



FTI Consulting Releases ASEAN Disclosure Index 2018

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Report Focuses on Board Quality, Risk Disclosure Standards in ASEAN Region

SINGAPORE, Sept. 27, 2018 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today announced the release of its [ASEAN Disclosure Index 2018](#), which tracks corporate disclosure practices amongst 180 publicly listed corporations in the ASEAN region: Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam.¹

FTI Consulting's latest *ASEAN Disclosure Index* reveals that companies in the region overall scored well on corporate disclosure, with an average Composite Disclosure score of 7.8 out of a maximum of 10 and an average Board Quality score of 3 out of a maximum of 4. However, many companies in the region could improve their risk disclosure standards, with an average Risk Disclosure score of 3.8 out of a maximum of 5 for all 180 companies.

FTI Consulting reviewed public information from the annual reports and corporate websites of 180 listed companies in the ASEAN region to create a weighted Composite Disclosure scoring system with 12 disclosure parameters and applied it to the FTSE ASEAN Stars Index to create the *ASEAN Disclosure Index 2018*. The 12 disclosure parameters were divided into three groups: Performance Disclosure (two parameters), Board Quality (five parameters) and Quality of Risk Disclosure (five parameters). The parameters were weighted to calculate the Composite Disclosure score for each company and then aggregated for all 180 companies.

ASEAN Disclosure Index 2018 Highlights:

- 24 of the 180 ASEAN companies (13%) are classified as corporate disclosure champions, with Composite Disclosure scores of 10/10. Eleven of these companies are from Malaysia, eight are from Thailand, three are from Singapore and three are from Indonesia. Ten out of the 24 companies are from the Banking/Financial Services sector, and four are from the Telecom/Tech sector.

Board Quality Scores:

- 45 out of the 180 companies (25%) do not have any female board members.
- Only 49 (27%) of the 180 ASEAN-listed companies provide third-party board evaluations, though most provide self-evaluations.
- Between the six jurisdictions, Malaysian companies have the highest average Board Quality score of 3.5/4, followed by Singapore and Thailand at 3.2/4, Indonesia at 3/4, the Philippines at 2.9/4, and Vietnam at 2.5/4.
- Aggregated by industry, Telecom/Tech companies have the highest average Board Quality score at 3.5/4, followed by Banks/Financial Services and Healthcare/Pharma companies at 3.2/4, Energy/Utilities at 3.1/4, and Real Estate/Construction companies and Food/Consumer Goods companies at 2.8/4.
- In terms of gender diversity at the board level (i.e., at least one female director), Malaysian companies scored the highest (29 of 30 companies had at least one female director), followed by Thai companies (24 of 30 companies had at least one female director). Across the Philippines, Vietnam and Singapore, 21 of 30 companies in each country have at least one female director on their board. Indonesian companies are the weakest on this disclosure parameter, with only 19 of 30 companies having at least one female director.

Risk Disclosure Scores:

- 81 of the 180 ASEAN (45%) companies do not provide a convenient whistleblowing mechanism (phone number or email) on their website or in their annual report.
- 66 (37%) do not provide analyst transcripts or details of analyst engagements (even if investor presentations are available on the website).
- A majority of companies (74%) provide sustainability reports with international benchmarks (i.e., Global Reporting Initiative standards), but the remaining 26% (47 companies) do not.
- Between the six jurisdictions, Thai companies have the highest average Risk Disclosure score of 4.5/5, followed by Malaysian companies at 4.2/5 and Singaporean companies at 4.1/5. They are followed by companies in Indonesia and the Philippines at 3.9/5, and Vietnam at 1.9/5.
- Aggregated by sector, Telecom/Tech companies have the highest average Risk Disclosure score of 4.9/5, followed by Energy/Utilities at 4.6/5, and Healthcare/Pharma at 4.3/5. The Banking/Financial Services and Manufacturing/Industrial sectors have average Risk Disclosure scores of 3.5/5 and 3.4/5, respectively.

"The *ASEAN Disclosure Index* report shows that progress is being made in the region to raise corporate transparency and non-financial disclosure, but there is still room for improvement," said [Paul Downie](#), Chairman of Asia Pacific for the [Strategic Communications](#) segment at FTI Consulting. "These are increasingly important issues, bolstered further by the EU non-financial guidelines announced last year, and we are pleased to produce a report that will help improve the financial communications ecosystem in Asia."

Commenting on the *ASEAN Disclosure Index 2018*, [Amrit Singh Deo](#), a Managing Director in the [Strategic Communications](#) segment at FTI Consulting and author of the report, said, “Despite seemingly high aggregate Composite Disclosure scores in the region, there are significant differences on individual parameters between companies and jurisdictions. Directors and management teams should discuss higher standards of risk disclosure at board meetings, as global investors view high risk disclosure standards as an opportunity to earn a ‘transparency premium’.”

About the ASEAN Disclosure Index 2018

The *ASEAN Disclosure Index 2018* is a report of corporate disclosure by 180 listed companies in the ASEAN region as assessed on 12 publicly available information disclosure parameters. The full report and methodology 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 2017. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

¹ *Constituents of FTSE ASEAN Stars Index*

FTI Consulting, Inc.
555 12th Street NW
Washington, DC 20004
+1.202.312.9100

Investor Contact:

Mollie Hawkes
+1.617.747.1791
mollie.hawkes@fticonsulting.com

Media Contact:

Sarah Hartland-Mahon
+65 6831 7819
sarah.hartland-mahon@fticonsulting.com



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