



**Press Release**

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***Thai listed companies' increased focus on actual practices of governance and sustainability have led to higher CG scores in 2015 in all governance aspects.***

The Thai Institute of Directors Association (IOD), with support from the Stock Exchange of Thailand (SET), disclosed the CGR 2015 findings of 588 listed companies which show an average score of 75 percent, considered to be a good level of governance practice. This year, the assessment reveals that Thai listed companies have put more emphasis on the actual practices of governance as stipulated in their CG policies, a clear move towards substance as opposed to form. Listed companies also underscored the importance of social responsibilities to attain sustainable growth in their business operations.

Dr. Bandid Nijathaworn, President and CEO of the Thai Institute of Directors Association (IOD), indicates at the Corporate Governance Report of Thai Listed Companies (CGR) 2015 seminar on October 19, 2015 that Thai listed companies continue to maintain a good level of governance practices and performance. The findings for 2015 from a corporate governance assessment of 588 listed companies show an overall average CG score of 75 percent, higher than the average of 72 percent registered in 2014 (550 companies). Scores in all but one CGR categories show continued improvements. The score on the Equitable Treatment of Shareholders category remain unchanged at a high level.

For each CGR category, the results of the 2015 survey indicate that there are four categories having the score of 70 percent or more. They are the Equitable Treatment of Shareholders, Rights of Shareholders, Disclosure and Transparency, and Role of Stakeholders categories, for which the corresponding average scores are 91, 91, 80, and 70 percent, respectively. This year, the Role of Stakeholders category makes it to the 70 percent level for the first time since the CGR was initiated in 2001. The Board Responsibilities category, on the other hand, registers an average score of 66 percent. Such level means that further improvements in corporate governance practice are needed.

When companies are grouped in accordance with the ranking standards of the National Committee on Corporate Governance, there are 405 companies receiving a score of 70 percent or higher (“Good” level of recognition or above). Specifically, 55 companies (9 percent) score at or above the 90 percent, which is the “Excellent” recognition level. There are 159 companies (27 percent) having a score at 80-89 percent, which is classified as the “Very Good” recognition level. And 191 companies (33 percent) earn the “Good” level of recognition by having a score at 70-79 percent.

*“The result of this year’s CGR survey reflects a continued positive development of corporate governance of Thai listed companies. The companies have clearly put more emphasis on the substance aspects of corporate governance practices as well as policies. Many companies have put in place good governance practices that include an anti-corruption program, business ethics compliance, and performance evaluation of the board of directors, among others. Nonetheless, it is important that we continue to support both large and small listed companies to pursuit this path further,” Dr. Bandid said. He added that “Thai listed companies are increasingly embedding social responsibilities into their business models for a sustainable growth, as well as disclosing policies and practices that are important to the stakeholders via the publication of a sustainability report that is consistent with international standards.”*

*“The future of CG development is moving towards business sustainability. This means giving more importance to longer-term rather than short-term outlook and on disclosure of non-financial information. Board of directors is expected to take a more proactive role, including a leading role in formulating business visions and strategies as well as having in place an effective risk management system. Consequently, the board of directors should be aware of the CG issues and development. In this regards, the IOD stands ready to provide support to and work with company boards to develop the CG standards and practices for Thailand,” Dr. Bandid said.*

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