

DECEMBER
2023

ASEAN DISCLOSURE INDEX

HOW ASEAN'S LEADING LISTED
COMPANIES FARE ON CORPORATE
DISCLOSURES

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ASEAN Disclosure Index - Introduction

FTI Consulting has been reviewing corporate disclosure practices, specifically voluntary disclosure, in Asia (specifically in India and the ASEAN region) and published the annual India Disclosure Report from 2015-19.

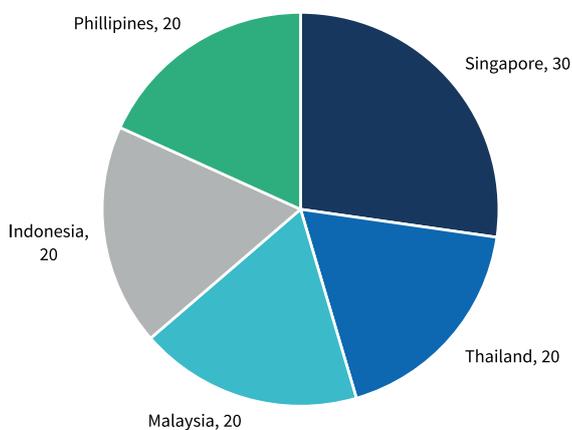
After a three-year, lock-down imposed hiatus, FTI Consulting is publishing the 2023 editions, with the India Disclosure Index 2023 published in October, and the current ASEAN Disclosure Index edition with additional 110 companies covered across 5 jurisdictions – Singapore, Malaysia, Thailand, Philippines, and Indonesia. The reports have been scrutinised with a refreshed methodology that track **18 voluntary disclosure sub-parameters** (from earlier 12 in previous editions). The ASEAN Disclosure Index report is a composite research property that benchmarks non-financial voluntary disclosure (as made publicly through company annual reports and websites), keeping with the direction of disclosure regulations across the world including the EU Non-Financial Reporting Directive¹, EU Corporate Sustainability Due Diligence Directive², US SEC Rules on Cybersecurity Risk Management³ and India's Digital Personal Data Protection Act⁴.

Corporate leaders and corporations are expected to respond proactively to the above regulations and decisive actions to manage new sets of risks from global supply risks, cybersecurity and climate change public companies are being scrutinized closely for non-financial information by stakeholders, and institutional investors are looking at both, leadership quality and risk disclosure quality to make investment decisions⁵.

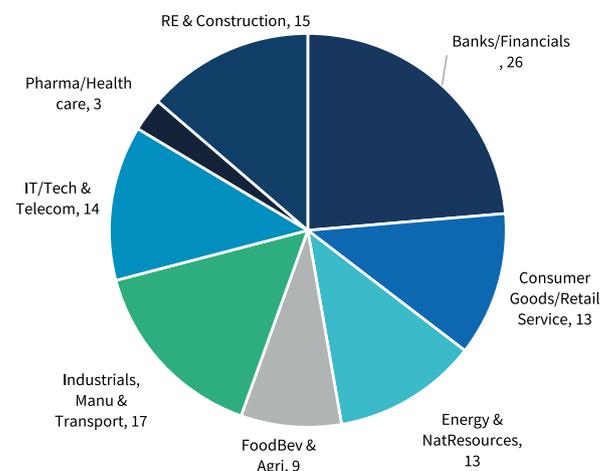
The ASEAN Disclosure Index 2023 report reviews non-financial, voluntary disclosures and creates comparable benchmarks, with an eye on anticipated disclosure regulations. It is a non-commercial, public research initiative that seeks to quantify and frame the ever-rising standards for voluntary disclosure. The report splits 18 voluntary disclosure sub-parameters into two broad categories **Leadership & Governance Quality** and **Risk Disclosure Quality** (see Research Methodology on next page). The methodology, following information about the parameters, is applied to the top 110 companies (Top 20 each for four countries by Mcap and Top 30 for SGX) to create the ASEAN Disclosure scores.

The ASEAN Disclosure Index 2023 report analyses the disclosure score by sector as well, to allow for sectoral benchmarking and help senior managements emulate best-practices within their sectors.

Country-wise composition



Sector-wise composition



Research Methodology

The Leadership and Governance Quality (LGQ) score has been calculated on the basis of presence (1) or absence (0) of nine publicly available disclosure sub-parameters, either on company websites (W) or in annual reports (AR). The five parameters and nine sub-parameters are: **Business Strategy and Business Model re-evaluation** (Business Strategy changes post-pandemic, and Digital Transformation readiness); **Workforce Gender Diversity & Inclusiveness** (At least 20% women in the workforce, Back-to-work policies to encouraging women participation, At least two women directors with at least one woman Independent Director, and Policies to encourage hiring of disabled and LGBTQ communities); **Board Evaluation by External Third-Party Agency**; Leadership Team Succession Planning (beyond the CEO/ Executive Head) and **Anonymous Whistleblowing Mechanism** via phone number or email.

Similarly, the Risk Disclosure Quality (RDQ) score has been calculated on the basis of presence (1) or absence (0) of five risk disclosure and nine sub-parameters: **Talent & Culture Risks** (hybrid/ flexible work policies, HSE metrics), **Regulatory Risk preparedness, Extended Supply Chain Risks and Due Diligence** (vendor and supplier training on HSE risks, regular supplier audit and due-diligence), **Climate Risk Mitigation** (Net Zero and Carbon reduction planning, Scope 3 emissions information) and **Cyber Risk preparedness** (Cyber breach incident metrics, regular cyber audits).

The Corporate Disclosure score (Composite Voluntary Disclosure score = Leadership and Governance Quality score + Risk Disclosure Quality score) has been calculated for each company, as per the following table observed during the period 1 August – 30 October 2023. Top 20 companies as per market capitalization (as on 20 August, 2023) have been chosen from Thailand, Malaysia, Indonesia, and Philippines. SGX30 stocks have been considered for Singapore.

CORPORATE DISCLOSURE (CD) PARAMETERS	VALUE Y (1)/N (0)	WEIGHT	SCORE
LEADERSHIP & GOVERNANCE QUALITY (LGQ SCORE)		50%	5
 1. Business Strategy and Business Model re-evaluation , with four sub-parameters, each scored on presence (1), or absence (0) of info/ metrics		10%	1.0
a) Business Strategy changes post-pandemic	1	50%	0.5
b) Digital Transformation readiness	1	50%	0.5
 2. Workforce Gender Diversity & Inclusiveness with four sub-parameters, each scored on presence (1), or absence (0) of info/ metrics		10%	1.0
a) 20% women in workforce	1	25%	0.25
b) Back-to-work policies to encourage increase in women participation	1	25%	0.25
c) At least 2 women directors, with one of them being an Independent Director	1	25%	0.25
d) Workforce policies to support disabled communities	1	25%	0.25

CORPORATE DISCLOSURE (CD) PARAMETERS	VALUE Y (1)/N (0)	WEIGHT	SCORE
 3. Board Evaluation by third-party agency	1	10%	1.0
 4. Leadership Team Succession Planning , beyond CEO succession	1	10%	1.0
 5. Anonymous Whistleblowing Mechanism and Metrics	1	10%	1
RISK DISCLOSURE QUALITY (RDQ SCORE)		50%	0.5
 6. Talent and Culture Risks , with two sub-parameters		10%	1.0
a) Hybrid and flexible work policies	1	50%	0.5
b) Health and Safety (HSE) metrics	1	50%	0.5
 7. Regulatory Risks preparedness on new regulations and policies	1	10%	1.0
 8. Extended Supply Chain Risks and Due Diligence , with sub-parameters		10%	1.0
a) HSE (Health, Safety, Environment), Human Rights training for Vendors, Third-Party Suppliers	1	50%	0.5
b) Annual Supplier Audit and Vendor Due-Diligence	1	50%	0.5
 9. Climate Risk Mitigation , with sub-parameters		10%	1.0
a) Net-Zero Carbon and Emission Reduction plan, with metrics	1	50%	0.5
b) Scope 3 emissions monitoring and reporting	1	50%	0.5
 10. Cyber Risks Preparedness , with sub-parameters		10%	1.0
a) Cyber breach incident metrics	1	50%	0.5
b) Regular cyber audit and testing, more than once a year	1	v50%	0.5
TOTAL SUB-PARAMETERS/ VOLUNTARY DISCLOSURE SCORE	18	100%	10

ASEAN Disclosure Index 2023 Report – Summary

The top 110 listed ASEAN companies together score an average of 6.95/ 10 on Corporate Disclosure.

As per the ASEAN Disclosure Index 2023 scores, companies in Malaysia led corporate disclosure with an average score of 7.71/ 10, followed by Singapore with an average score of 6.65/ 10.

Within the Leadership and Governance Quality parameters, the ASEAN Disclosure Index 2023 report notes that:

BUSINESS STRATEGY CHANGES POST-LOCKDOWN

ASEAN companies score high on Business Strategy - 87% have refreshed their Business Strategies to account for the changed business environment post-lockdown.

LEADERSHIP SUCCESSION PLANNING

99 out of 110 companies disclosed that they have clear Succession planning processes in place for their senior leadership, extending beyond succession planning for the CEO. This is a significant highlight of corporate leadership and planning.

INDEPENDENT BOARD EVALUATION

63% of the top 110 ASEAN companies DO NOT have independent board evaluation by a third-party. This is an improvement from the 73% from 2018 (ASEAN Disclosure Index 2018).

ANONYMOUS WHISTLE- BLOWING MECHANISMS & METRICS

79% of the companies HAVE an independent mechanism and metric to track anonymous whistleblowing. This again is a significant improvement over 2018 scores, when this was 55% (ASEAN Disclosure Index 2018 edition).

DIVERSITY & INCLUSION

Just over half, i.e., 62 of the top 110 ASEAN companies have strong gender and inclusivity metrics scoring on at least three out of the four sub-parameters to measure gender diversity and inclusivity (specifically at least 20% women in the workforce, back-to-work policies for women, at least 2 women directors on the board and inclusive policies for disabled communities). Interestingly, over 75% of the companies have more than 20% women in their workforce, showcasing strong women representation across the ASEAN region.

Within Risk Disclosure sub-parameters, the ASEAN Disclosure Index 2023 report notes that:
TALENT ATTRITION RISKS

On talent and culture, about 65% companies offer flexible, work-from-home policies while over 75% companies have health, safety, and environment metrics in place for employees. Singapore, Thailand, and Malaysia have around 80% companies offering flexible workplace arrangements.


POLICY & REGULATORY RISKS

86% say they have adequately assessed and prepared for policy and regulatory changes that may have a material impact on their business. Philippines companies are most prepared for regulatory risks with 95% of the companies reporting regulatory risks in the annual reports.


SUPPLY CHAIN RESILIENCE

62% of the companies disclose that they have adequately prepared for risks relating to supply chain disruptions and taken mitigation steps to manage them. Indonesia lags on this parameter with only 15% companies having HSE practices for vendors and 35% having vendor due diligence in place.


CLIMATE CHANGE RISKS

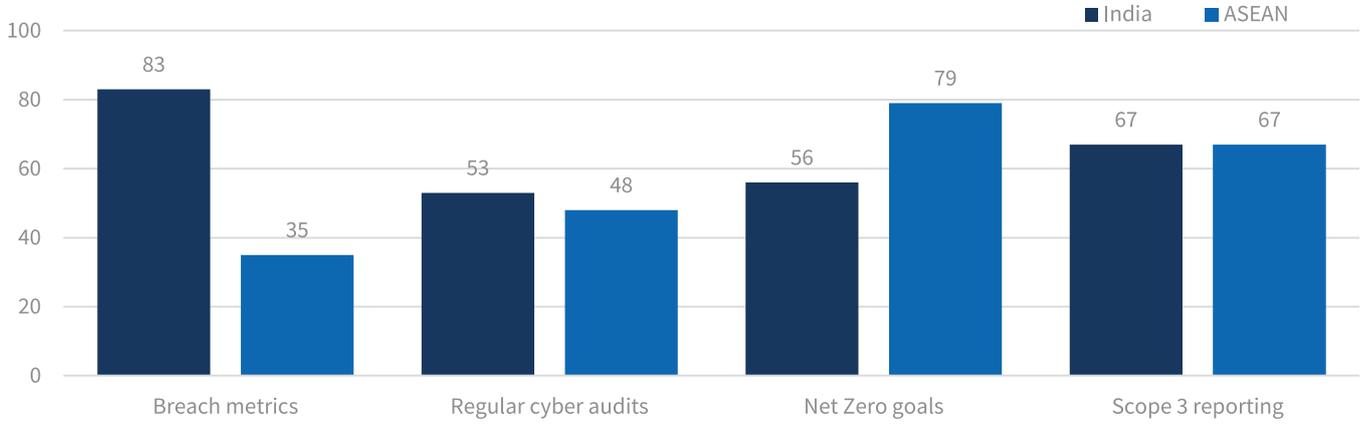
79% of the ASEAN companies have a net zero goal, with Singapore having 93% of companies reporting net zero goals and scope 3 metrics.


CYBER RISKS

41% of the companies in the ASEAN region are prepared for cyber risks. Only 35% of all ASEAN companies report cyber breaches and about half of the companies report that they undertake regular cyber audits or trainings to build preparedness or test their resilience to a cyber breach incident or ransomware attack.

Cyber and Climate Risk Reporting

Comparison between India and ASEAN companies (based on India Disclosure Index, ASEAN Disclosure Index scores)



Country Scores and Highlights

ASEAN Disclosure Index 2023 scores, by country



MALAYSIA

- Malaysia is the corporate disclosure champion, as per the ASEAN Disclosure Index with an average score of 7.71
- There are 16 diversity champions out of the total 20 companies scoring at least three out of four sub-parameters and 80% companies having at least two women directors on the board.
- All 20 Malaysian companies have a succession plan in place as per their Annual Report disclosures.
- 18 out of 20 Malaysian companies (90%) have a net zero goal and 70% have Scope 3 reporting in place.
- 70% of Malaysian companies have third party board evaluation, the highest in the ASEAN region.
- Only 7 out of the 20 companies report data breach metrics, making Cyber Risk disclosure an area of improvement.

SINGAPORE

- Singapore and Thailand perform well on Climate Risk disclosure sub-parameters with more than 90% companies from both jurisdictions reporting net zero goals. 93% Singaporean companies report Scope 3 emissions metrics.
- Singapore is the talent and culture champion, with 77% of the 30 companies offering hybrid work policies and 97% having HSE metrics for employees.
- Low Cyber Risk disclosure score by Singaporean (and Indonesian) companies is an area of improvement, with only 30% of Singaporean companies reporting data breaches, and a lower 17% conducting regular cyber audits.

THAILAND

- Thai companies perform well on Climate Risk disclosures, with 90% of companies reporting on net zero goals and 80% of Thai companies reporting Scope 3 emissions metrics in their annual reports.
- Thai companies have strong workforce diversity with 95% of Thai companies having more than 20% women in the workforce and 60% with an equal opportunities policy.
- Thailand and Malaysia have the highest number of companies offering flexible work policies, with 16 out of 20 companies in each jurisdiction (80% of the companies) offering flexible work policies.
- Most Thai companies, i.e. 75%, do not have third-party board evaluations in place.

PHILIPPINES

- 80% companies in Philippines have a diversity/equal opportunities policy in place.
- Only 8 out of 20 companies have anonymous whistleblowing mechanisms in place, indicating an area of improvement for Philippines.
- 35% companies in Philippines conduct third-party board evaluation.

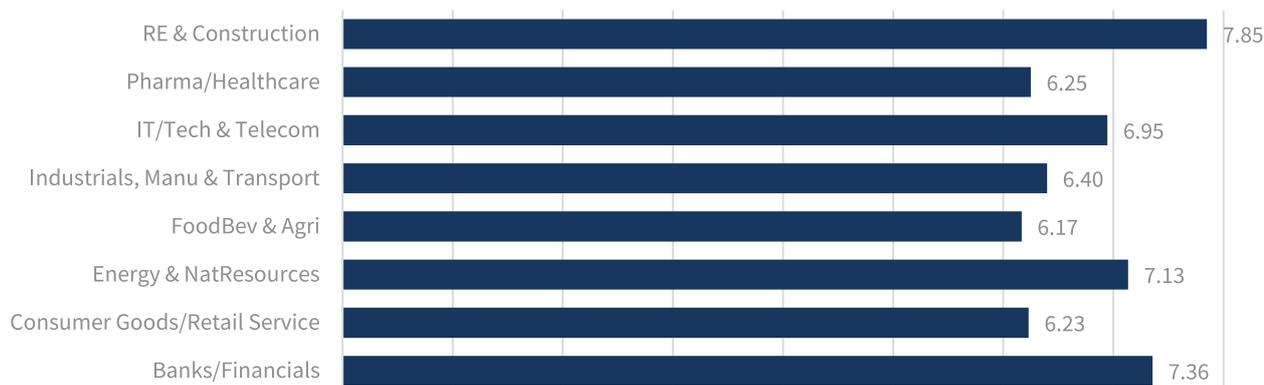
INDONESIA

- Indonesia is the only country with all companies having anonymous whistleblowing mechanisms in place.
- None of the Indonesian companies have third party board evaluation processes in place.
- Only 10% of Indonesian companies have at least two women directors on the board while about 35% of them have more than 20% women on their workforce.

Sector Scores and Highlights

Split by sector, Real Estate and Construction companies lead on Disclosure Scores, with an average score of 7.85, followed by Banks/Financials, with an average score of 7.36 – indicating greater responsiveness from these two sectors to scrutiny from global investors. FoodBev and Agriculture companies lags other sectors on disclosure scores.

Sector-wise scores for ASEAN



SECTOR	SCORE INFERENCES	SECTOR CHAMPIONS
 Banks/Financials (26)	<ul style="list-style-type: none"> Strong business strategy, workforce diversity, succession planning information– 88% of companies have more than 20% women in the workforce 85% of companies report net zero goals and 77% are reporting Scope 3 emissions. Best amongst sectors on third party board evaluation (58%) Worst performing sector on anonymous whistleblowing mechanism at 62% Only 46% companies report data breach metrics. 54% have vendor HSE practices in place 	DBS Group Holdings, Singapore (9.5)
 Consumer Goods/ Retail Services (13)	<ul style="list-style-type: none"> Strong disclosures on digital transformation (85%) and regulatory risk preparedness (all 13 companies reported being adequately prepared) 85% of companies have anonymous whistleblowing mechanism in place 50% of companies have not made changes to business model post-pandemic. Only 38% companies (lowest in all sectors) offer flexible work policies. Weak Climate and Cyber Risk disclosures with 77% companies not reporting data breach metrics, only 50% of the companies reporting adequate Supply Chain Risk preparedness. 	Sime Darby Plantation Bhd., Malaysia (9.25)

SECTOR	SCORE INFERENCES	SECTOR CHAMPIONS
 <p>Food, Beverage and Agriculture (9)</p>	<ul style="list-style-type: none"> – 7 out of 9 companies have more than 20% women in their workforce and 6 out of 9 have at least two women directors on their boards. – 89% of the companies have anonymous whistleblowing mechanisms in place. – Only 22% (2 out of 9) companies report undertaking regular cyber audits and 44% of the companies report data breach metrics in their annual reports. – 78% of companies in the sector report having succession plans in place (lowest amongst all sectors). 	<p>PPB Group Bhd., Malaysia (8.75)</p>
 <p>Industrials, Manufacturing & Transport (17)</p>	<ul style="list-style-type: none"> – 88% of companies have succession planning and have HSE metrics in place for employees. – 74% of the companies made Climate Risk disclosures in their annual reports. – 59% companies have more than 20% women in the workforce, lowest amongst all sectors. – 14 out of 17 companies do not conduct a third-party board evaluation – A majority, 13 (out of 17) companies, do not report data breach metrics. 	<p>Indorama Ventures Public Ltd. Co., Thailand (9)</p>
 <p>IT/Tech and Telecom (14)</p>	<ul style="list-style-type: none"> – All companies in the sector report that they have succession planning in place and a majority (93%) report being prepared for Regulatory Risks – 93% of companies have more than 20% women in the workforce (highest) – A majority, 8 out of 14, companies do not report data breach metrics and only 64% report regular cyber audits in their annual reports. 	<p>Delta Electronics (Thailand) Public Ltd. Co., Thailand (9.25)</p>
 <p>Real Estate & Construction (15)</p>	<ul style="list-style-type: none"> – 100% of the companies report that they have made adequate changes to business strategy post-pandemic – All companies in the sector have net zero goals in place, and 93% of them report Scope 3 metrics in their annual reports. – All companies have succession planning and HSE for employees in place. – 13 out of 15 companies have at least two women directors on board and 11 of them having more than 20% women in the workforce; 80% of them offer flexible workplace practices. – 8 out of 15 companies do not conduct any third-party board evaluation. – Only 3 companies out of 15 (i.e. 20%) report data breach metrics. 	<p>Hongkong Land Holdings Ltd. Singapore (9.5)</p>

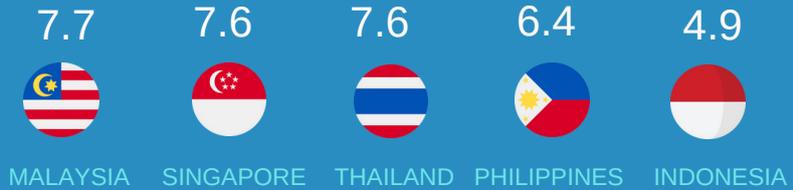
ASEAN Disclosure Index 2023 in a Snapshot

ASEAN DISCLOSURE INDEX 2023

HOW LEADING 110 LISTED ASEAN COMPANIES FARE ON CORPORATE DISCLOSURE STANDARDS



ASEAN Disclosure Score



CLIMATE RISK
79% of ASEAN companies mention Net Zero goals in annual reports.



Strong women representation across ASEAN region.

75% of ASEAN companies had at least 20% of women participation in workforce



SECTORAL DISCLOSURE CHAMPIONS

Financials	Consumer Goods	Energy	FoodBev & Agri	Industrials & Manu.	Tech/ IT	Real Estate
DBS GROUP	SIME DARBY	PETRONAS	PPB GROUP	INDORAMA	DELTA ELECTRONICS	HONGKONG LAND



CYBER RISK

50%

of top 110 ASEAN companies DO NOT undertake regular cyber audits or trainings to build resilience



BOARD EVALUATION

63%

DO NOT have independent board evaluation by a third-party



SUPPLY CHAIN RISK



NOT prepared adequately for Supply Chain disruption, without mitigation plans

About ASEAN Disclosure Index 2023
ASEAN Disclosure Index 2023 is a report of corporate voluntary disclosure by leading ASEAN companies, by market capitalisation, as assessed on 18 publicly available information disclosure parameters. Full methodology and ranking of all 110 ASEAN listed companies with average disclosure scores (split by Leadership and Governance Quality and Risk Disclosure Quality scores) can be found here.

About FTI Consulting
FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,600 employees located in 28 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.81 billion in revenues during fiscal year 2016. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.



Definition of Parameters

Leadership & Governance Quality (LGQ) parameters

- **Business Strategy Changes, post-lockdown:** Detailed and updated information on business strategy changes undertaken post-lockdown (first sub-parameter) and development of digital transformation plans (second sub-parameters) as documented in the Annual Report (FY 2022-23) or on the company’s website.
- **Workplace Gender Diversity and Inclusion:** Information pertaining to four sub-parameters – women workplace participation of at least 20%, Back-to-Work policies to encourage women to join back the workforce, at least two women directors (with at least one-woman Independent Director) documented in the Annual Report (FY 2022-23) or the company website.
- **Board evaluation by third-party:** Updated information about Board Evaluation done through the involvement of external third-party advisors or consultants in the last Annual Report (FY 2022-23).
- **Leadership Succession Planning:** Information about Succession Planning process being in place for the leadership (beyond CEO succession plan) in the last Annual Report (FY 2022-23) or on the company’s website.
- **Anonymous Whistleblowing mechanism and metrics:** A specific phone number or email ID that facilitates whistleblowing, which is easily accessible on the company’s website or in the last annual report (FY 2022-23).

Risk Disclosure Quality (RDQ) parameters

- **Talent & Culture Risks:** Information about hybrid working flexibility (first sub-parameter) and employee HSE policies in the last Annual Report (FY 2022-23).
- **Regulatory Risk and Mitigation:** Information about key policy or regulatory changes that could have a material impact on the business, in the Annual Report (FY 2022-23)
- **Supply Chain Risks and Mitigation:** Information about HSE trainings for vendors (first sub-parameter) and vendor due diligence (second sub-parameter) to mitigate supply chain risks, in the Annual Report (FY 2022-23).
- **Climate Risk preparedness:** Information about Net Zero planning (first sub-parameter) and information about reducing Scope 3 emissions (second sub-parameter) in the last Annual Report (FY 2022-23)
- **Cyber Risk preparedness information:** Specific metrics about cyber breach incidents (first sub-parameter) and information about regular cyber audits or trainings (second sub-parameter) in the last Annual Report (FY 2022-23).

DISCLAIMERS & DISCLOSURES

ADDITIONAL & VOLUNTARY DISCLOSURES

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This is a non-commercial public research report prepared by FTI Consulting. FTI Consulting has not received any consideration from any of the companies for publication of this report. None of the 110 companies covered in this report have received advance copies of this report before its public release.

DISCLAIMER

The ASEAN Disclosure Index is a report that makes general observations about disclosure data based on publicly available information. This is NOT a research report and no statement in this report should be interpreted as a recommendation or opinion relating to investment worthiness of any individual company or scrip in the capital markets. The 110 companies have been taken as reference sets only for this non-technical report.

¹ [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS_BRI\(2021\)654213_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/654213/EPRS_BRI(2021)654213_EN.pdf)

² https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

³ <https://www.sec.gov/files/rules/final/2023/33-11216.pdf>

⁴ <https://prsindia.org/billtrack/digital-personal-data-protection-bill-2023>

⁵ [://www.europarl.europa.eu/RegData/etudes/STUD/2021/662944/IPOL_STU\(2021\)662944_EN.pdf](://www.europarl.europa.eu/RegData/etudes/STUD/2021/662944/IPOL_STU(2021)662944_EN.pdf)

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