



Press Release

A Record-Breaking in 20 Years. CG Scores of Thai Listed Companies Indicating Improved CG Practices Towards Sustainable Organization.

19 November 2020 – The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), announces the 2020 CGR findings covering 692 listed companies. The overall average score of 83 percent is the highest average score since its inception in 2001. It's higher than last year's score of 82 percent (677 companies). The findings show that Thai listed companies have placed more emphasis on business sustainability, recognition of stakeholders, and board leadership on the governance of environment and human resources corresponding to the CG Code and investors' expectation.

The 2020 categorical average scores passing the 80 percent threshold are those in Rights of Shareholders (94 percent), Equitable Treatment of Shareholders (94 percent), Disclosure and Transparency (87 percent), and Role of Stakeholders (83 percent). Even though, the Board Responsibilities category obtains an average score of 76 percent, it displays an encouraging improving trend.

Based on the level of CG recognition, 486 companies achieve the overall scores of 80 percent or higher. Specifically, 246 companies (36%) show the average scores in the range of 80-89 percent (4 stars) and 240 companies (35%) score 90 percent or above (5 stars). In 2020, the number of companies earning the 5-star recognition increases from 193 companies in 2019 to 240 companies in 2020, an increase of 47 companies or 25% improvement.

Mr. Kulvech Janvanavit, CEO at IOD, states that *“An interesting observation this year is that Thai listed companies have exhibited better CGR performance with the highest overall average score in 20 years since its inception. It reflects higher operational standards of Thai listed companies to drive their corporate governance practices to enhance the nation's CG in response to investors' expectation. An improved recognition of stakeholders by the listed companies is an uplifting sign of governance to drive sustainable organization.”*

Ms. Sirinun Kittiwatyang, Executive Vice President at IOD, mentions that *“Modern corporate governance is faced with challenges due to changing environment. There is increased emphasis on sustainability. The CGR criteria have a vital role to guide the corporate governance practices of Thai listed companies to attain sustainable development. Since one of the IOD’s role is to encourage sustainable development, it has well prepared the listed companies to understand the revised and updated CGR criteria covering the ESG that reflects sustainability.”*

Dr. Krisada Sektrakul, Senior Executive Vice President at the Stock Exchange of Thailand, affirms that *“Business sustainability with governance as a foundation as well as environment and social recognition is essential. Over the last two decades, the Stock Exchange of Thailand with a collaboration with IOD has prepared and regularly updated CGR as an important instrument to strengthen good corporate governance development. In addition to enhancing internal operational proficiency, CGR is in accordance with a recent global investment trend that emphasizes more business sustainability. Recently, Thai capital market has over 29 ESG funds with the assets under management (AUM) valued at 26,000 million baht. The global ESG funds have the total AUM of around 30 trillion dollars. Therefore, to encourage listed companies 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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