



The highest CG score by Thai listed companies in 21 years. New criteria in place to raise Thai CG and drive organizations towards sustainability.

26 October 2021 – The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), releases the CGR findings for 2021, which cover 716 listed companies. The overall average score of 84 percent is the highest average score since the survey began in 2001. It is one percentage point more than that of 2020 (83 percent with 692 companies). Evidently, Thai listed companies have placed emphasis on business sustainability. The average scores are higher in the Rights of Shareholders, Role of Stakeholders, and Board Responsibilities categories. Staff upskilling, environmental training, and board meeting performance, for example, have all seen improvements. This is in line with the CG Code principles and investors' expectation.

Considering the average scores in each category, four categories have an average score of 80 percent or above. They are Rights of Shareholders (95 percent), Equitable Treatment of Shareholders (93 percent), Disclosure and Transparency (87 percent), and Role of Stakeholders (84 percent). Despite the fact that the Board Responsibilities category receives an average score of 77 percent, it has improved in recent years and is on the rise.

Based on the level of CG recognition, 528 companies achieve the overall scores of 80 percent or higher. In particular, 260 companies (36%) have average scores of 80-89 percent (4 stars) and 268 companies (37%) have scores of 90 percent or higher (5 stars). The number of companies receiving the 5-star rating rises from 240 companies in 2020 to 268 companies in 2021, an increase of 28 companies or 11%.

Mr. Chaiwat Utaiwan, Chairman of the Board at IOD and Chairman of the Thailand's Private Sector Collective Action Against Corruption, states that *"The CGR assessment of Thai listed companies has continued to improve. This year, it has the highest average score in 21 years, demonstrating their cooperation in advancing corporate governance to improve the country's CG development. It's a positive trend that will help the companies grow in a sustainable manner and in line with investor expectations. To improve corporate governance practices, new and updated CGR criteria will be released soon. The new CGR guidelines follow the OECD's corporate governance principles and are compliant with the SET CG Principle/Guideline, CG Code, ASEAN CG Scorecard, and 56-1 One Report, Thailand's new corporate governance benchmark."*

Ms. Sirinun Kittitayang, Executive Vice President at IOD, mentions that *“Business operations have evolved dramatically over the past year. Organizations must adapt to new challenges, including the shifting corporate governance landscape that places a greater emphasis on sustainability. As a result, corporate governance must include the Environment, Social and Governance (ESG) considerations. CGR is expected to play a role in raising and determining the direction of Thai listed companies' CG practices towards sustainable corporate development. The new CGR assessment will begin in 2023 and will be based on the disclosure of 2022 corporate performance. IOD will assist listed companies in preparing for the new guidelines to enhance better understanding, a role that IOD takes on to support a development of sustainable organizations.”*

Dr. Pakorn Peetathawatchai, President of The Stock Exchange of Thailand, states that *“Thai listed companies are constantly improving. This year, 528 companies receive the CGR recognition of four stars or higher, accounting for 74% of all listed companies and indicating a high degree of corporate governance strength and priorities. SET has continued to improve the quality of corporate governance of listed companies through several initiatives. Currently, listed companies are ready to improve the business sustainability in the ESG Disclosure paradigm and in the future will be able to disclose sustainability information both broadly and in depth through the new standards in 56-1 One Report. SET, SEC and IOD altogether design the new CGR to take the business sustainability measurement to the next level. The new CGR will begin in 2023, marking another significant advance in Thailand's capital market. All in all, 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.**”*

For more information about CGR, please contact:

Research and Development Department, Thai Institute of Directors (IOD)

Tel: 0-2955-1155 Ext 301, 303-307; Fax: 02-955-1156-7

Email: cgr@thai-iod.com