



2022: The highest score in 22 years for Thai listed companies, demonstrating their CG strength in sustainable development.

October 27, 2022 - CGR 2022 score is released by the Thai Institute of Directors (IOD), with support from the Stock Exchange of Thailand. The average score for Thai listed firms (750 companies) is 85 percent, which is the highest mark since the assessment's inception and slightly higher than in 2021 (84 percent; 716 companies). Thai listed companies place a strong emphasis on sustainable business practices in line with the CG Code and investor expectations.

Rights of Shareholders, Equitable Treatment of Shareholders, Disclosure and Transparency, and Role of Stakeholders are the four categories with average category scores of 80 percent or more in 2022, which are 96, 93, 88, and 85 percent, respectively). Despite having an average score of 79 percent, Board Responsibilities have the greatest improvement percentage of the five categories. This evidence suggests that the Board exhibits strong role and responsibilities, including participating in board meetings, determining CEO compensation, and assessing board performance, among others. A total of 296 companies, or 40% of the sample, receive a score of 90 percent or above (5 Stars). In comparison to the prior year, there has been a 10% rise in top performers. (The attached contains more information about the findings in 2022.)

Professor Kitipong Urapeepatanapong, Chairman of the Board at IOD, said: *“Next year, CGR will undergo a significant change when the assessment criteria are updated. The OECD principles continue to serve as the cornerstone of the CGR criteria. Yet, they have added ESG-related information to the questionnaire to address contemporary challenges and trends...*

...Should the assessment shift be challenged, we can address reasons for changes to the environmental and social concerns. Overuse of land, water, air, and waste results in climate change, global warming, and carbon emissions and employees, labor, local communities, and associated entities are societal influences on business operations. Thus, business development and good corporate governance must take environmental and societal implications into account to ensure long-term, continuous, and sustainable business.”

Dr. Pakorn Peetathawatchai, President of The Stock Exchange of Thailand, states that *"Corporate governance practices among Thai listed companies have improved this year. They achieve the highest score since the assessment was administered, which will serve as a good foundation for the next upgraded assessment. The new standard, which has been amended, will place greater emphasis on the Board of Directors' responsibility in promoting sustainability and the company operations' integration of social and environmental factors with corporate governance as the foundation (Environmental, Social and Governance: ESG). That's what the Stock Exchange of Thailand (SET) and IOD have long continuously supported. At the moment, ESG considerations are valued across all industries. Investors require sustainability information to make investment decisions. SET has developed the ESG Data Platform to serve as the open entry point for ESG information management in the Thai capital market. Investors will receive complete and standardized information. IOD can successfully use the data in the future for CGR assessment. This ESG Data Platform is seen as yet another crucial advance in fostering the Thai capital market's sustainable growth corresponding to the SET's vision **"To Make the Capital Market 'Work' for Everyone."***

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Attachment

CGR Findings in 2022

Level of Recognition	No. of Companies (Proportion in %)	Percentage Change (%)
5 Stars (Excellent)	296 (40%)	+10%
4 Stars (Very Good)	294 (39%)	+13%
3 Stars (Good)	116 (15%)	-13%
Below 3 Stars (Including companies with no-announcement provision)	44 (6%)	-20%
Total	750 (100%)	