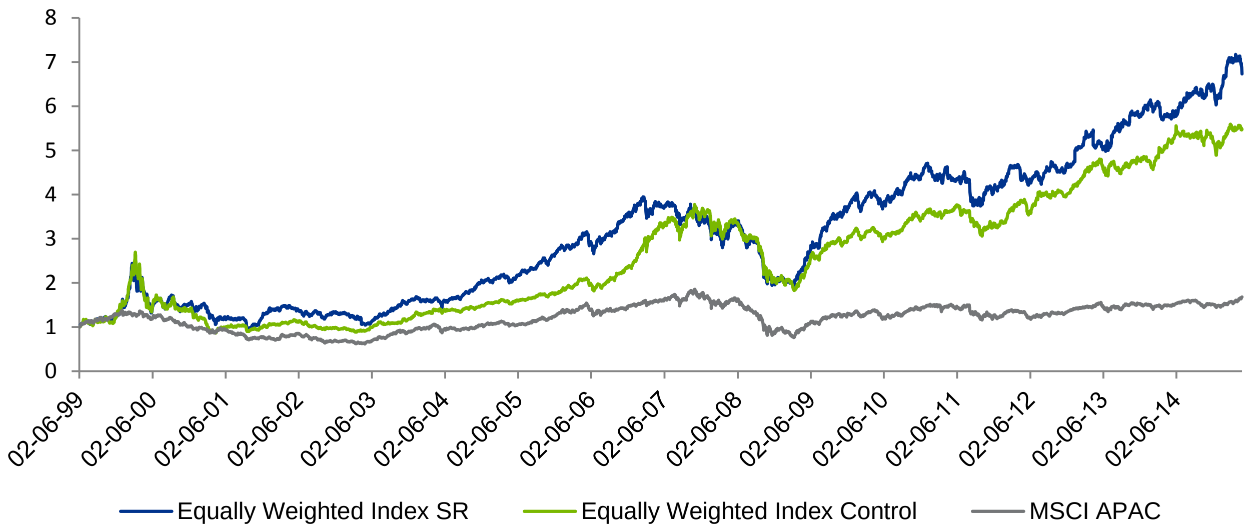
Value Creation
Sustainability Reporting

Sustainability reporting ("SR") is gaining traction due to an increasing demand for it by investors. This is due to the fact that it offers a more forward-looking and holistic perspective and provides them with greater clarity on the value creation prospects of businesses. This aids investors in their investment-making process as more of them are beginning to include sustainability indicators as a part of their evaluation criteria.

Based on a valuation study by KPMG in Singapore, it was found that Asian companies ranked by sustainability indices over the past 15 years yielded significantly higher returns[1] than similar companies (in terms of size, industry and region) that did not disclose sustainability indicators.

Higher shareholder returns for sustainability-focused companies in Asia Pacific

Equally Weighted Total Shareholder Return
($1 invested over 15 years)



Source: Extracted from "*Towards Better Business Reporting: Integrated Reporting and Value Creation",* KPMG Singapore 2015 Study with the National University of Singapore.
1: A risk-adjusted return analysis was conducted from 2006 to 2014, yielding constantly and statistically significantly higher returns in favour of the sustainability reporters.

With the Singapore Exchange's comply-or-explain sustainability reporting requirements due to be published in 2016, the barriers to sustainability reporting will be made level across all listed companies in Singapore. They crux will be for businesses to develop and communicate the business' risk mitigation strategies in areas that key stakeholders have identified as a source of concern regarding sustainability.

If you want to know more, contact:

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