



TFAC



ASEAN Federation of Accountants

# ASEAN Accountancy Conference on Sustainability



8<sup>th</sup> October 2022



# The way forward :

## Redefining our role in enabling sustainability



# SEC develops a sustainable ecosystem for Thai capital market



## SEC develops a sustainable ecosystem for Thai capital market



### Vision

SEC strives to enhance the benefits and well-being of people through being a trustworthy and proactive organization, collaborating with all stakeholders to build a sustainable capital market

### Mission



To assure a conducive environment for a fair, efficient, dynamic and inclusive capital market



# Global Trends 2022

Climate action failure

Extreme weather

Biodiversity loss

Social cohesion erosion  
and Livelihood crises

Infection diseases

Human environment damage  
and Natural resource crises

Debt crises

Geoeconomic confrontation

Climate action failure



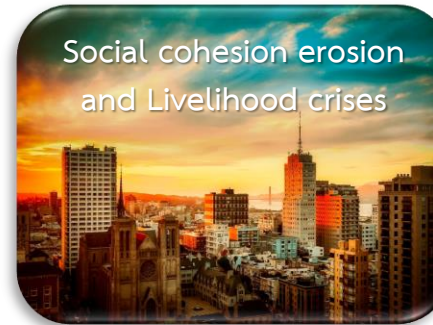
Extreme weather



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Geoeconomic  
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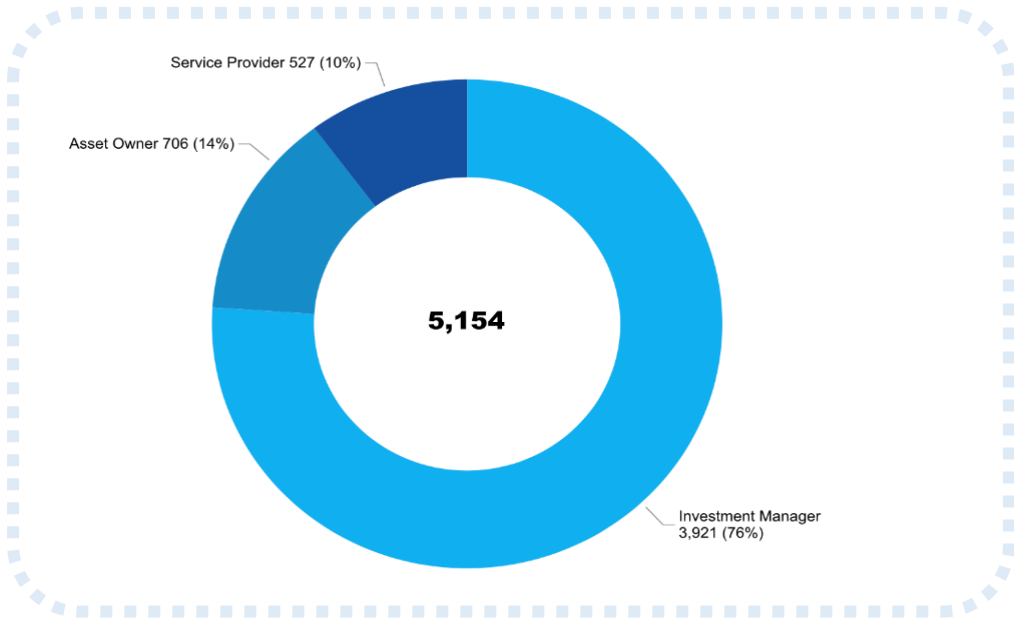
economic

environmental

Geopolitical

Societal

# Increasing an opportunity of global investment



Companies that are responsible for sustainability have received increased interest from global investment

**More than 5,100 signatories**

applying responsible investment principles in investment decisions



**Over 121 Trillion USD**

(PRI report, Data Portal (Sep 2022))



**Cost of fund**

Companies have received increased interest from both domestic and international investment, which help reducing companies' financial costs

**Improved performance**

Companies have improved performance from considering and integrating ESG into business operations

# ESG Development in the Thai Capital Market

Corporate Governance Report Assessment Scores  
with a minimum of



Thai Institute of Directors

**661** listed companies



Members in Dow Jones Sustainability Indices

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In collaboration with  **SAM**  
a RoboAdvisor brand

**24** listed companies

Thailand Sustainability Investment (THSI) list 2021



**144** listed companies  
Sep 22, 2022

SETTHSI index Constituents H1/2022

**SETTHSI  
Index**

**99** listed companies  
Jan 1 – June 30, 2022

Members in FTSE4Good Emerging Indexes



FTSE4Good

**39** listed companies

Members MSCI ESG Universal Index



**42** listed companies



# Driving ESG in the Thai capital market

The SEC issues best practices / disclosure rules / and manuals, to support ESG for Thai capital market.



# Developing the Ecosystem for Sustainable Finance

## 6 foundation areas





# SEC is enhancing ESG Disclosure in the Form 56-1 One Report

SEC is enhancing ESG Disclosure in *the Form of 56-1 One Report* (Effective from 2022 onwards)



**Policy and objectives  
of sustainable  
management**

1



**Management of impacts  
on stakeholders in the  
business value chain**

2



**Management of environmental  
sustainability  
(Verification on GHGs Emissions)**

3



**Social sustainability  
management  
(Human Rights)**

4

Objectives and business  
operations regarding ESG

Risk management  
including ESG risks

MD&A connecting  
with ESG issues

**One Repot Assessment Project** ➤ to evaluate ESG information of listed companies in quantitative and qualitative angle



### Mechanism for promoting One Report



Cooperate with other related organizations (e.g. capacity building, manuals, and guidance)



Encourage investment analysts and fund managers to integrate ESG factors into their investment process.



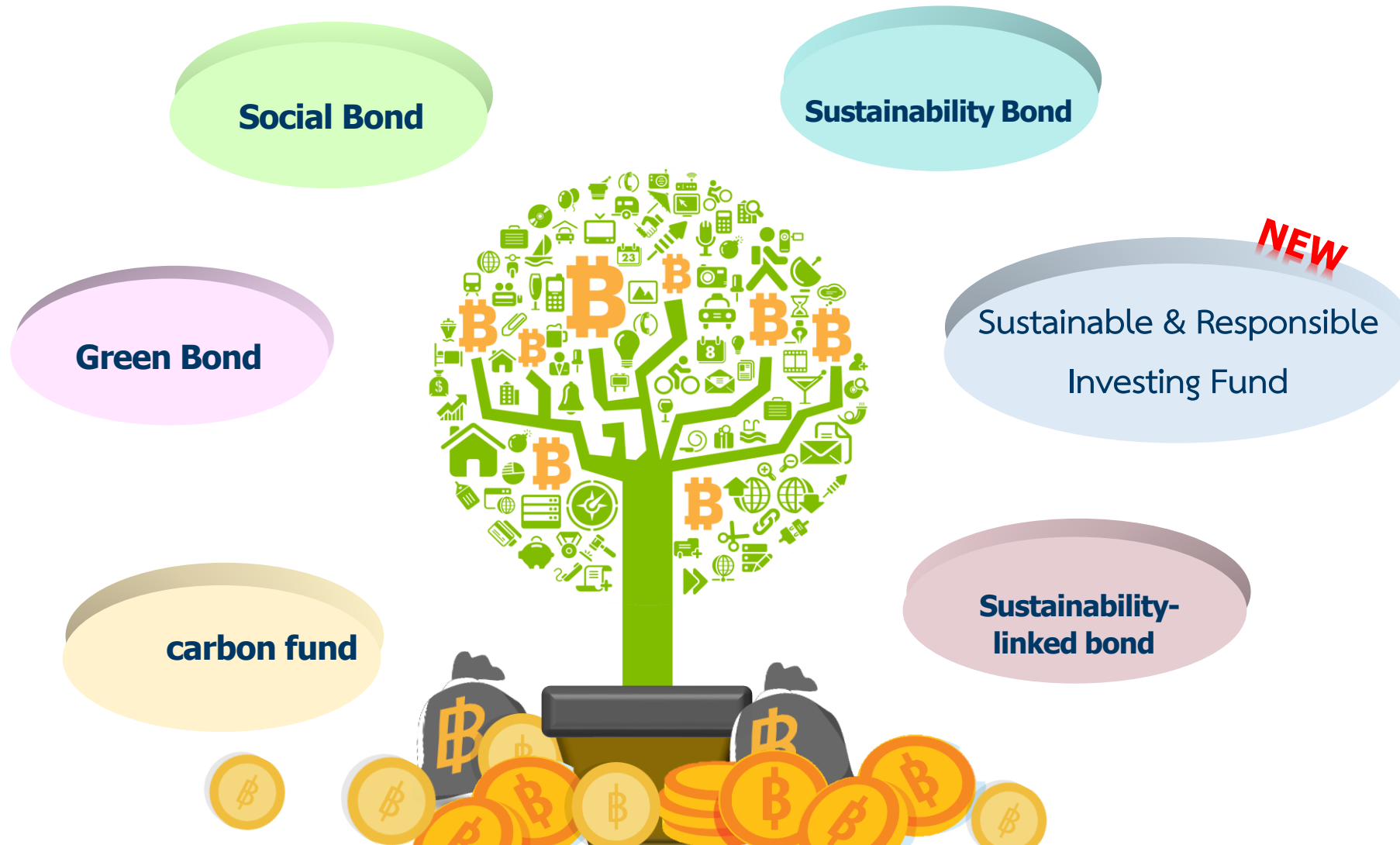
Exempt annual fee for listed companies



Enhance boards' roles to incorporate ESG-issues into the corporate strategy, as well as support accurate and reliable disclosure.

# Sustainable financial products

Sustainable financial products in 2022 with a total value of **457,329.98 million baht** (as of Sep 28,2022)



# Role of the assurances : create trust & confidence of the sustainable products

## Requirement for the external reviewer

**Green Bond**

**Social Bond**

**Sustainability Bond**

**Sustainability Bond**

- No requirement
- So far, every deals have appointed the external reviewer (market mechanism)
- Assurances: EY, Singapore, KPMG

- Mandate for pre & post issuances
- Potential for the assurances of the performance (KPI)
- Assurances: DNV assurance

**One Report  
(GHGs emissions)**

GHGs emission need to be disclosed  
and verified by verifier\* (Voluntary basis)

(\*registered with TGO or the reviewer the company regards as  
having work widely accepted according to international standards)

GHG emissions



# The Way forward for upcoming sustainability standards report

ISSB launches  
consultation on first two  
proposed standards



## WHY?

- **Physical Risk** (Climate change /extreme weather,etc.)
- **Transition Risk** (Policy change/ consumer behavior)
- **Cost of fund**
- **Improved performance** (serve to impact investors' investment decisions) , etc.

## WHAT?

**Sustainability information consistent with TCFD's 4 core elements**

- Governance
- Strategy
- Risk management
- Metrics and Targets

## How ?

**All companies prepare themselves for the upcoming ISSB global disclosure baseline and disclose their sustainability information in line with the ISSB standard (gradually voluntary basis)**





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# Thank You

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