



Press Release

A Record-Breaking by Thai Listed Companies. The 2019 CG Score of Hits the 19-Years Highest Record, Reflecting Board Leadership Towards Sustainability

28 October 2019 – The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), announced its 2019 CGR findings covering 677 listed companies. The 2019 overall average score of 82 percent is considered very good and is the highest average score since 2001. It's higher than last year's score of 81 percent (657 companies). An improvement signified that Thai listed companies have placed more emphasis on business sustainability and proactive board leadership corresponding to the CG Code and investors' expectation.

The 2019 categorical average scores passing the 80 percent threshold were those in Rights of Shareholders (94 percent), Equitable Treatment of Shareholders (92 percent), Disclosure and Transparency (86 percent), and Role of Stakeholders (81 percent). Though, the Board Responsibilities category registered an average score of 75 percent, it exhibited the most improving average CG performance.

Based on the level of CG recognition, 451 companies achieved the scores of 80 percent or higher. Specifically, 258 companies (38%) had average scores ranging 80-89 percent (4 stars) and 193 companies (29%) scored 90 percent or above (5 stars).

Mr. Prasan Chuaphanich, Chairman of the board at IOD, stated that **“CGR assessment criteria are a critical driving force determining corporate governance practices of Thai listed companies. To encourage listed companies to step up the sustainable development, it is necessary to revise the CGR assessment to facilitate changing business operational environment and CG trends.”**

Mr. Kulvech Janvanavit, CEO at IOD, affirmed that **“The next step in its 20 years making is to enhance the CGR assessment in 3 dimensions. Firstly, the assessment criteria must be up-to-date, incorporates ESG issues, and minimizes redundancy from other assessing organizations. Secondly, an assessment framework should utilize a set of indicators that can clearly identify areas for improvement. Finally, a result announcement should include companies from a satisfactory level (2 stars) to an excellent level (5 stars) to encourage improvement for all companies. The new CGR will be launched in 2022 and IOD will arrange supporting activities for the listed companies in 2020 and 2021. The current CGR criteria are carried on for the 2020 and 2021 assessment years.”**

Mr. Pakorn Peetathawatchai, SET President, stated that **“Changes in business operations are swift and their transactions cause a structural change in Thai economy and society. To create an immunized system and quality for the listed companies, uplifting good corporate governance is a must and a crucial foundation for the business operations leading to environmental and social considerations. The Stock Exchange of Thailand and IOD have long advanced CGR as an important instrument to advocate good corporate governance beneficial to both the listed companies for their business developments and investors for their relevant applications. A continuous improvement of CGR is necessary to ensure an entry into a sustainable development platform. Moreover, a global investment trend has increasingly emphasized on business sustainability. The figures of ESG funds and assets under management considering ESG around the world have increased constantly to nearly \$ 12 trillion. This presents a good opportunity to Thailand to attract foreign investment into Thai listed companies. To promote and inspire listed companies to incorporate the ethical and quality business practices and social and environmental responsibilities to achieve business sustainability is one of the capital market development missions corresponding to the SET’s vision “To Make the Capital Market ‘Work’ for Everyone.””**

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