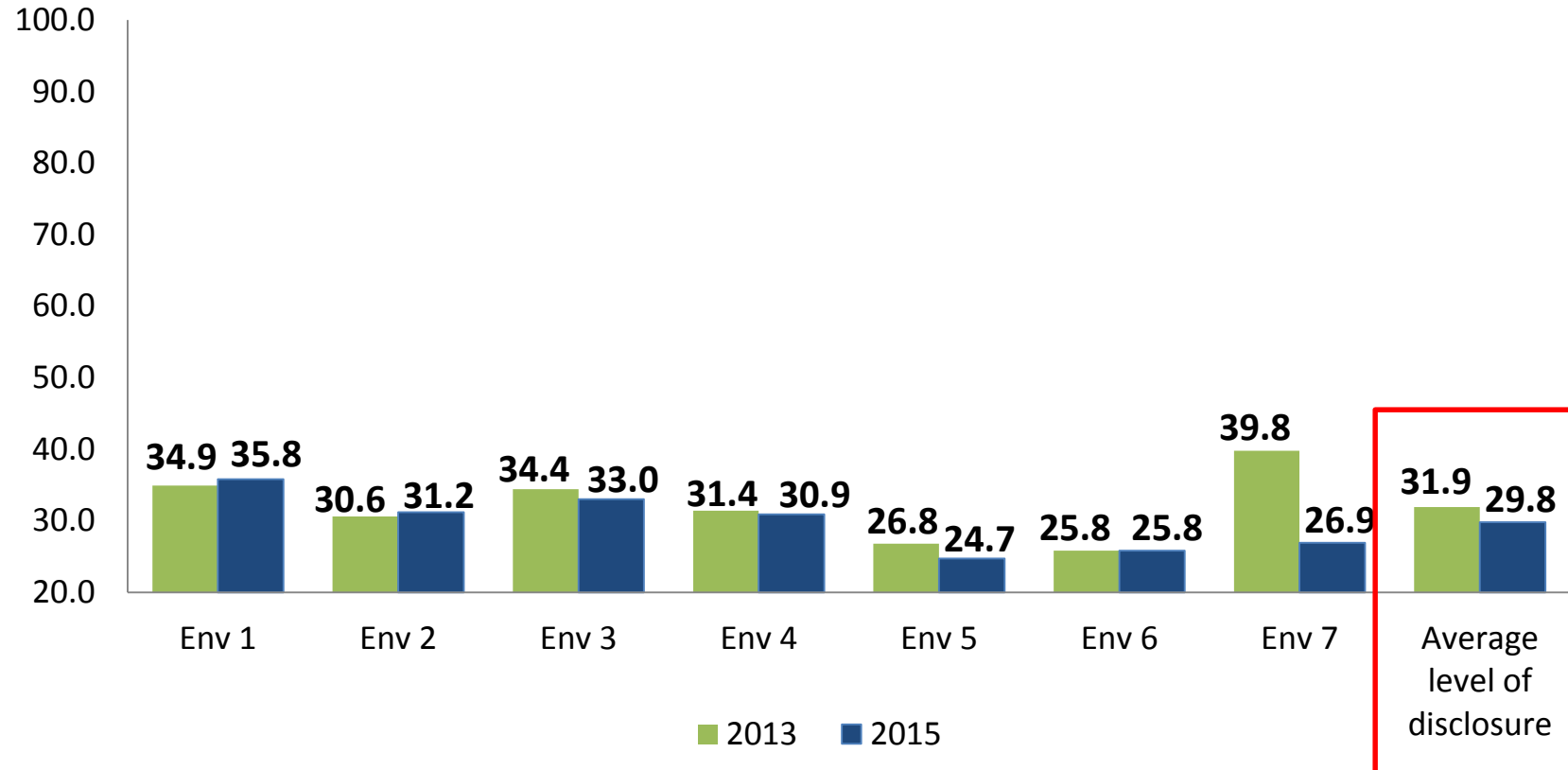
Econ 2: Value & Supply Chain

Econ 3: Climate Change - Implications, Risks & Opportunities

Econ 4: Investment in Non-Core Business Infrastructure

Econ 5: Risk Management

Level of Disclosure by Environmental Indicator



Aggregate score range: 20-100

Env 1: Energy Management
Env 2: Water Management
Env 3: Waste Management

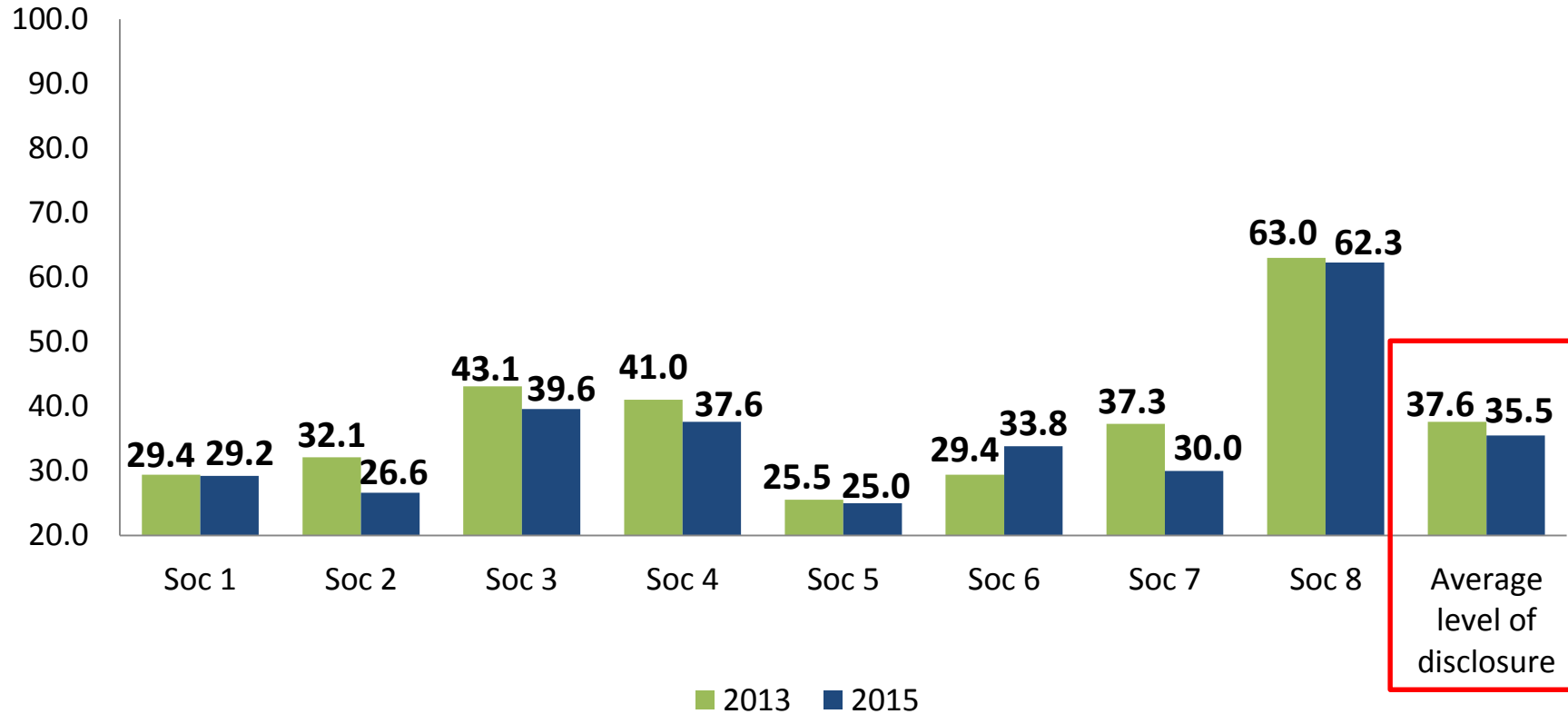
Env 4: Carbon Emissions

Env 5: Biodiversity

Env 6: Compliance

Env 7: Product & Service Stewardship

Level of Disclosure by Social Indicator



Aggregate score range: 20-100

Soc 1: Diversity & Equal Opportunity

Soc 2: Labour & Industrial relations

Soc 3: Occupational Health & Safety

Soc 4: Training & Education

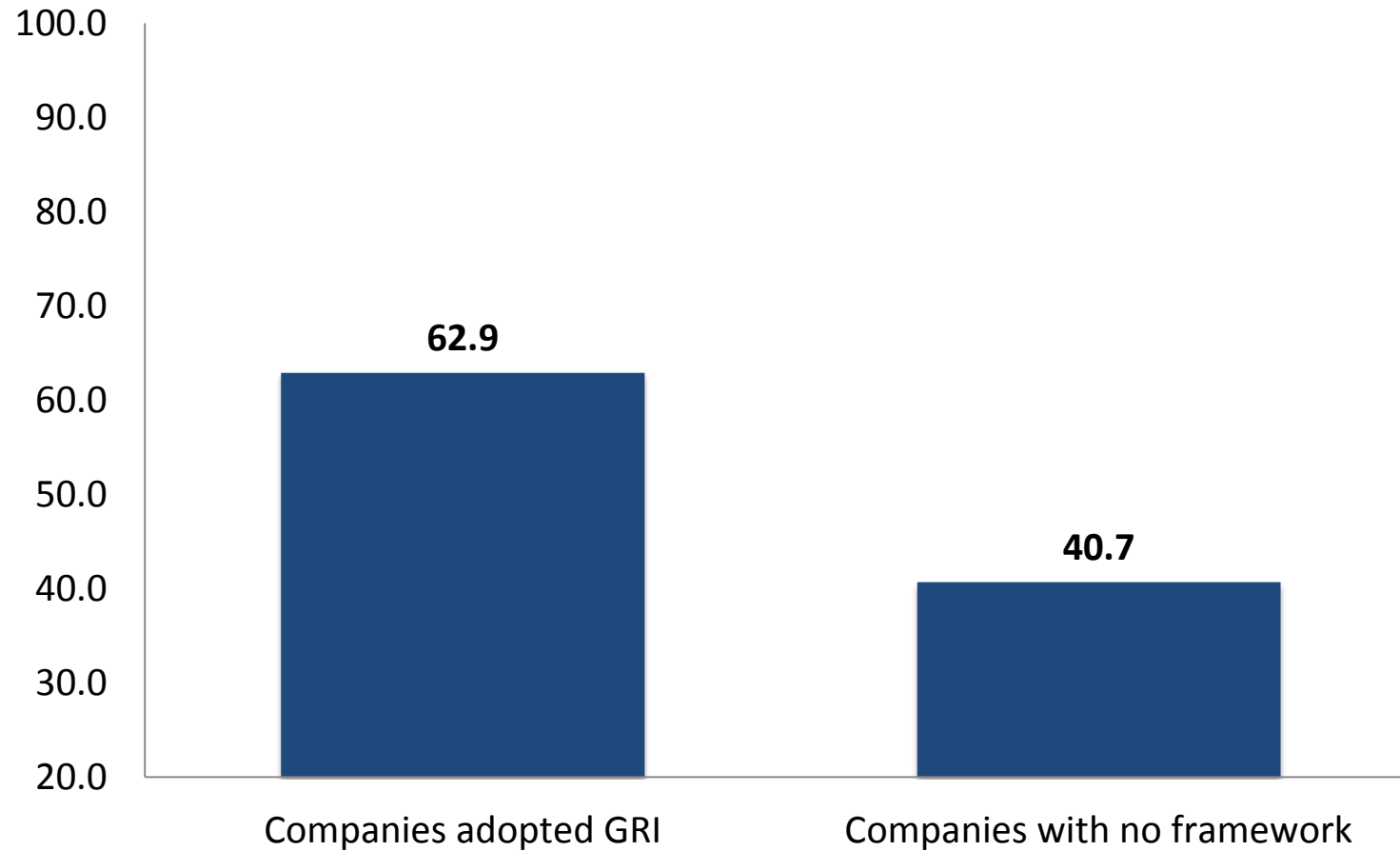
Soc 5: Human Rights

Soc 6: Community Involvement

Soc 7: Product Responsibility

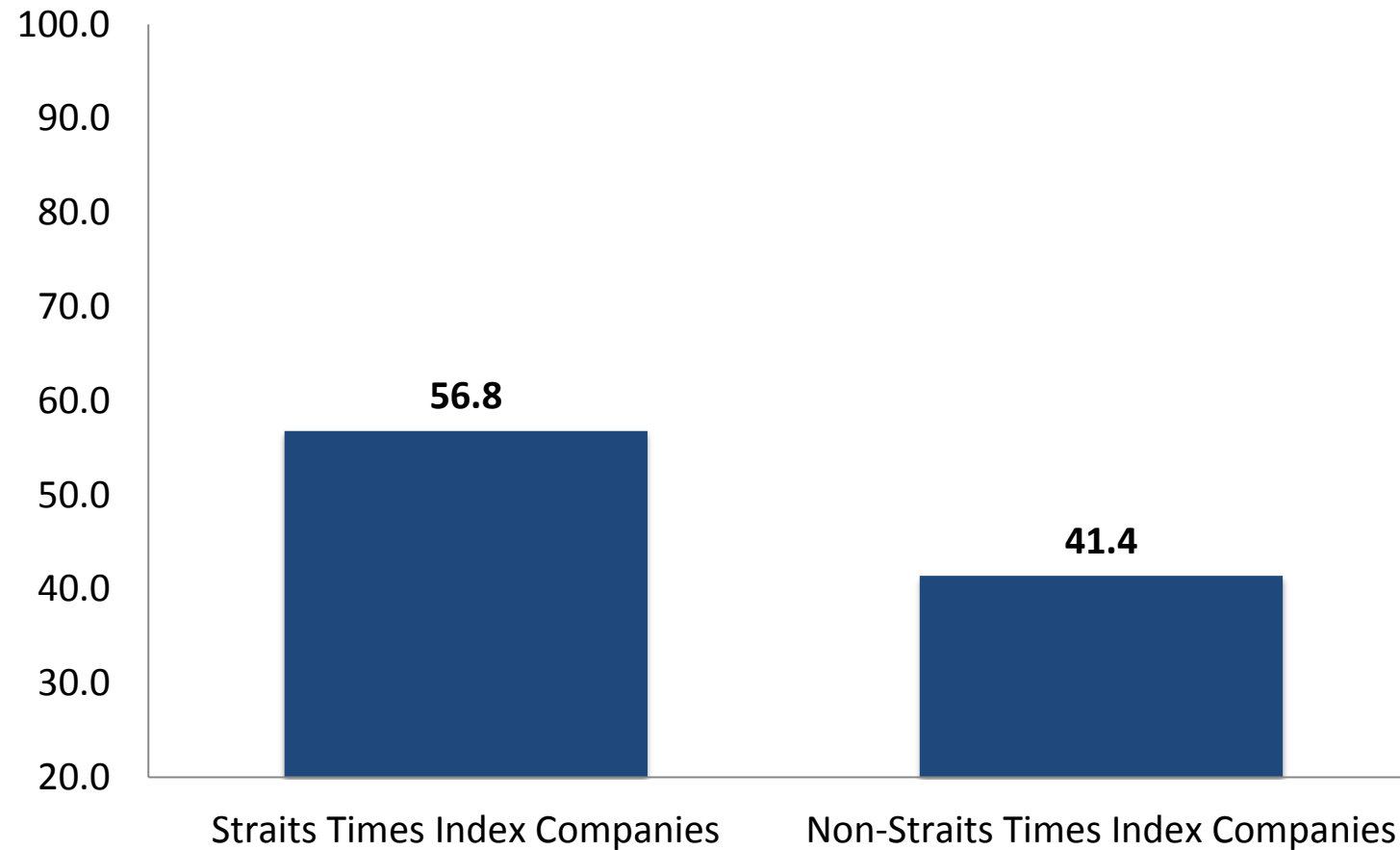
Soc 8: Philanthropy

Level of Disclosure by Framework



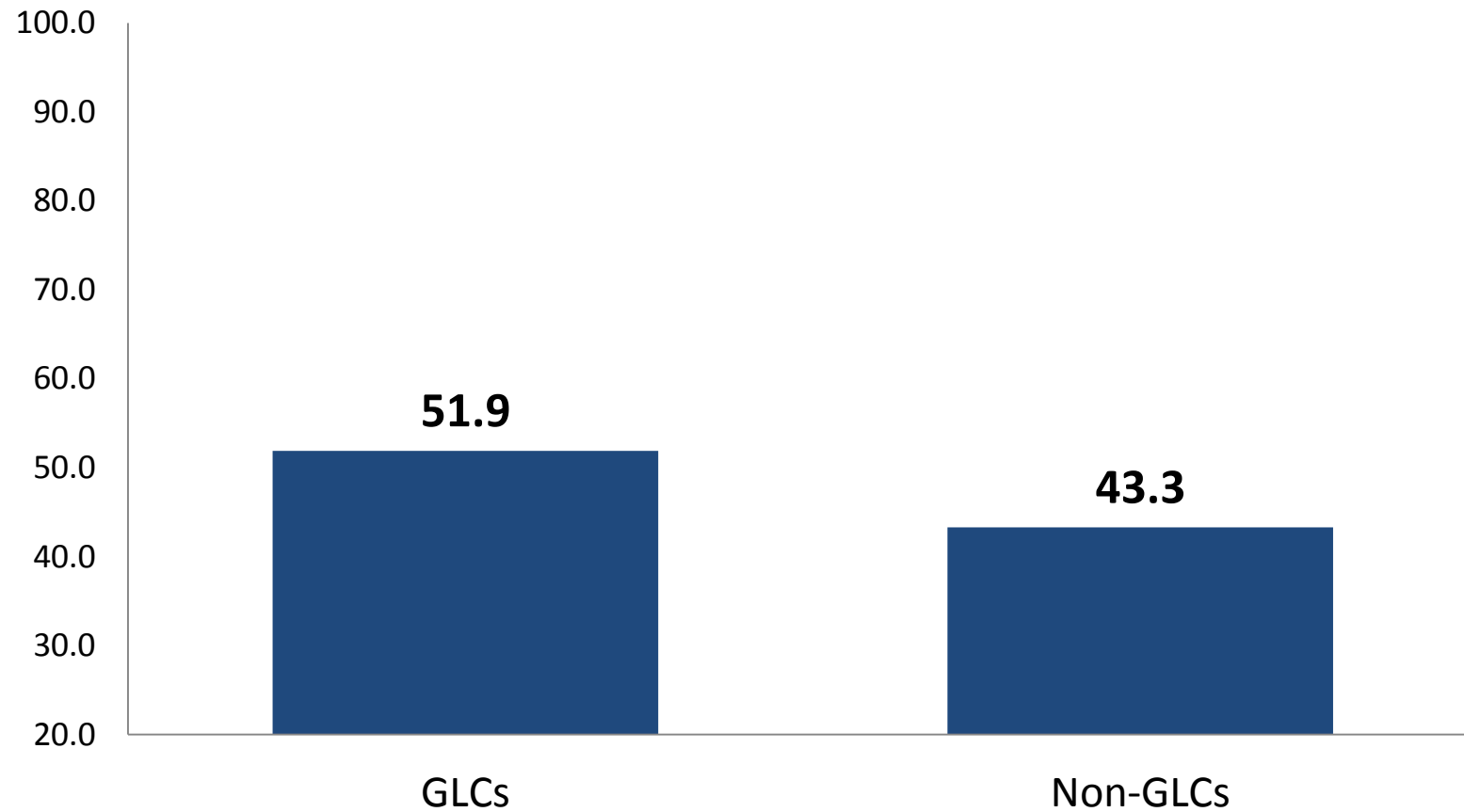
Aggregate score range: 20-100

Level of Disclosure by Blue Chip Effect



Aggregate score range: 20-100

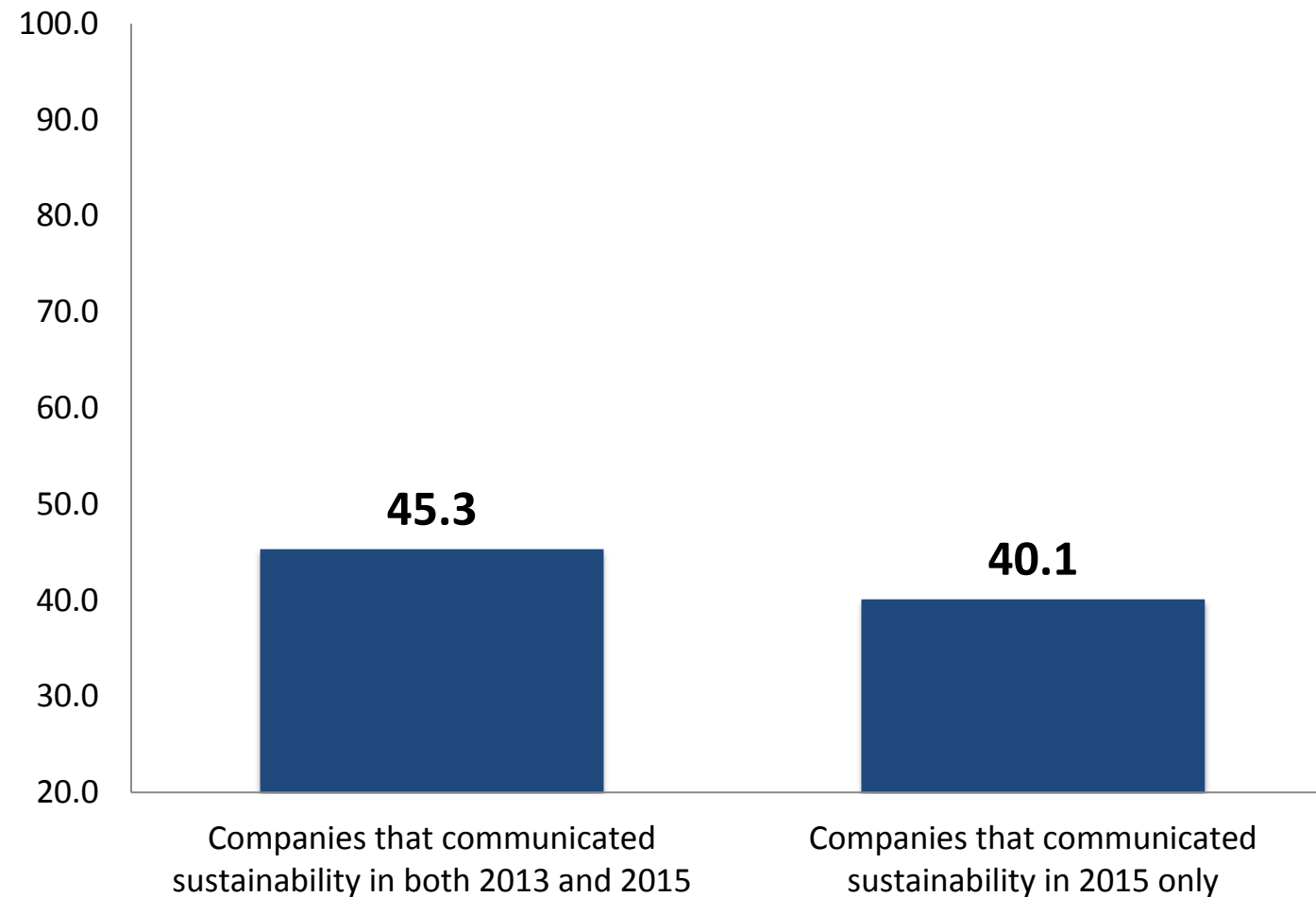
Level of Disclosure by GLCs



Aggregate score range: 20-100

*A company is defined as a Government-Linked Company (GLC) if the government has a substantial shareholding of 20% or more in the firm.

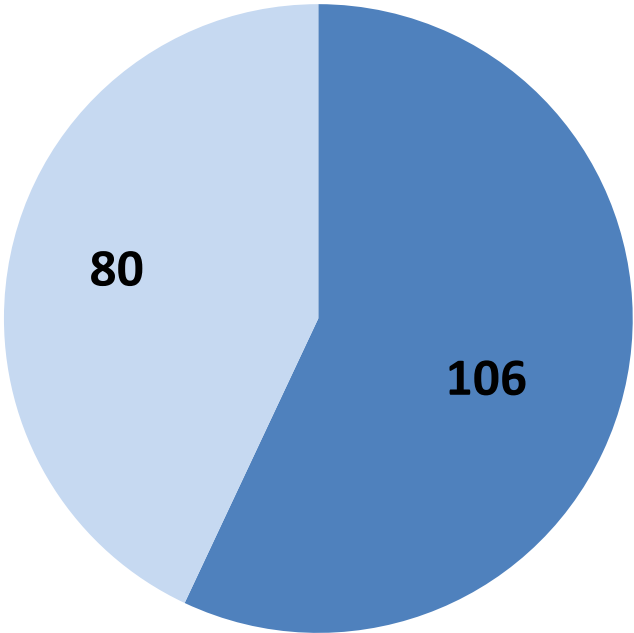
Level of Disclosure by Newness Effect



Aggregate score range: 20-100

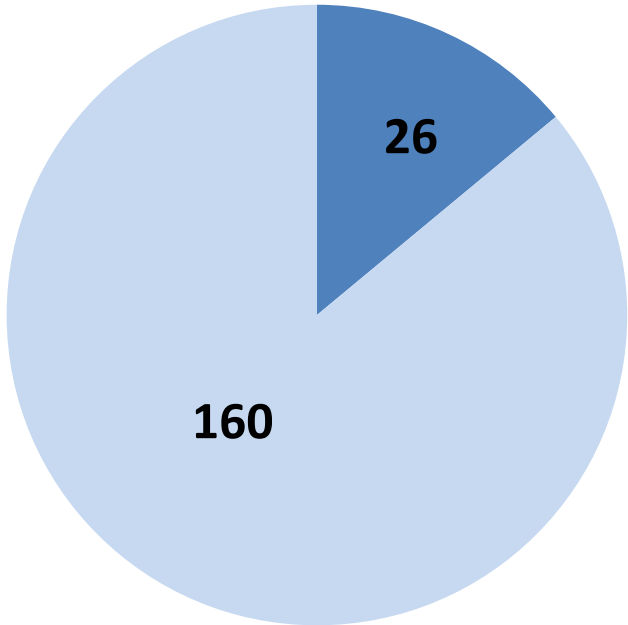
Strategy and Analysis

Provided CEO statement on relevance of sustainability



■ Yes ■ No

Provided description of key impacts, risks and opportunities

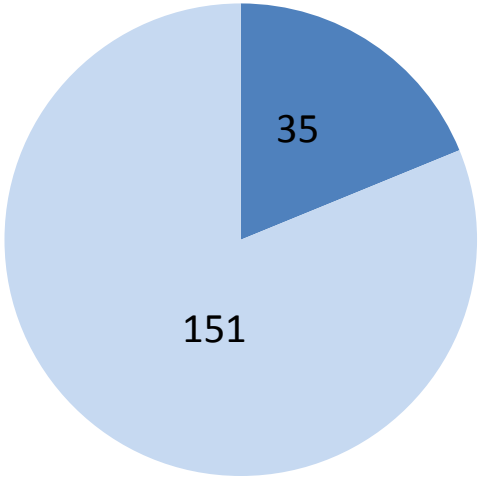


■ Yes ■ No

Number of companies

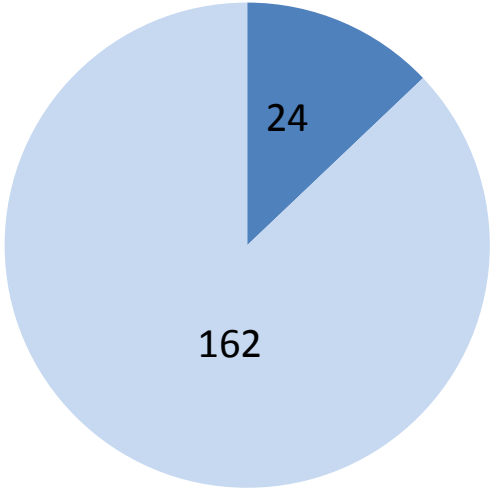
Materiality

Explained process for defining report content and aspect boundaries



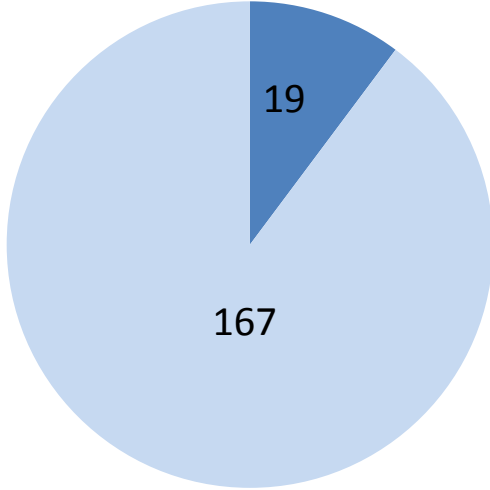
■ Yes ■ No

Listed material aspects identified



■ Yes ■ No

Reported aspect boundaries for each material aspect

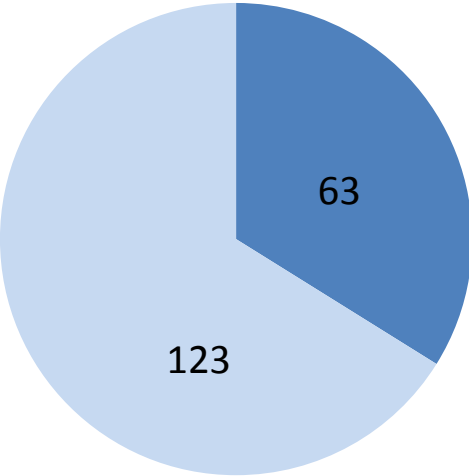


■ Yes ■ No

Number of companies

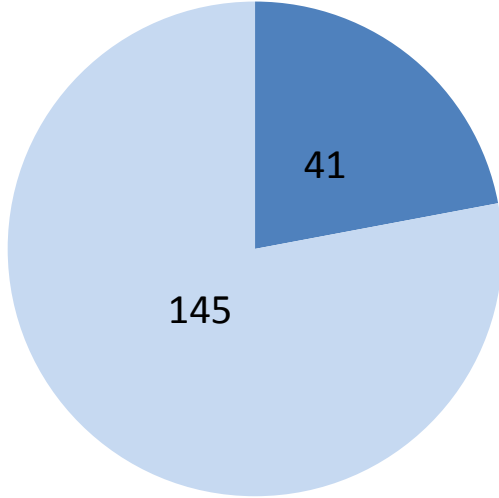
Stakeholder Engagement

Disclosed stakeholder engagement and inclusiveness policies and procedures



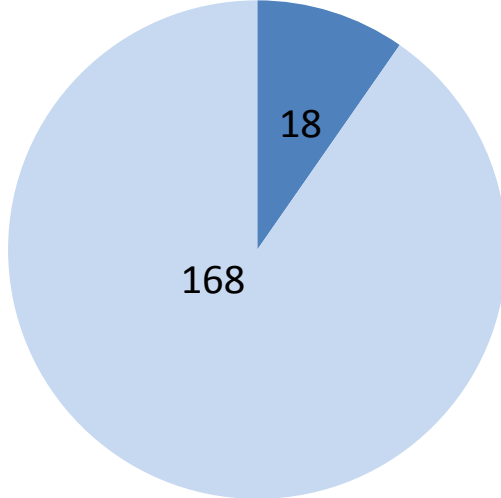
■ Yes ■ No

Provided list of stakeholder groups engaged



■ Yes ■ No

Reported basis of identification and selection of stakeholders

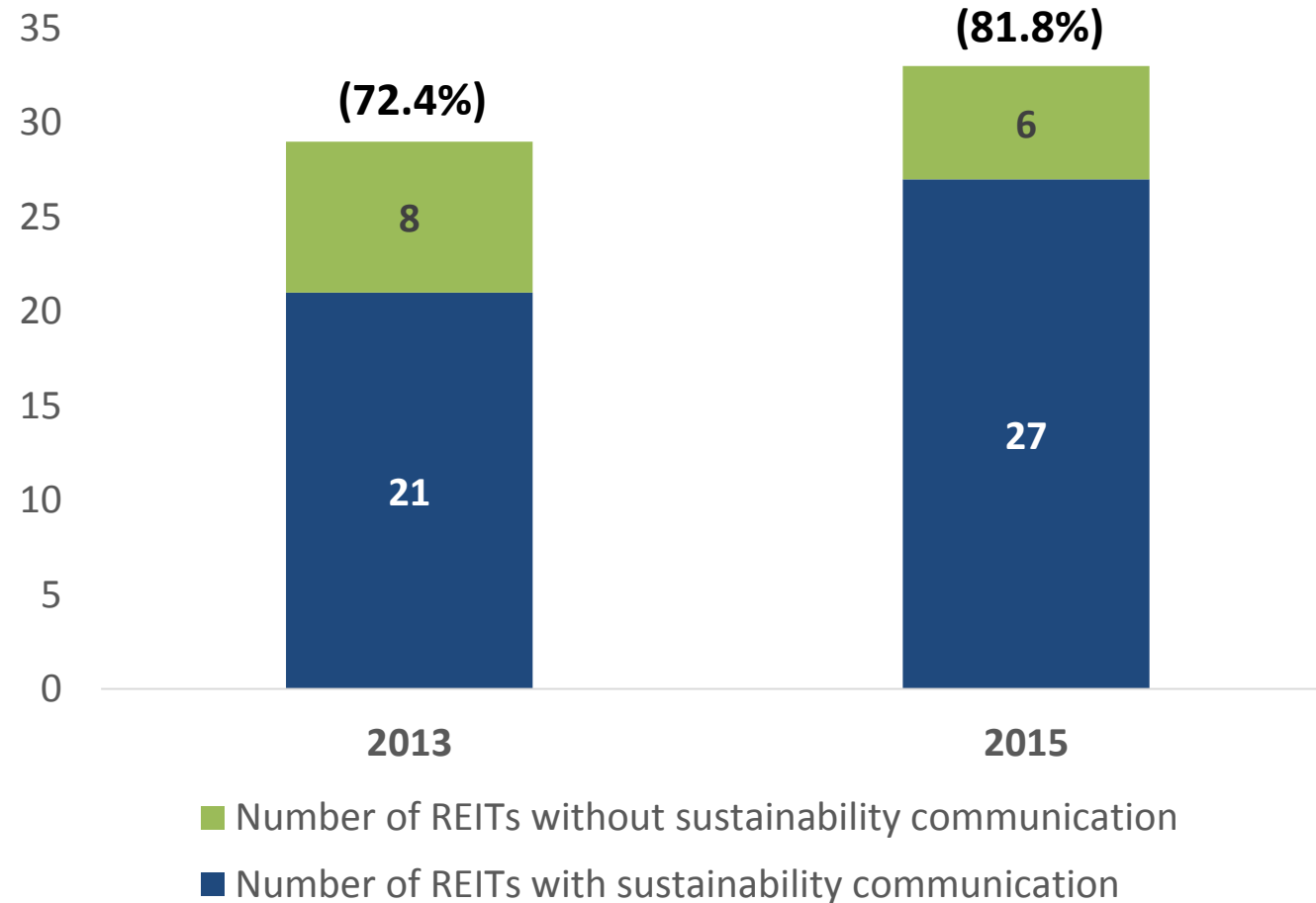


■ Yes ■ No

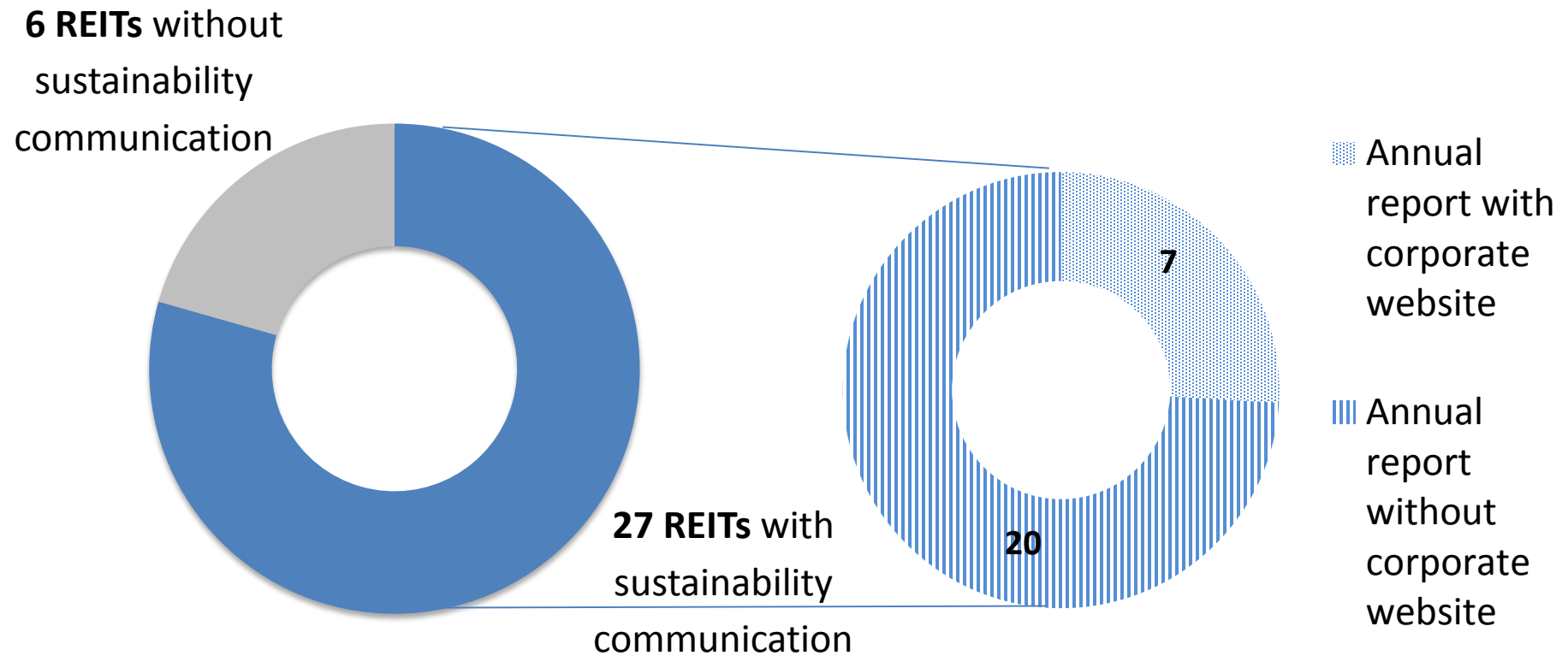
Number of companies

REITs

Number of REITs with Sustainability Reporting

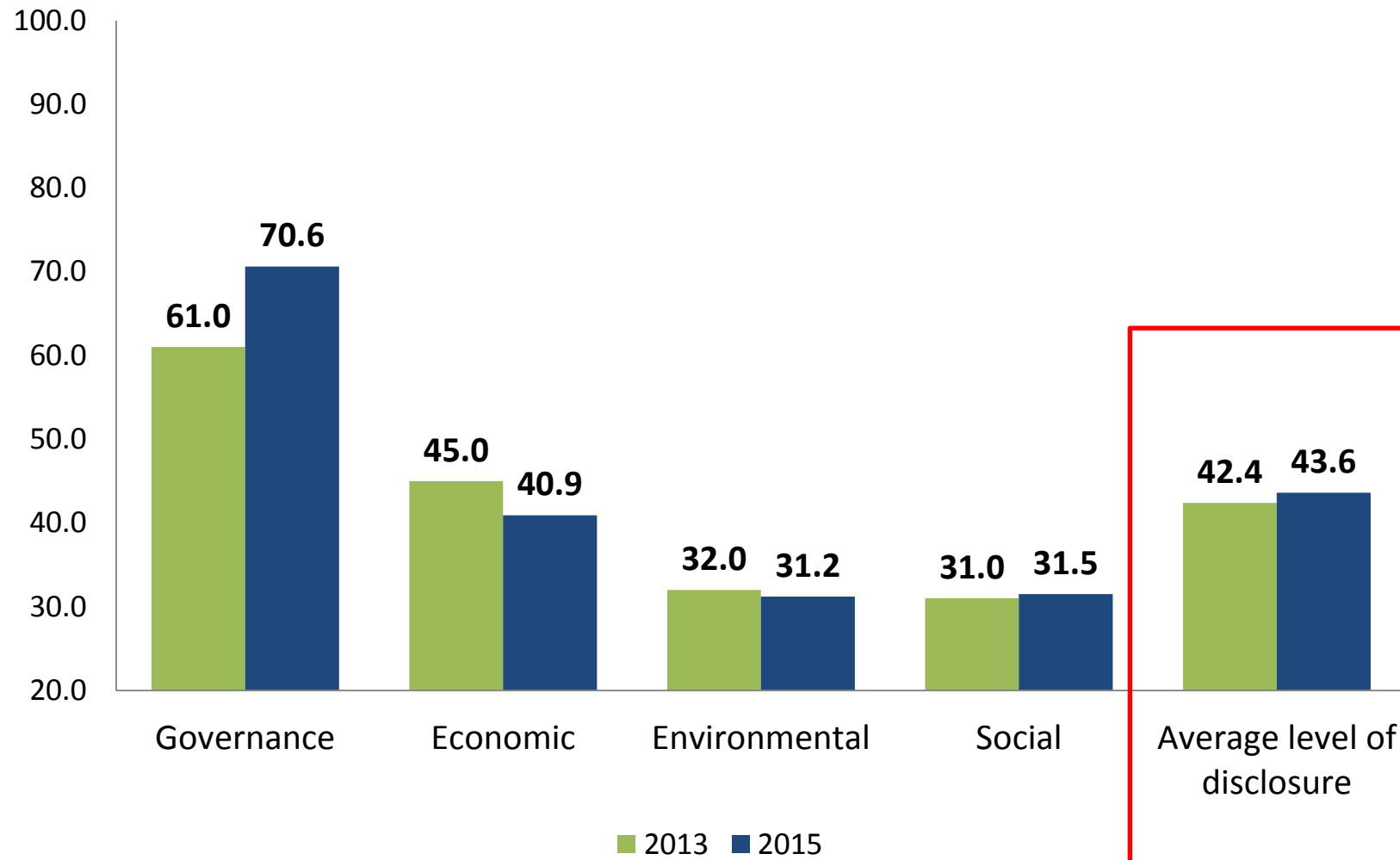


Report Characteristics



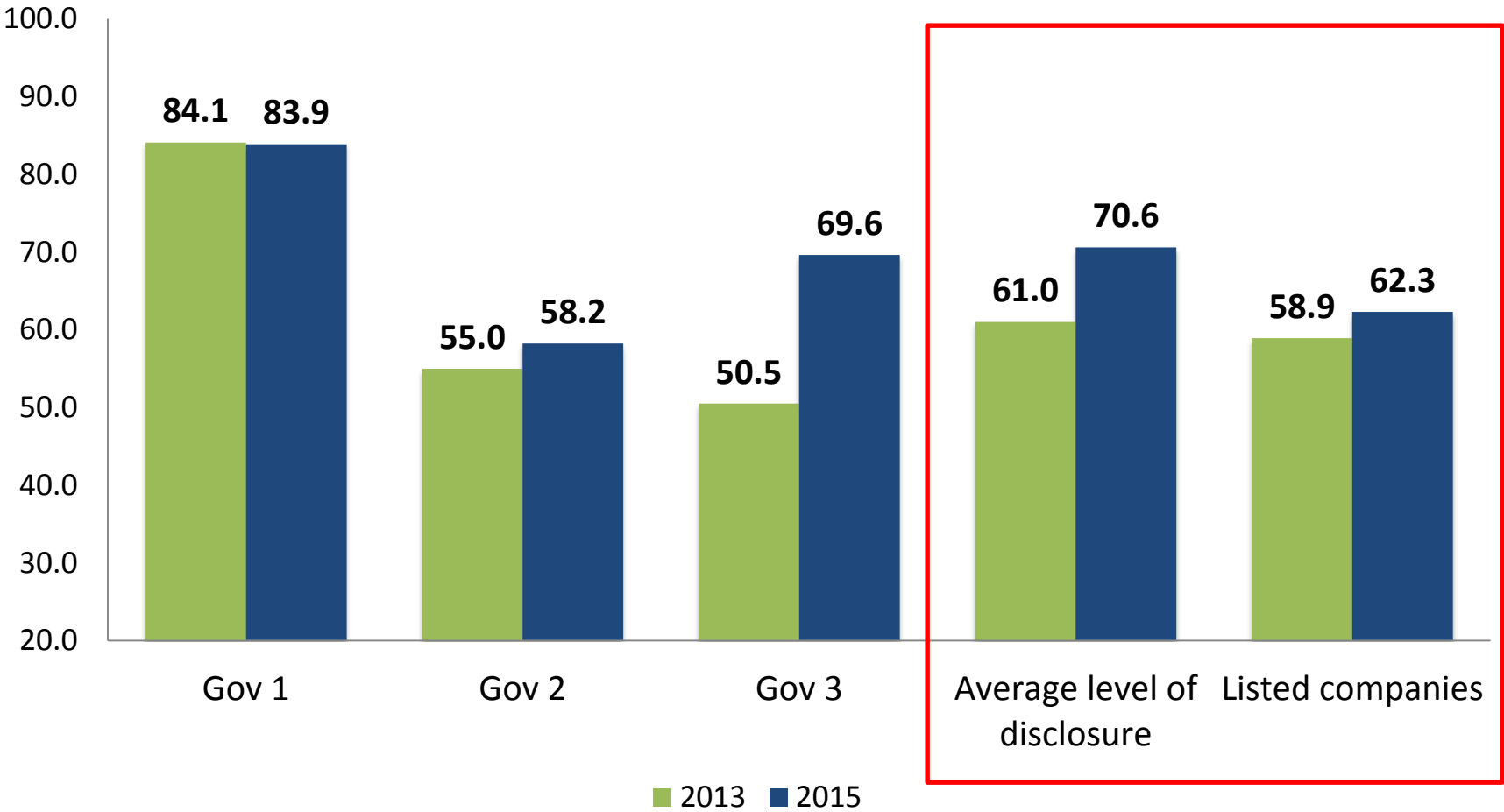
Findings of GRI Based Evaluation

Overall Level of Disclosure



Aggregate score range: 20-100

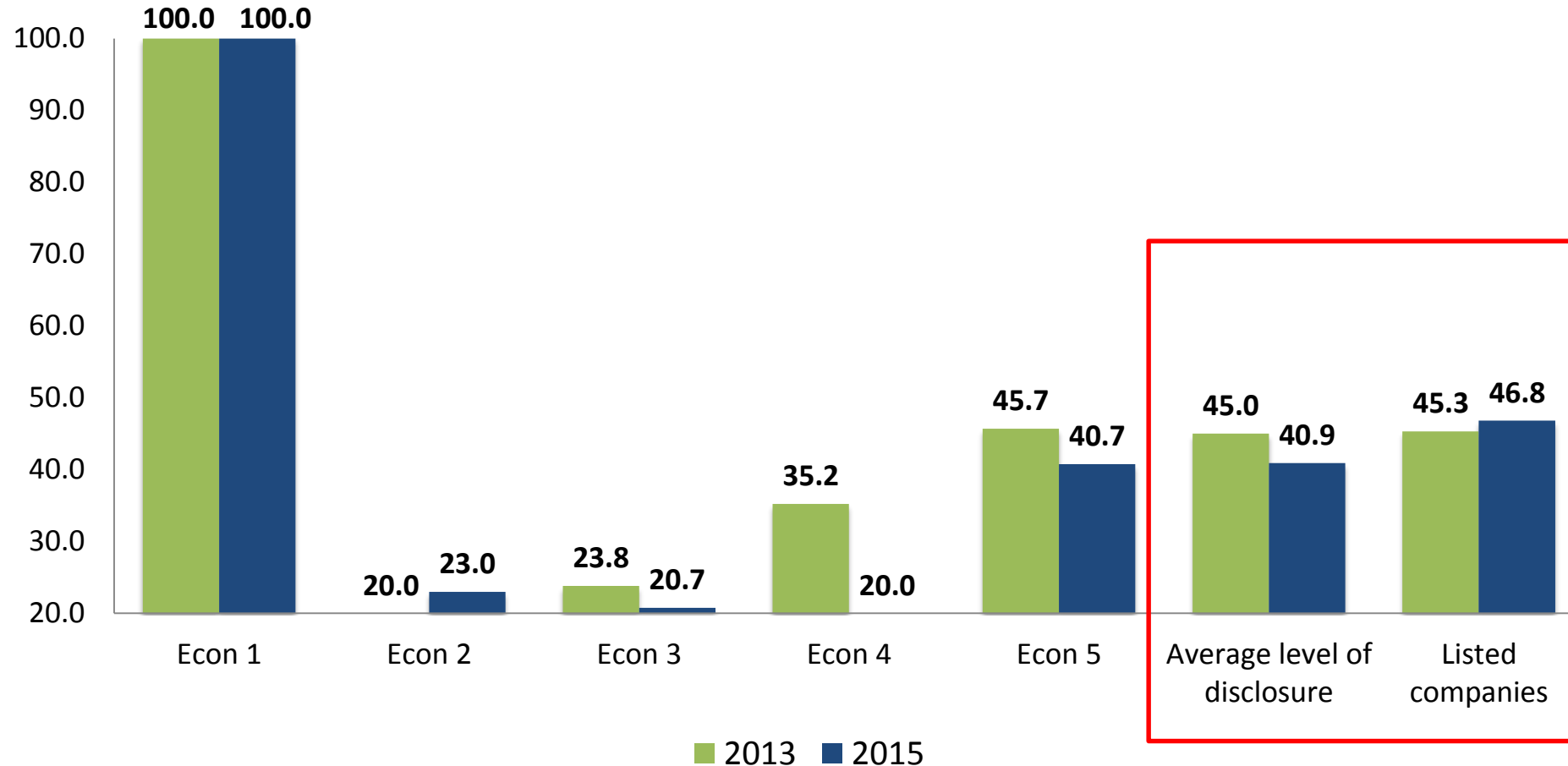
Level of Disclosure by Governance Indicator



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Gov 1: Code of Corporate Governance

Gov 2: Governance Procedures disclosed
Gov 3: Anti-corruption & Code of Ethics

Level of Disclosure by Economic Indicator

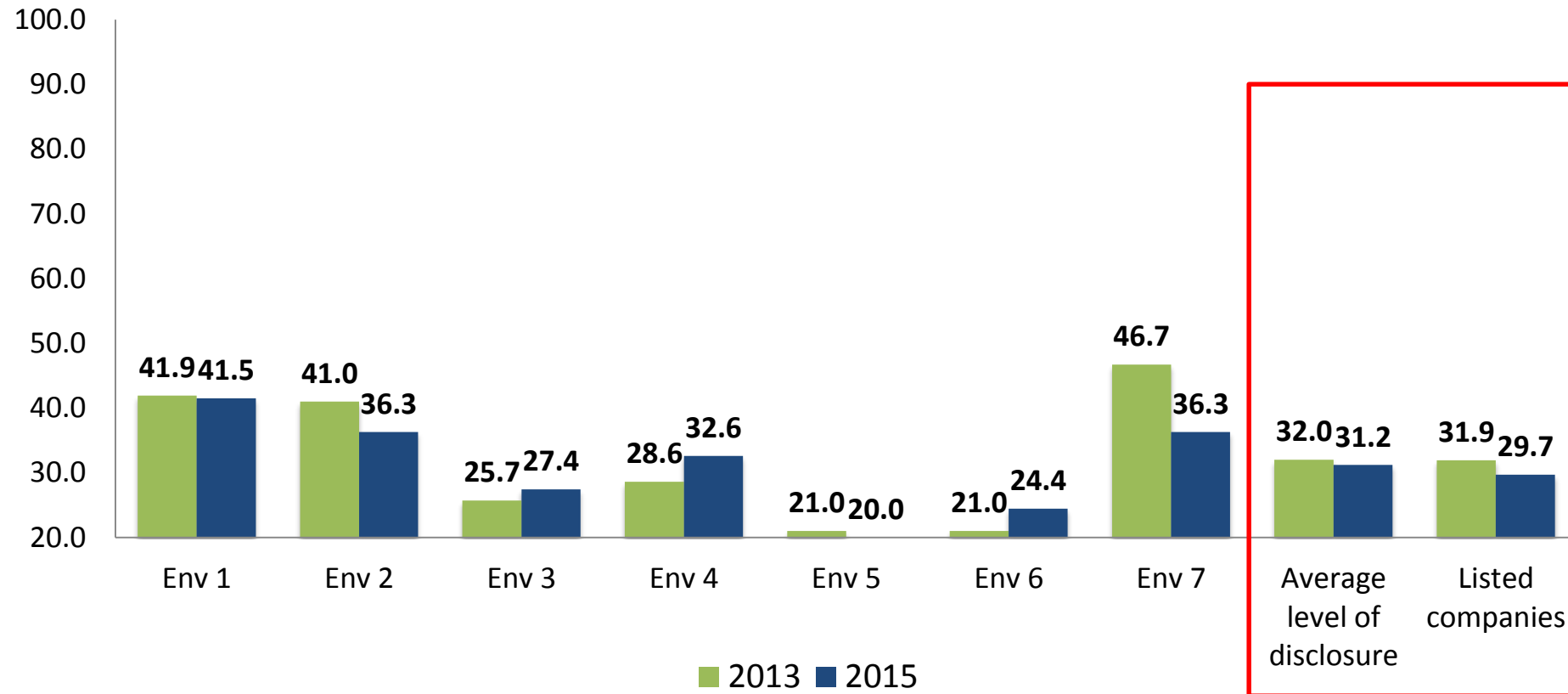


Aggregate score range: 20-100
 Econ 1: Economic Value Generated
 Econ 2: Value & Supply Chain

■ 2013 ■ 2015

Econ 3: Climate Change - Implications, Risks & Opportunities
 Econ 4: Investment in Non-Core Business Infrastructure
 Econ 5: Risk Management

Level of Disclosure by Environmental Indicator



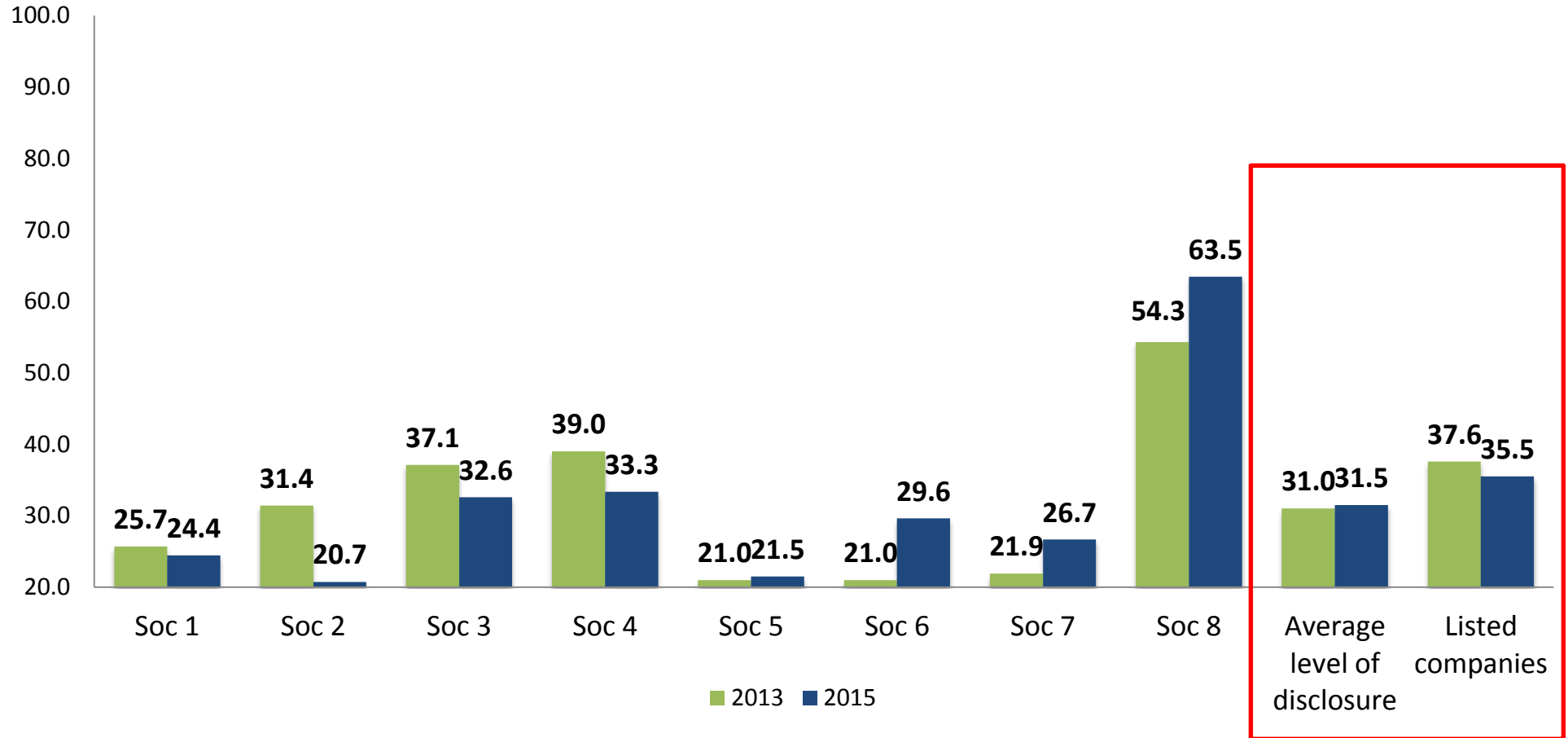
Aggregate score range: 20-100

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- Env 5: Biodiversity
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Aggregate score range: 20-100

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Soc 4: Training & Education

Soc 5: Human Rights

Soc 6: Community Involvement

Soc 7: Product Responsibility

Soc 8: Philanthropy

Summary of Findings (Mainboard Companies)

- Compared to 2013, increased number (and proportion) of companies communicated sustainability from 160 (30.1%) to 180 (37.1%)
- Overall level of disclosure increased marginally from 43.4 to 43.6
- Levels of disclosure for the Governance and Economic indicators increased while that of Environmental and Social indicators decreased
- Government-linked companies, Straits Times Index companies, companies adopted Global Reporting Initiative and companies communicating sustainability for more than one year scored higher than their counterparts

Summary of Findings (REITs)

- Compared to 2013, increased number (and proportion) of REITs communicated sustainability from 21 (72.4%) to 27 (81.8%)
- Overall level of disclosure increased from 42.4 to 43.6
- Levels of disclosure for the Governance and Social indicators increased while that of Economic and Environmental indicators decreased
- The overall level of disclosure is the same as that of the mainboard listed companies

Conclusion

- Companies and REITs have increasingly recognized the importance of sustainability reporting
- Both Mainboard companies and REITs have the best performance on Governance, compared to Economic, Environmental and Social indicators
- New SGX sustainability reporting requirement is timely in encouraging listed companies and REITs to work further on all aspects of sustainability