

# 2024 SET-FTSE ESG Assessment Highlights



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# Overview

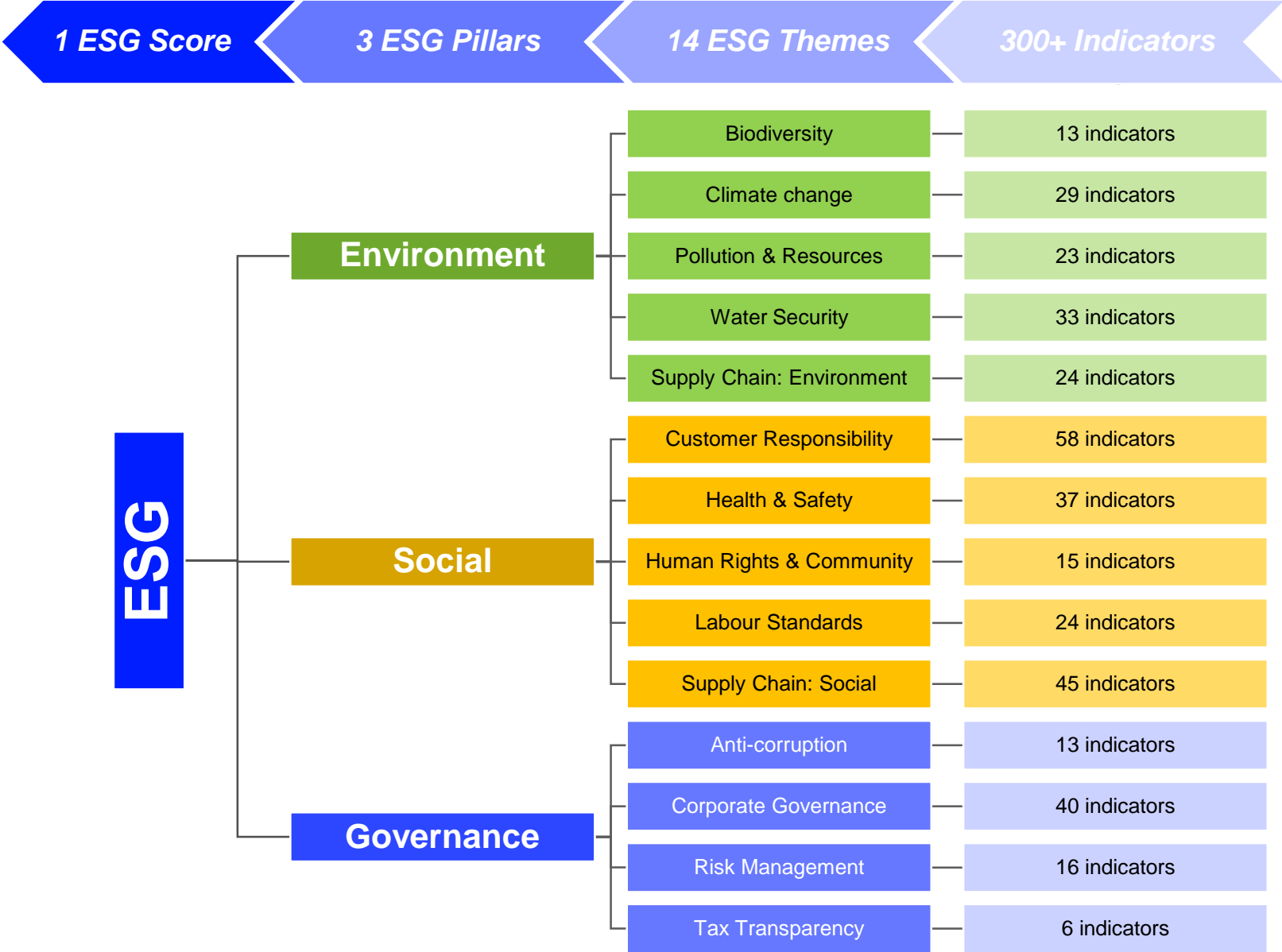


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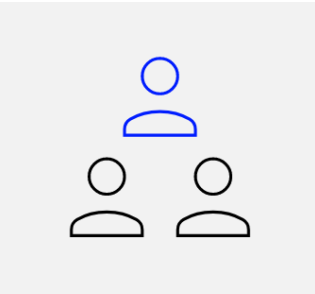
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# Data Structure Overview

- The ESG Scores are comprised of an **overall Score** that breaks down into **Pillars and Theme Exposures and Scores**.
- The Pillars and Themes are built on over **300 individual indicators** that are applied to each company's unique circumstances.
- An **average of 125 indicators** are applied per company.



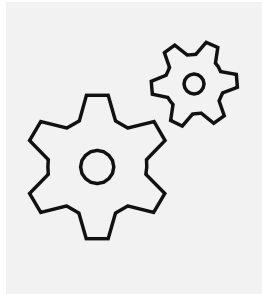
# Collect and verify data from corporate disclosures



**Data collection**  
 700+ research analysts collect data from publicly available corporate disclosures



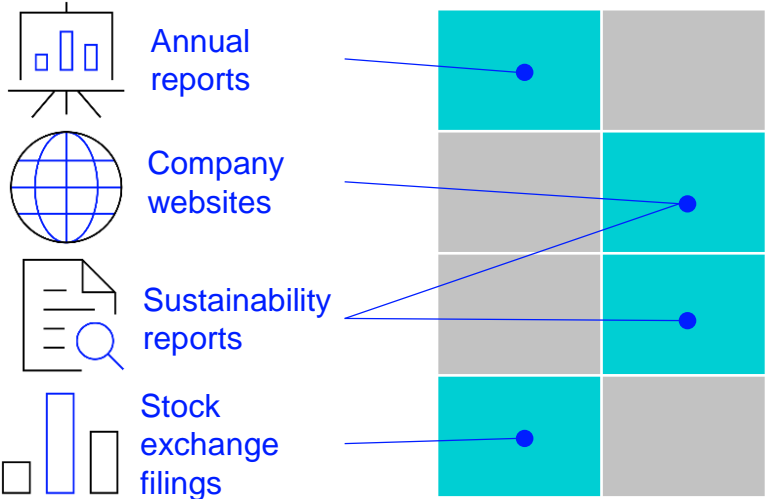
**Quality checks**  
 are manually conducted on the completed company assessment



**Data validation**  
 using proprietary automated algorithms

## Company ESG data

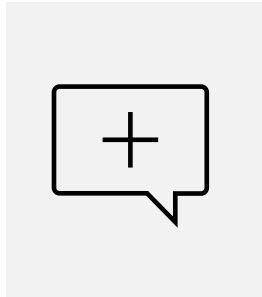
## LSEG database



- Multiple layers of quality check analysis are conducted to **ensure data accuracy and consistency** as much as possible.
- These checks are applied at the company level and at the overall dataset level.

Algorithm guarantees:

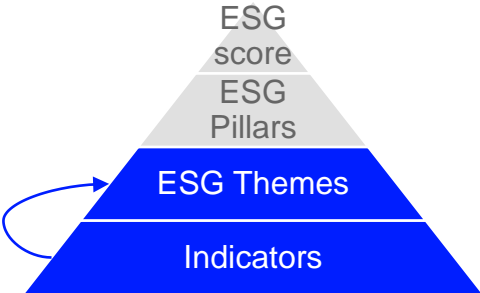
- **Consistency** across years
- **Logical connections** between answers
- **Homogeneity**
- **Accuracy**
- **Completeness**



**Assessment ready for company review**

\*Non-exhaustive list of sources

# Calculating ESG Theme scores



- **Theme Exposure** and **% of Indicator Points scored** in that Theme is required to determine Theme score.
- For relevant Themes, the number of Indicator “Points” a company meets is calculated as a **percentage of total applicable Points** and a Theme Score is given based on threshold bands. The **threshold bands** are higher for companies with a High Exposure than the bands for a company with Low Exposure.
- The percentage of Points awarded is applied to the framework below to assign a Theme Score from 0-5, with 5 being the highest. This is repeated for all applicable Themes.

*Theme calculation table based on Theme Exposure and % of Indicator Points scored*

		Theme Exposure		
		Low	Medium	High
Theme Score	5	51-100%	61-100%	71-100%
	4	31-50%	41-60%	51-70%
	3	11-30%	21-40%	31-50%
	2	6-10%	6-20%	11-30%
	1	0-5%	1-5%	1-10%
	0	N/A	0%	0%



# Criteria to assess companies

Companies are assessed using various criteria, including **industry, geography and market**. As a result, comparing ESG scores between two companies/universes that do not have the exact same profile across these criteria will not result in accurate comparisons of ESG performance.



Industry

Companies will have different ESG risk exposure per Theme depending on their industry. We determine the exposure scale at ICB Sub-Sector level, and apply the scale related to the company's main Sub-Sector.



Geography

Companies will have different ESG risk exposure per Theme depending on their country of operations. We only classify countries that present the highest risk for each Theme.



Market

Depending on their market, as investor's expectation will vary depending on the level of economic development of a market companies operate in.

# ESG and Pillar Score

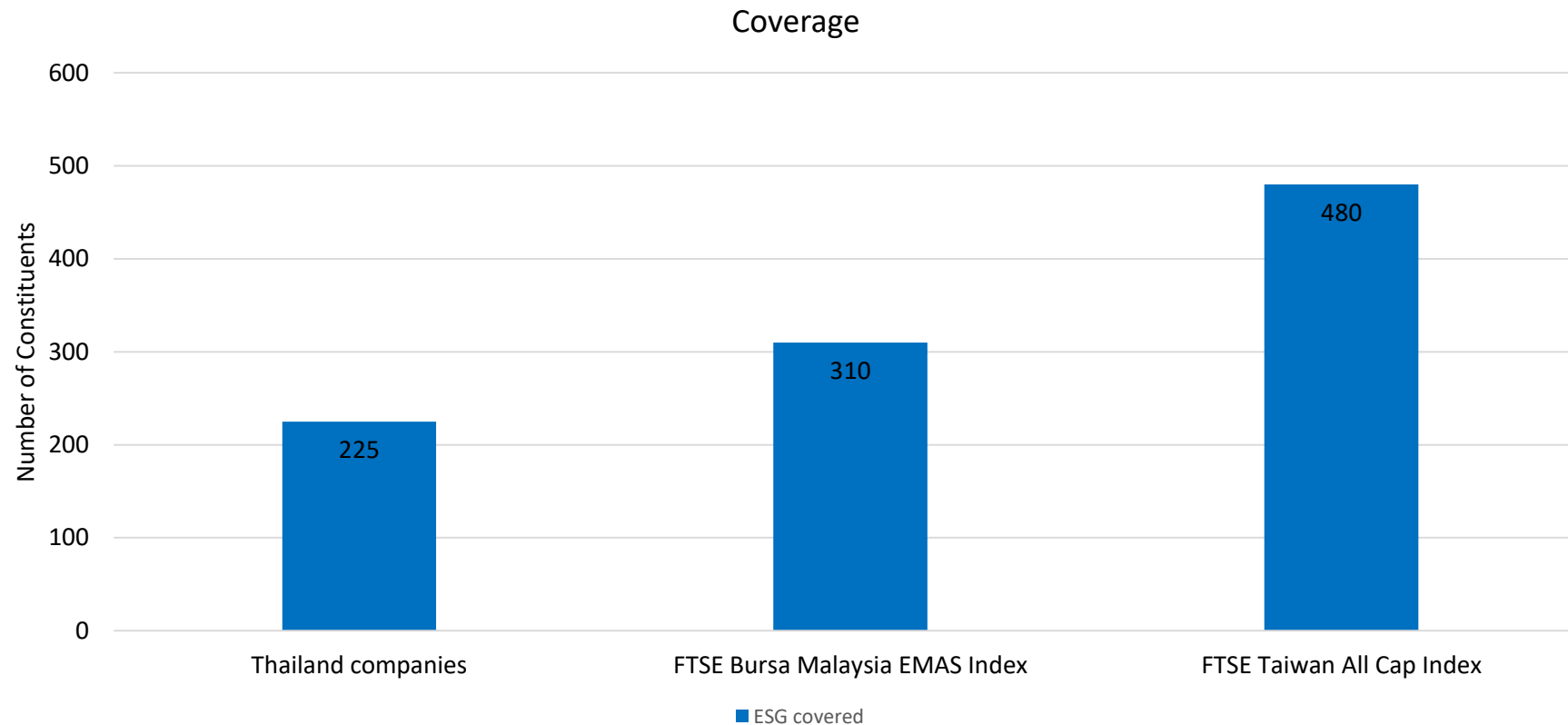


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# Company coverage: Thailand vs Similar Economies

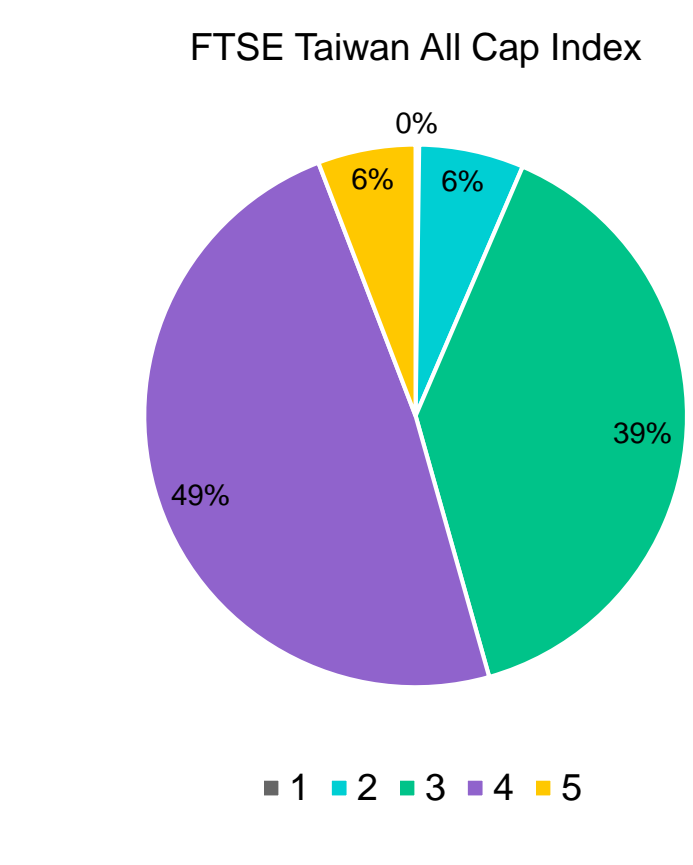
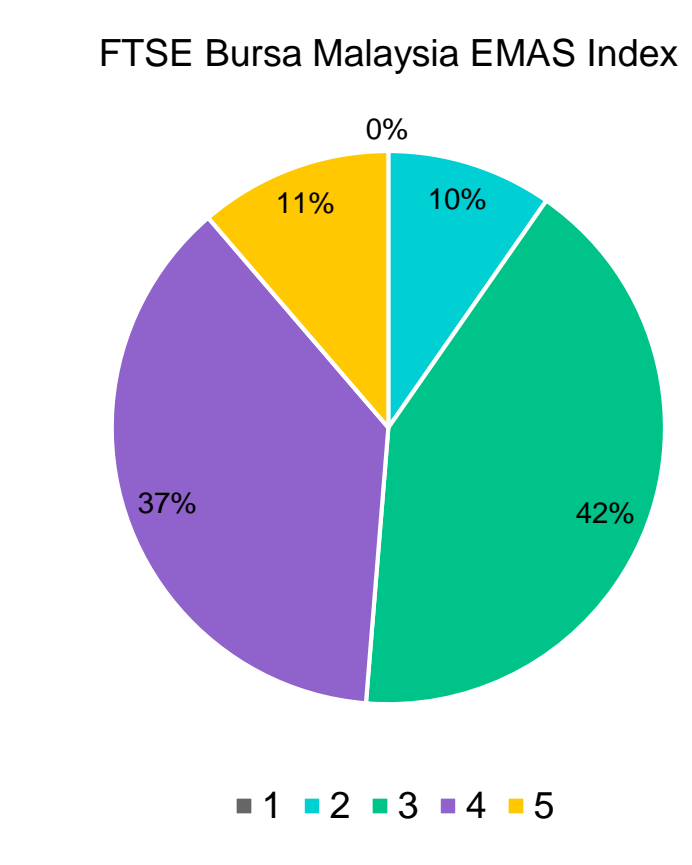
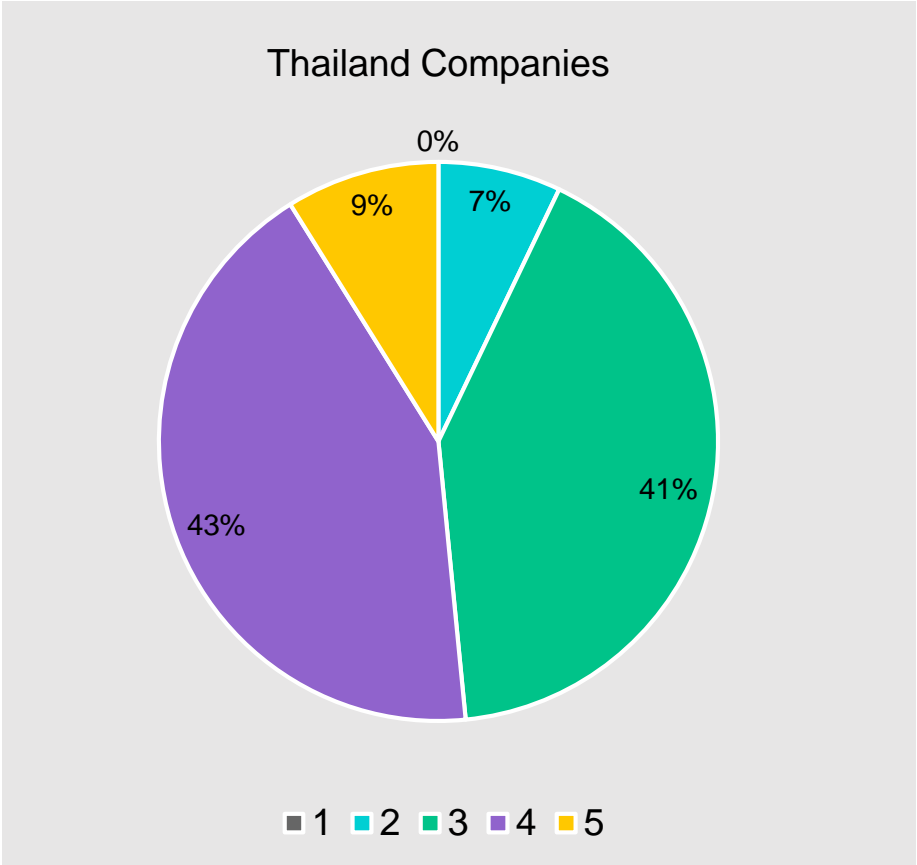
- Existing coverage: 48 companies
- With Extended coverage, companies are being assessed using the FTSE ESG Methodology during the 2024-2025 pilot phase: FTSE ESG Scores cover 225 companies





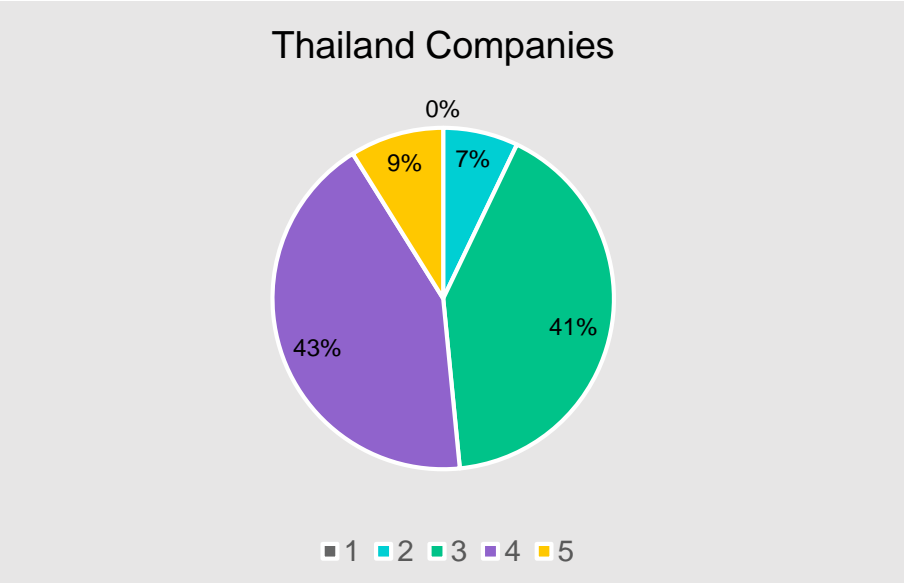
# ESG Score Distribution: Thailand vs Similar Economies

- Majority of Thai companies assessed this year received an ESG score between >3.0 and <=4.0
- This is consistent with the performance trend of the Taiwan and Malaysia markets

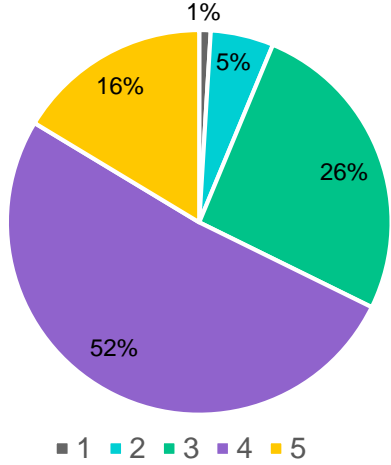


# ESG Score Distribution: Thailand vs Global Economies

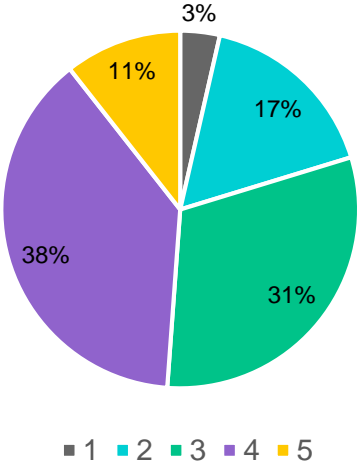
- Thailand (43%) outperforms FTSE Emerging Index (26%) and FTSE All World Index (38%), with a higher percentage of companies scoring between >3.0 and <=4.0



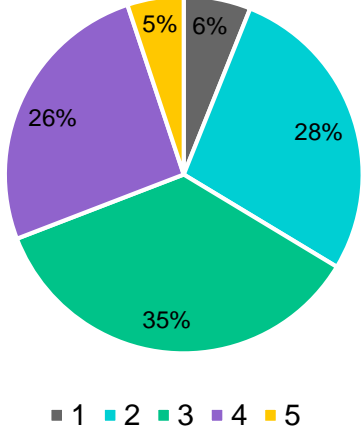
FTSE Developed Index



FTSE All World Index

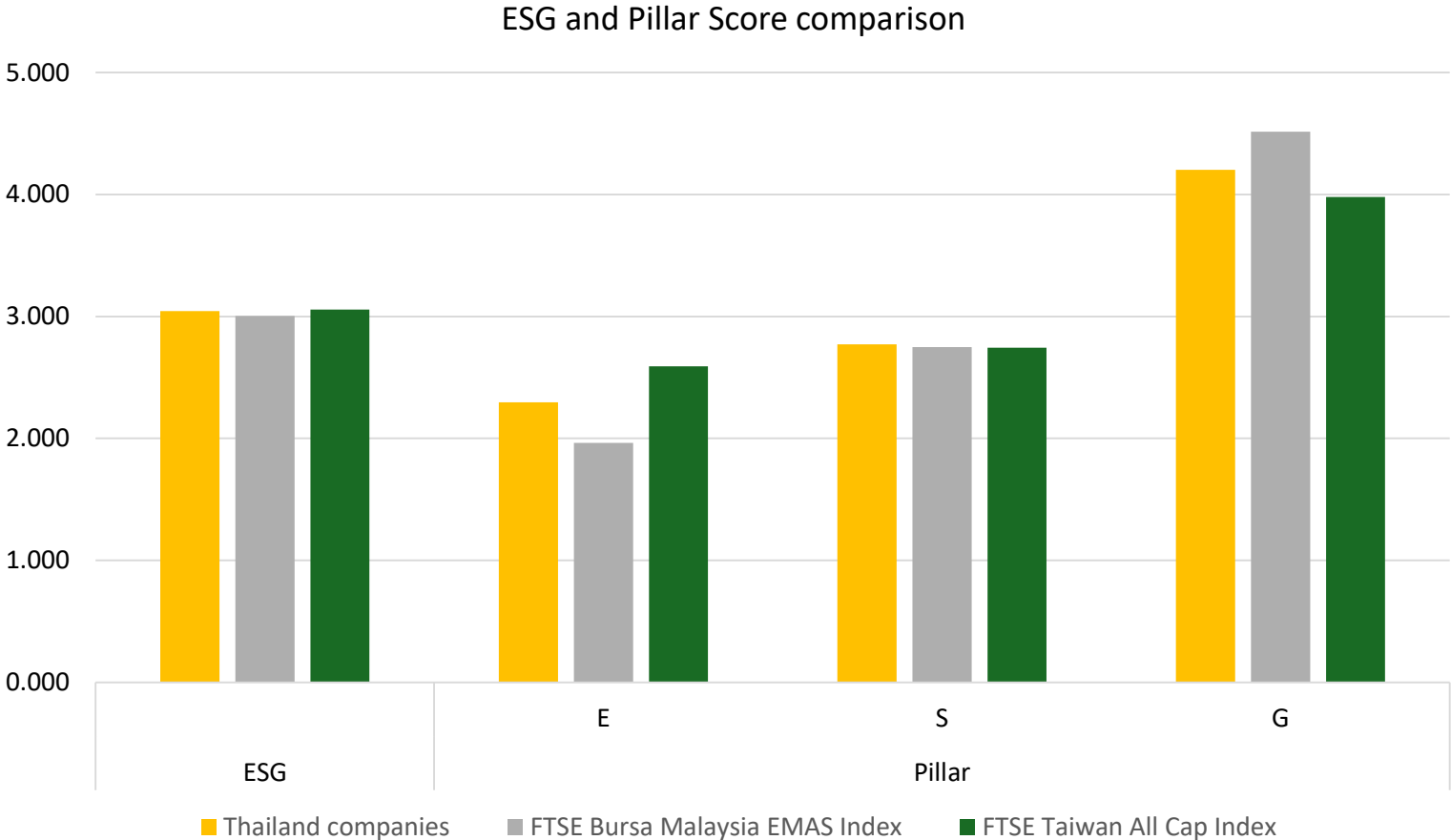


FTSE Emerging Index



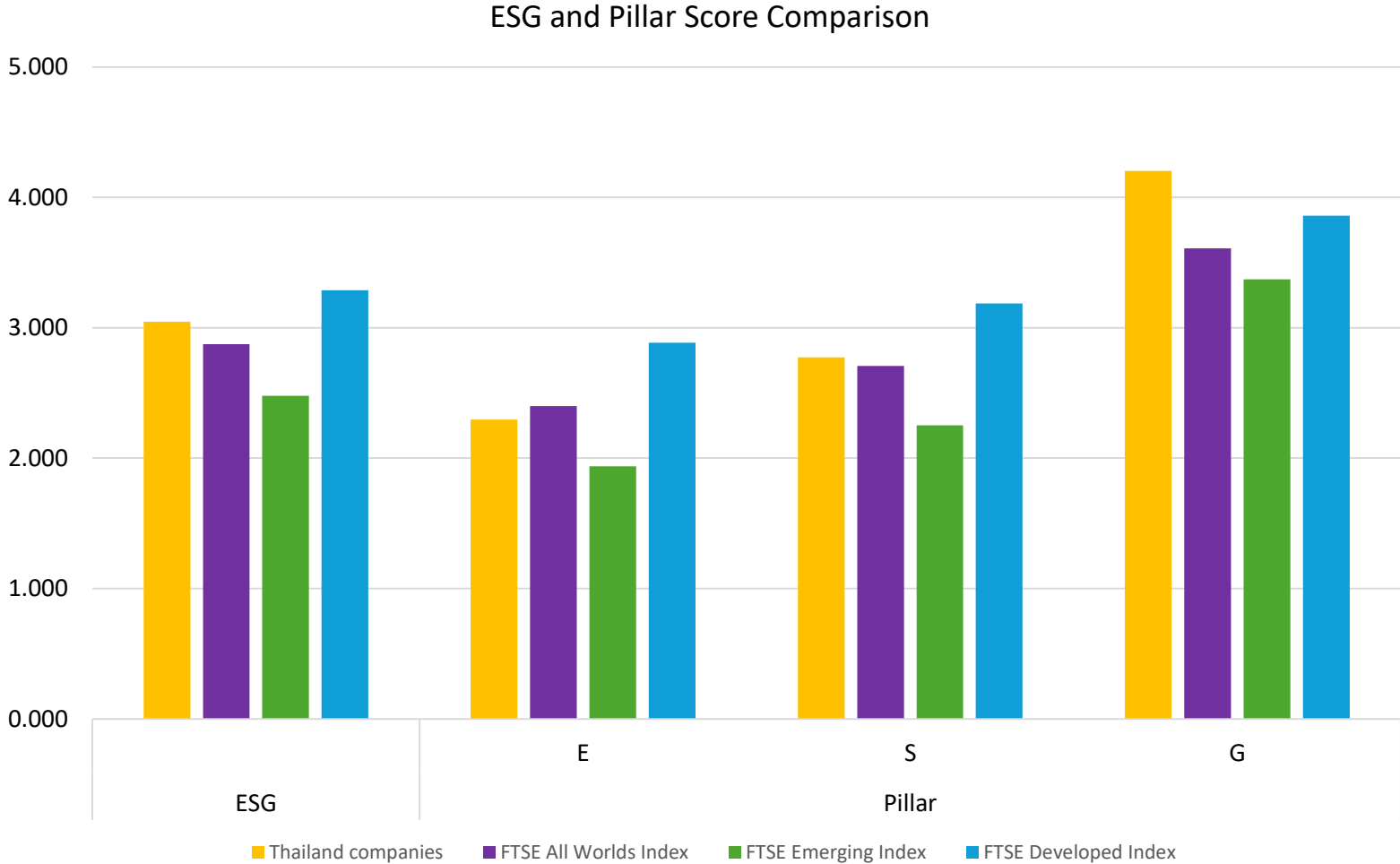
# ESG and Pillar Score comparison: Thailand vs Similar Economies

- **Thailand's ESG score** is better than **Malaysia's ESG score** performance, and on par with Taiwan
- Thailand **outperformed Malaysia** in the **Environmental** and **Social** pillar
- Against **Taiwan**, Thailand **outperformed** in **S & G** pillars and **underperformed** in **E** pillar
- Thailand performed the best in Social pillar, Taiwan in the Environmental pillar, while Malaysia performed the best in the Governance pillar

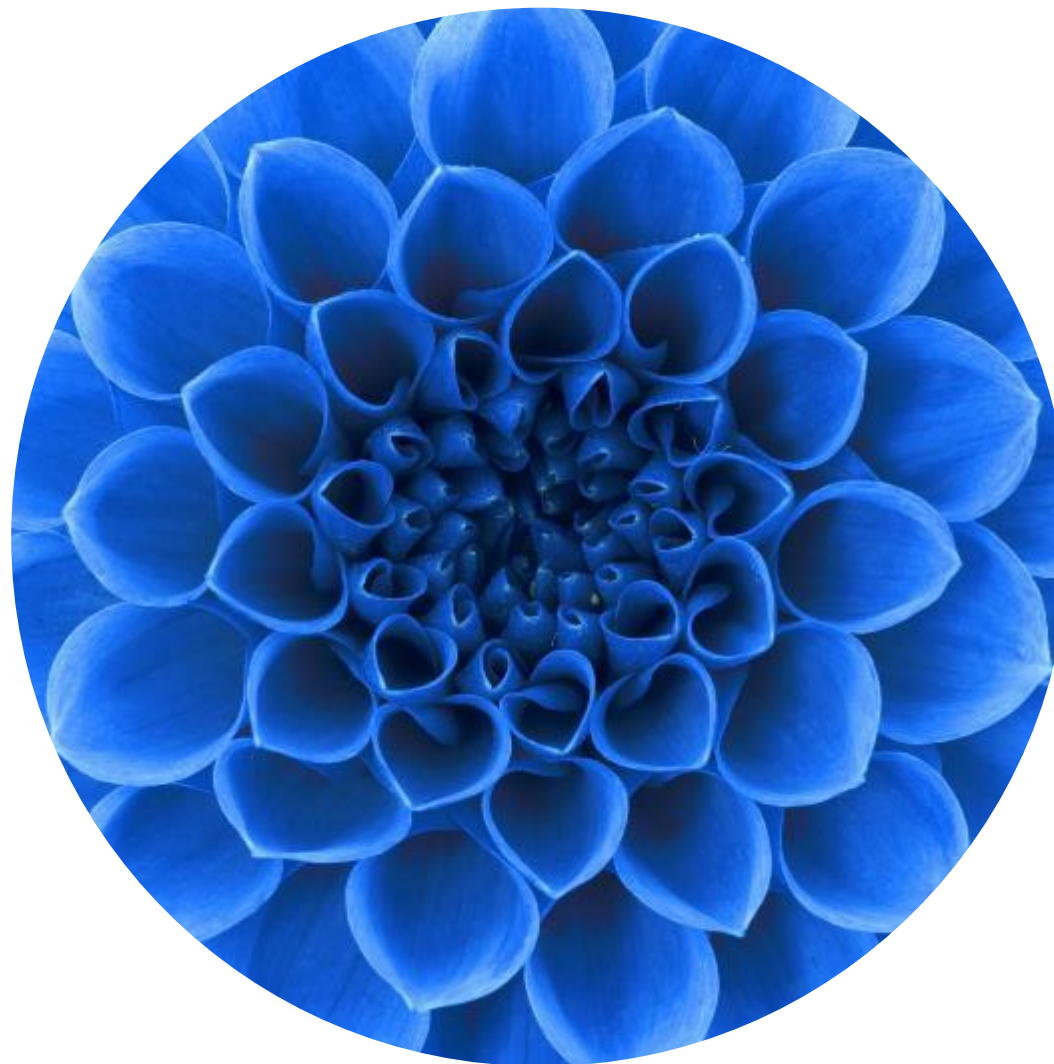


# ESG and Pillar Score comparison: Thailand vs Global Economies

- Thailand's **ESG Score** is better than those of **FTSE All World Index** and **FTSE Emerging Index**
- Thailand outperformed all markets in the **Governance Pillar** with score above 4.0, and its **Social Pillar** performance surpassed the FTSE All World Index and FTSE Emerging Index



# Theme Score



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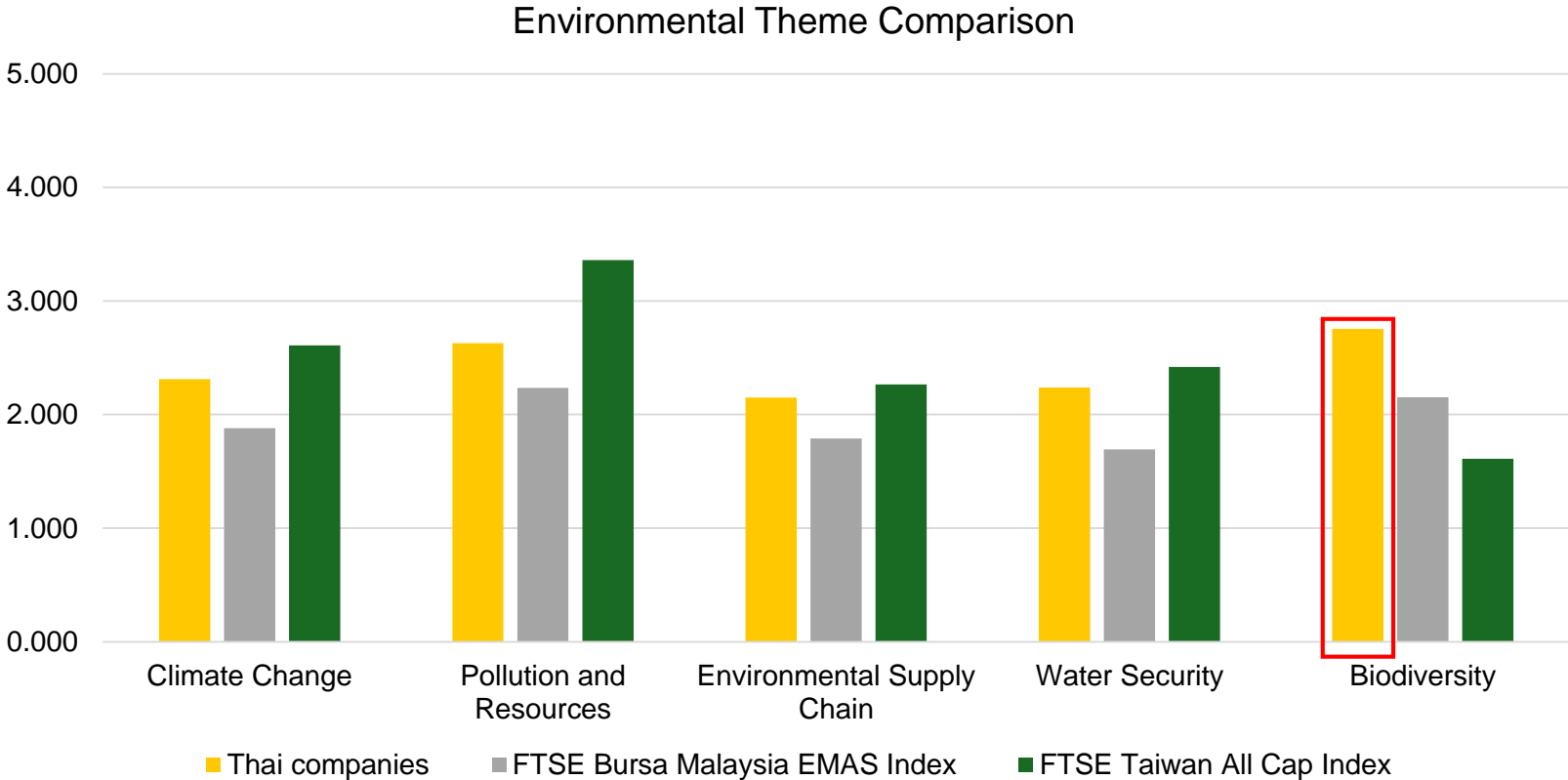
# Summary of ESG performance by Theme across economies

Pillar	Economy		Thailand companies	FTSE Bursa Malaysia EMAS	FTSE Taiwan All Cap	FTSE All World	FTSE Emerging	FTSE Developed
	Theme							
Environmental	Climate Change		2.311	1.881	2.608	2.524	1.957	3.119
	Pollution and Resources		2.628	2.235	3.361	2.706	2.428	3.024
	Environmental Supply Chain		2.148	1.790	2.264	2.383	1.633	3.157
	Water Security		2.237	1.692	2.419	2.000	1.728	2.295
	Biodiversity		2.754	2.152	1.611	3.002	2.642	3.364
Social	Social Supply Chain		2.469	1.919	2.453	2.479	1.706	3.283
	Customer Responsibility		2.107	2.051	1.053	2.238	1.828	2.599
	Human Rights		2.827	3.306	2.802	2.935	2.607	3.280
	Health and Safety		2.287	2.712	2.557	2.183	1.861	2.564
	Labour Standards		3.444	3.134	3.313	3.226	2.802	3.672
Governance	Anti-Corruption		4.497	4.823	4.052	3.607	3.351	3.887
	Corporate Governance		4.364	4.755	4.267	4.150	3.744	4.615
	Tax Transparency		Not applicable	Not applicable	Not applicable	2.551	Not applicable	2.551
	Risk Management		3.718	3.851	2.848	3.229	2.811	3.711



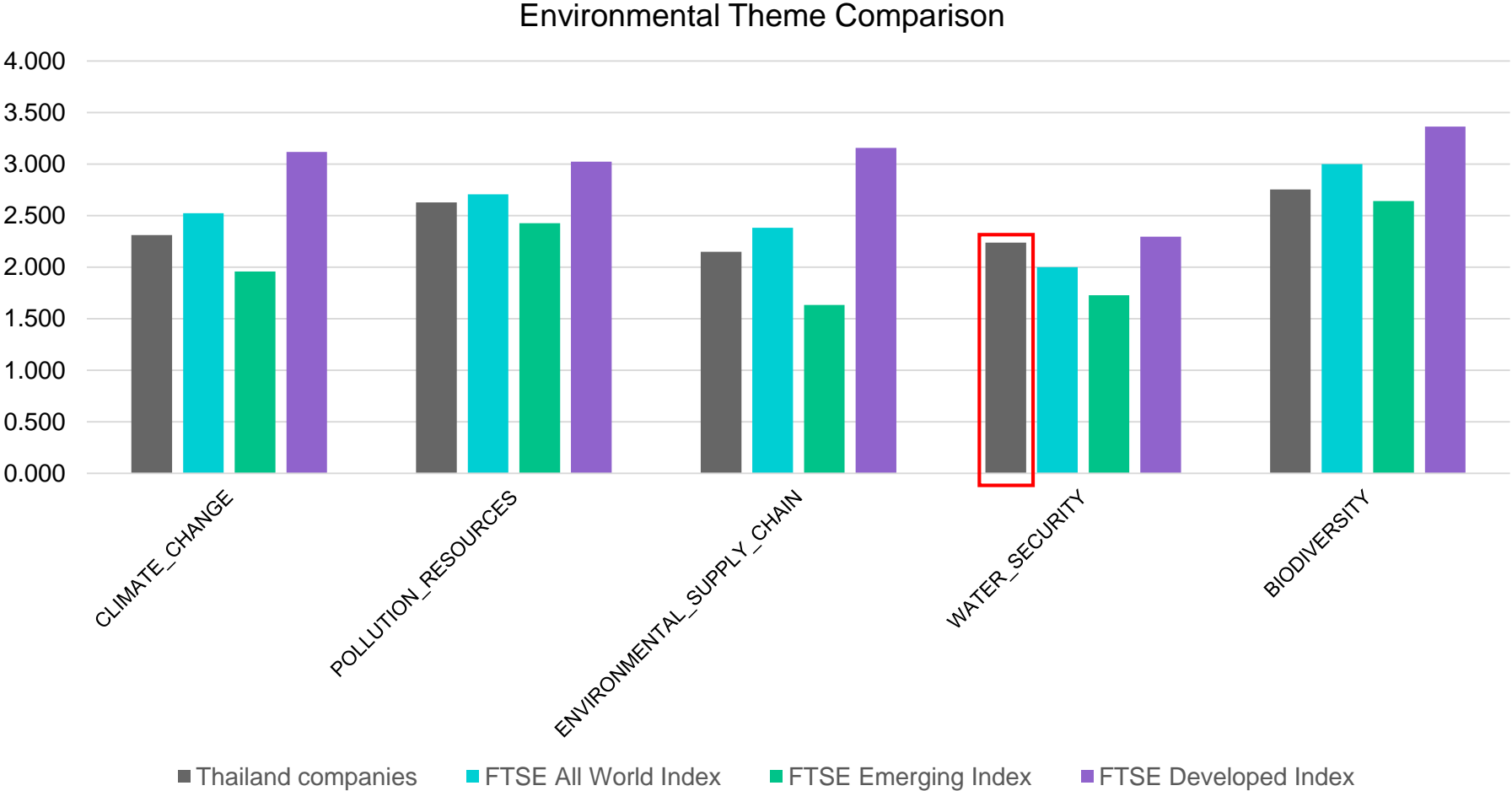
# Environmental Theme Score comparison: Thailand vs Similar Economies

- Thailand is the **top performer for Biodiversity** (it is the only one out of the 3 countries with a high materiality impact for this theme).
- Thailand **outperformed Malaysia and underperformed against Taiwan** (except for Biodiv) in all themes.



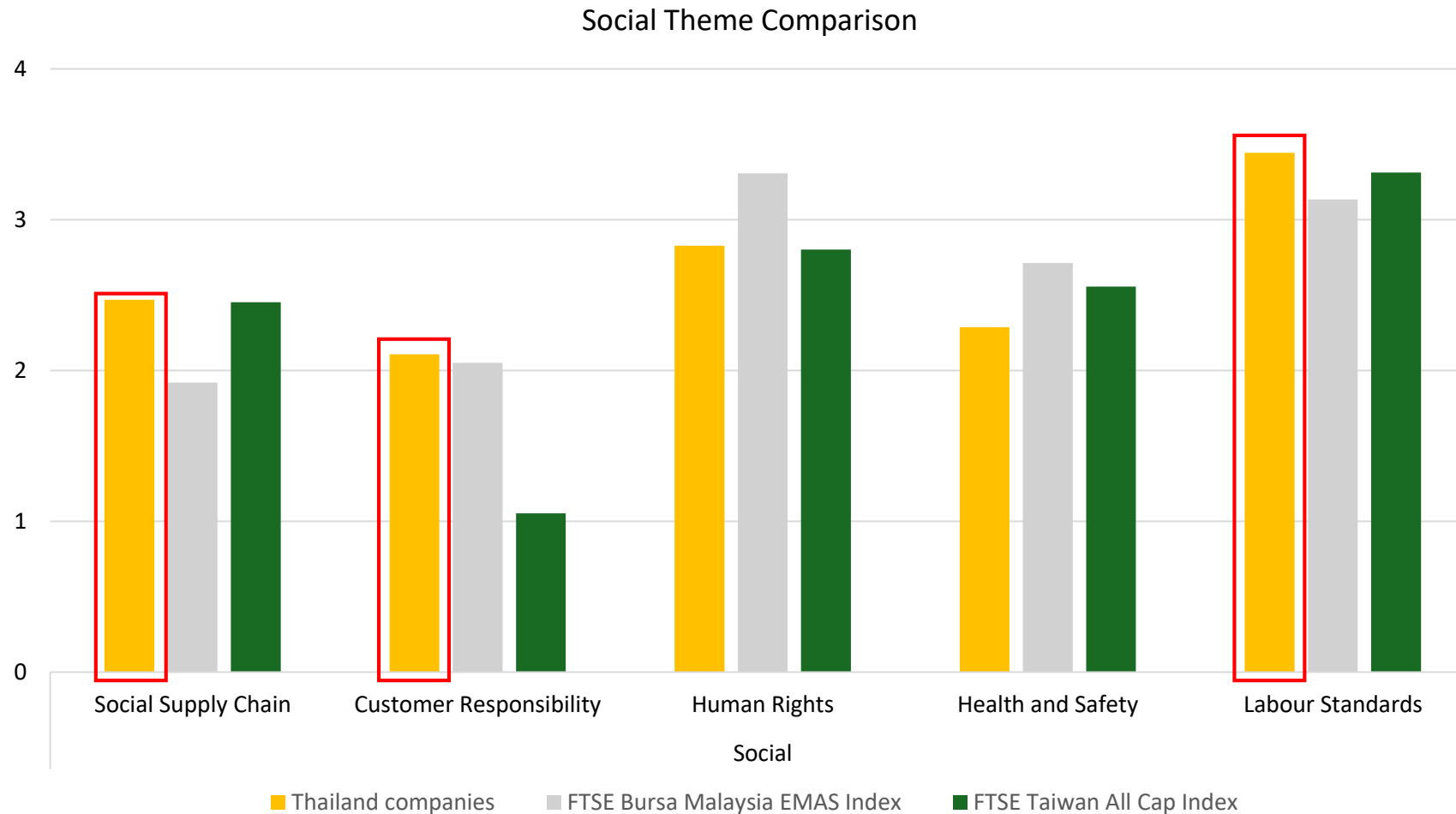
# Environmental Theme comparison: Thailand vs Global Economies

- Common trend: **outperforming the Emerging market, but underperforming against the Global and Developed markets.**
- **Thailand outperforms the Emerging market in all themes.**
- But Thailand **overperforms in Water Security** compared to FTSE All World Index.



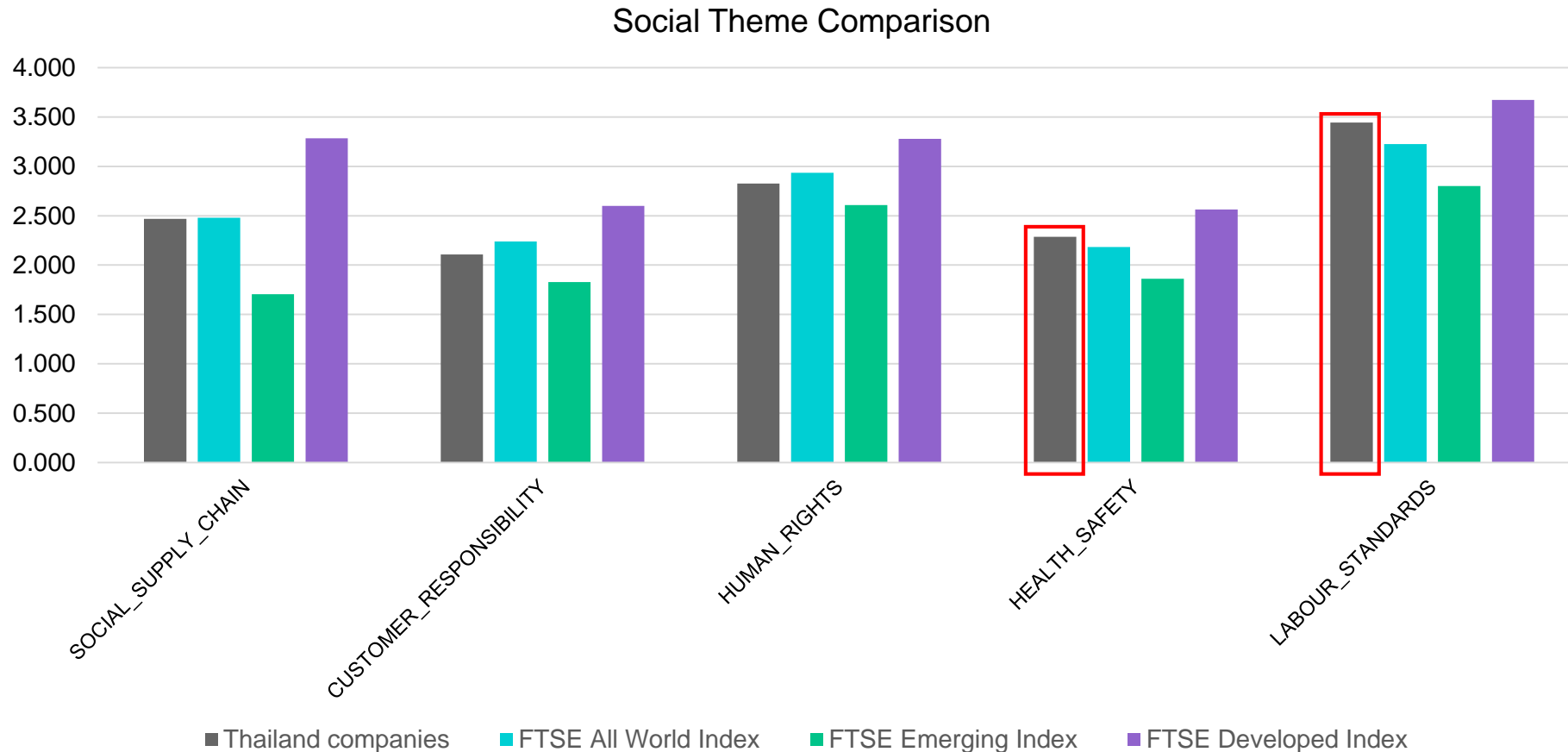
# Social Theme Score comparison: Thailand vs Similar Economies

- **Thailand outperforms Malaysia and Taiwan** in the Social Supply Chain, Customer Responsibility and Labour Standards themes.
- Thailand underperformed against Malaysia and/or Taiwan only in the Human Rights and Health and Safety theme.



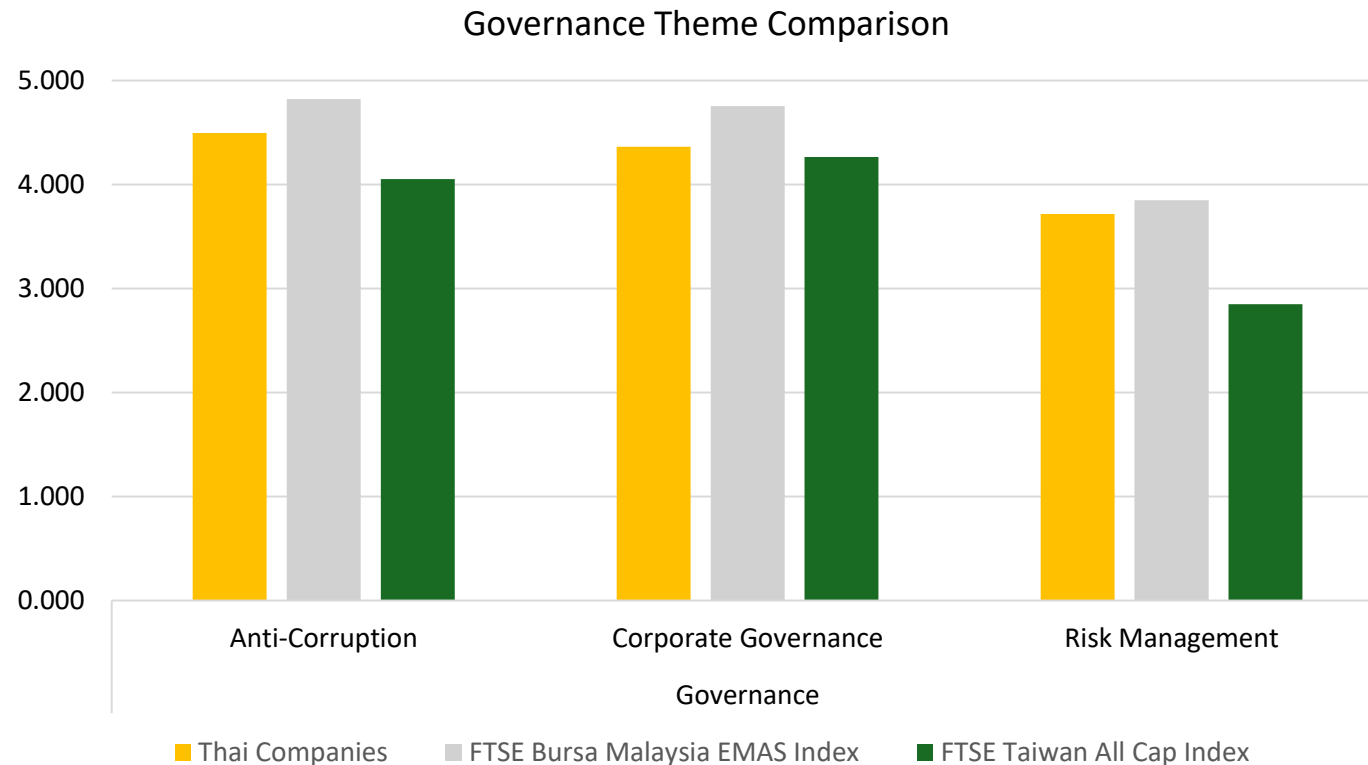
# Social Theme comparison: Thailand vs Global Economies

- Thai companies **outperformed** against the **FTSE All World and FTSE Emerging Index** in the **Labour Standards and Health and Safety** themes.
- In all other themes we find back the common trend: outperforming the Emerging market, but underperforming against the Global and Developed markets.



# Governance Theme Score comparison: Thailand vs Similar Economies

- Thailand had a strong performance for the all three Governance themes **scoring above 3.5**
- Thailand underperformed Malaysia but outperformed Taiwan in all Governance themes (reverse trend than for Environmental theme).

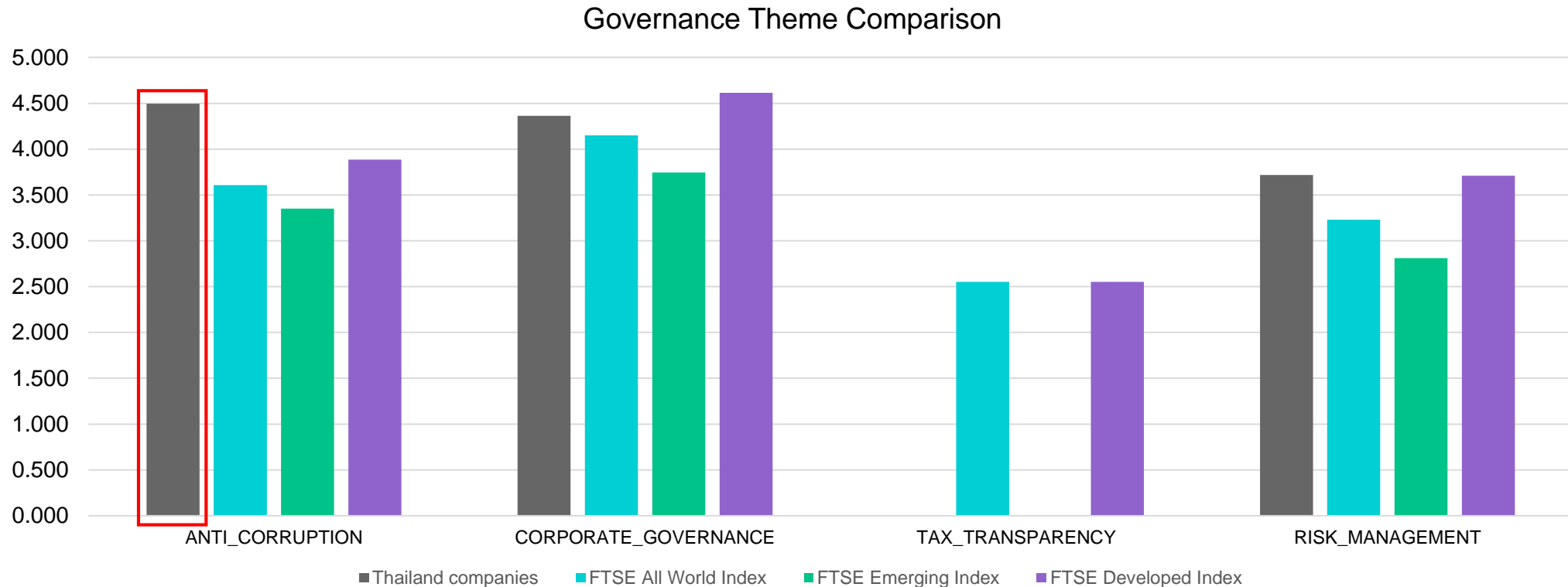


Note:

1. Since Thailand is classified as an emerging market country, the Tax Transparency Theme was excluded from the score calculation.
2. The Tax Transparency theme is applied to and included in ESG score calculations for:
  - All large-cap companies in developed markets
  - Any multinational mid-cap companies in developed markets

# Governance Theme comparison: Thailand vs Global Economies

- Thailand **outperformed global, developed and emerging economies** in the **Anti-Corruption** theme
- In all other themes: outperforming the Global and Emerging markets, but underperforming against the Global market.
- Note: Tax Transparency theme is not assessed for Thailand and FTSE Emerging Index.





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