

2 August 2023

**Welcome Address by Wong Su-Yen, Chair, Singapore Institute of Directors
Upholding ESG with Strong Governance**

Guest-of-Honour, Tan Boon Gin,

Distinguished guests, ladies and gentlemen,

Good morning and thank you all for joining us at the 2023 Singapore Governance and Transparency Forum.

I am delighted to welcome so many of you here today, as we celebrate excellence in corporate governance. Our heartfelt thanks to our Guest-of-Honour, Tan Boon Gin, CEO of SGX RegCo, for gracing this occasion, and for offering us the use of the SGX Auditorium.

Today as we gather here for the launch of the 2023 Singapore Governance and Transparency Index, I am struck by how the SGTI is an important marker of our progress.

Now in its 15th year, the index has tracked the corporate governance practices of Singapore-listed companies – when the predecessor Governance and Transparency Index was first launched.

Today, listcos have achieved an all-time high of 74.8.0 points, while real estate investment trusts and business trusts have attained a score of 89.3 points. This is the result of consistent efforts by companies to improve their disclosures and be accountable to their stakeholders.

Championing good governance

The SGTI represents a significant milestone in our journey towards promoting accountability, transparency and good governance within our nation and beyond.

Now, at the end of this month, the president of Stanford University Marc Tessier-Lavigne will be stepping down from his post after an independent review of his research found significant flaws in studies he supervised.

This is sobering news but why is it important?

While Dr Tessier-Lavigne was cleared of accusations of scientific fraud and misconduct, the review said his work “fell below customary standards of scientific rigour,” including insufficient steps to correct mistakes. And despite the review panel findings that there was no evidence of “fraud, fabrication or other intentional wrongdoing”, this highly-respected neuroscientist embraced responsibility.

Accountability serves as the bedrock of any successful organisation or society. It ensures that those in positions of leadership and responsibility are answerable for

their actions and decisions. Without accountability, there can be no trust, and without trust, progress and development are hindered. By being accountable, we establish a culture of responsibility that drives better decision-making and fosters public confidence.

Disclosures are the tools that facilitate accountability. When organisations disclose information openly and transparently, they provide stakeholders with a clear understanding of their activities, financial performance, and risks. Transparent disclosures empower investors, consumers and stakeholders to make informed decisions and hold entities accountable.

The SGTI plays a pivotal role in promoting these principles by benchmarking organisations based on their governance practices and transparency levels. By recognising and rewarding those who excel in these areas, we create a powerful incentive for companies and institutions to prioritise good governance.

Uplifting directorship

But let us remember that accountability and transparency go beyond mere compliance with regulations. They must be ingrained in the very fabric of our corporate culture and leadership. It requires a commitment to ethical behaviour and a dedication to the greater good. Leaders must not only be accountable for their successes but also for their failures and mistakes.

This is where we, as leaders of organisations, can make an impact.

The first step is to increase our understanding of the issues and build our knowledge and skillsets. Kudos to the efforts by SGX to push through mandatory training for directors on sustainability governance. The on-going consultation by ACRA and SGX on the recommendations of the Sustainability Reporting Advisory Committee to advance climate reporting in Singapore will be on the radar for many of us here.

To uplift the directorship profession and advance excellence in corporate governance, SID is launching its Accreditation Framework for directors to establish standards for director competencies. In providing directors with structured development pathways to acquire essential knowledge and skills, we seek to enable directors to stay relevant over time through continuous professional development and to also communicate director competencies to boards looking to appoint directors.

Sustainability governance, the theme of today's forum, is one of the eight competencies in the SID Director Competency Model on which the Accreditation pathway is based, along with corporate governance, director duties and practices, financial skillsets, risk management, strategy development, digital skillsets and human capital.

An effective director is one who understands the role and duties of a director and is able to adequately discharge them. SID's continuous learning pathways aim to equip leaders with essential knowledge, skills and attributes to be effective board directors.

Singapore Governance and Transparency Forum 2023

Just a few days ago, SID launched its flagship Board Readiness Programme for aspiring directors. The programme, which is aligned with the Director Competency Model, is designed to prepare senior executives and professionals for board directorship positions.

The inaugural cohort of our Board Readiness Programme is jointly curated by SID and Singapore Computer Society, and supported by IMDA to specifically prepare women professionals in the technology sector or have technology backgrounds for board roles. Through this initiative, we seek to address the dual issue of availability of board-ready women leaders and diversity of functional expertise on boards.

Good governance means having the right people, processes and structures in place so that the organisation can be well managed, taking into the interests of stakeholders.

Good governance and accountability are the bedrock of Singapore's success. They serve as catalysts for fostering investor confidence, attracting capital inflows and enabling sustainable growth. The improved SGTI scores are signs of a more resilient ecosystem as we collectively strive to move the needle to greater disclosures and sustainability reporting.

As we embark on this journey, let us be mindful that accountability and transparency are not one-time achievements but ongoing commitments. We must continuously strive to improve and hold ourselves to the highest standards.

The SGTI can serve as a catalyst for positive change, inspiring organisations to become more responsible and transparent. Let us build on this to drive progress, innovation and sustainable growth.

Thank you all for joining us today as we take this significant step forward in building a better, more accountable and transparent future. Together, we can create a world where trust and integrity hold sway, and where accountability leads us to new heights.

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