

‘This empirically and theoretically informed and contextually nuanced book deals with a highly topical issue in relation to corporations’ sustainability and ESG obligations. It interrogates the corporate laws of common law Asian countries in order to tease out how the sustainability agenda is affecting these corporate laws. The book is clearly structured for comparative study, thoughtful and comprehensive in treatment. This is a must-have companion to those studying the impact of sustainability issues on corporate laws of Western jurisdictions.’

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University College London Faculty of Laws

‘Ernest Lim has written a uniquely important and informative book on sustainability in Asia. It sets out the case for sustainability, and the way in which it can be effectively implemented, with exceptional clarity and insight. It will be an invaluable guide for those interested in the principles, practices and policies that should guide the adoption of sustainability in Asia.’

– Colin Mayer, CBE, FBA, Peter Moores Professor of Management Studies,  
Saïd Business School, University of Oxford, and Academic Lead,  
British Academy Future of the Corporation Programme

‘In this important contribution, Professor Ernest Lim shifts the academic debate about corporate sustainability from a focus on corporate actors and their behaviour to a focus on corporate governance and legal mechanisms. The book identifies six such mechanisms – sustainability reporting, board gender diversity, constituency directors, stewardship codes, director duties, and liability – and provides a comprehensive, clear and cogent analysis of their use in Hong Kong, India, Malaysia and Singapore. Professor Lim also draws broader lessons about these mechanisms for corporate governance, including the role of state-owned enterprises and controlling shareholders.’

– Frank Partnoy, Adrian A. Kragen Professor of Law,  
University of California, Berkeley, School of Law

‘The obligations of businesses to play a leading role in addressing our global climate crisis are increasingly pressing. Yet the scope and contours of those obligations remain ill defined. Professor Lim’s careful and thorough work brings precious clarity. His work will be helpful and enlightening to scholars, business leaders, governments and NGOs across Asia – and beyond.’

– Kent Greenfield, Professor of Law and Dean’s Distinguished  
Scholar, Boston College Law School

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## SUSTAINABILITY AND CORPORATE MECHANISMS IN ASIA

This is the first book to provide a comparative and critical analysis of why and how six corporate mechanisms – (1) sustainability reporting; (2) board gender diversity; (3) constituency directors; (4) stewardship codes; (5) directors’ duty to act in the company’s best interests; and (6) liability on companies, shareholders and directors – have been or can be used to promote sustainability in the four leading common law jurisdictions in Asia (Singapore, Hong Kong, India and Malaysia). A central challenge is whether and, if so, how the corporate mechanisms should be reconceptualised to promote sustainability in an environment that is characterised by controlling shareholders, particularly the government in state-owned enterprises. Because controlling shareholders are the norm for the majority of the world’s companies, and state-owned enterprises play a significant role, this book has important insights on the problems and prospects of advancing sustainability in concentrated and mixed ownership jurisdictions.

ERNEST LIM is an associate professor at the Faculty of Law, National University of Singapore. He obtained his doctorate from Oxford. He has published widely on corporate law and governance. He practised corporate and securities law in New York and Hong Kong prior to entering academia. He is the author of *A Case for Shareholders’ Fiduciary Duties in Common Law Asia* (Cambridge University Press 2019).

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*National University of Singapore*



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*For Domin and my brothers*

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## CONTENTS

<i>List of Figures</i>	page xv
<i>List of Tables</i>	xvi
<i>Acknowledgements</i>	xvii
<i>List of Abbreviations</i>	xviii

### **1 Introduction and Overview 1**

I Introduction	2
A Terminology	4
B Why Companies Should Pursue Sustainability	7
1 Strategic Reason	7
2 Ethical Reason	10
II Rationales and Motivations	11
A Significant, Recent Legal Developments in Common Law Asia	12
1 Sustainability Reporting	12
2 Gender Diversity on the Board of Directors	14
3 Constituency Directors	15
4 Stewardship Codes	16
5 Directors' Duty to Act in the Best Interests of the Company	17
B Common Law Asia Calls into Question Two Influential Theories	18
1 Legal Origins	18
2 Institutional Context	22
III Factors that Drive Sustainability in Common Law Asia	25
A Socio-economic Development Agendas of Governments	25
1 Singapore	25
2 Malaysia	27
3 India	29
4 Hong Kong	32

B	Rules of Stock Exchanges	33
C	Internationalisation of Companies	35
D	Rise of SRIs	36
IV	Problems and Effects	39
A	Conflicts of Interest between the Government's Roles as Both Shareholder and Regulator	41
B	Political Interference and Extractions of Private Benefits of Control	43
C	Two Qualifications	45
1	First Qualification: Public but Not Private Benefits of Control	46
2	Second Qualification: Protect and Promote the State's Legitimacy	46
V	Structure	50
<b>2</b>	<b>Sustainability Reporting</b>	<b>55</b>
I	Structure and Contents of Reporting Requirements	57
A	Structure	57
1	Comply or Explain	58
2	Mandatory	67
B	Contents	69
1	Materiality of ESG Factors	69
2	Indicators	73
3	India: BRRs and the CSR 2 Per Cent Spending Requirement	77
II	Qualitative Evaluation of Sustainability Reports	83
A	Effect of Corporate Characteristics	83
1	Singapore	83
2	Malaysia	84
3	India	85
B	Extent and Quality of Disclosures	86
1	Singapore and Malaysia	86
2	India	87
3	Hong Kong	88
C	Qualitative Evaluation of the Sustainability Reports in Common Law Asia	89
1	Hong Kong	92
2	Singapore	94
3	Malaysia	96
4	India	96

## CONTENTS

xi

III Suggested Reforms	97
A Oversight Mechanism	97
B Sanctions	99
<b>3 Board Gender Diversity</b>	<b>103</b>
I Rationales for Female Directors	104
A Enhances Corporate Governance	105
B Improves Firm Value	106
C Equality Justifications	108
1 Equality of Outcome	110
2 Equality of Resources and Opportunity	111
II Mechanisms to Promote Female Directors	115
A Quota Requirement	115
B Apply or Explain an Alternative	120
C A Combined Approach: Monitoring Disclosure and 'Name and Shame'	124
D Setting Targets	130
III State-Owned Enterprises	133
A Malaysia	134
B Singapore	135
C India	136
D Hong Kong	136
E SOEs with No Female Directors	137
F Connected to the Government	137
G Repeat Players	139
IV Conclusion	140
<b>4 Constituency Directors</b>	<b>142</b>
I German Co-determination	143
A Costs and Benefits	145
1 Costs	145
2 Benefits	149
B Adoption by Other Jurisdictions	152
1 Singapore	153
2 Malaysia	156
3 Hong Kong	159
4 India	161
II Indian CSR Board Committee	162
III Conclusion	168

<b>5 Stewardship Codes</b>	<b>170</b>
I Emergence of Stewardship Codes	172
II Stewardship Codes and Sustainability	175
A Rationales	175
1 Singapore	175
2 Malaysia	176
3 Hong Kong	180
B Contents	180
C Compliance Structure	183
D Scope	185
III Controlling Shareholders	188
A How the Code Reinforces the Power of Controlling Shareholders	188
B How Controlling Shareholders' Presence and Power Are Likely to Disincentivise Institutional Shareholders from Actively Engaging with the Company	189
1 Formal Power	189
2 Informal Power	193
C Conflicts of Interest between the Controlling Shareholder (or Its Company) and the Institutional Shareholders	194
IV Fiduciary Duties of Institutional Shareholders	196
A First Interpretation	196
B Second Interpretation	199
1 The First View	199
2 The Second View	202
C Third Interpretation	202
V Conclusion	204
<b>6 Directors' Duty to Act in the Best Interests of the Company</b>	<b>206</b>
I Shareholder Primacy, Stakeholder Value, and Long-Term Value and Viability	208
A Shareholder Primacy	208
B Stakeholder Value	212
C Long-Term Value and Viability	215

## CONTENTS

xiii

II	Evaluation of the Law in the Four Asian Jurisdictions	217
	A India	217
	B Hong Kong	220
	C Singapore	223
	D Malaysia	225
	E Lessons	226
III	Implications of Directors' Best Interest Duty for Corporate Governance Mechanisms	228
	A Sustainability Reporting	228
	B Stewardship Code	229
	C Constituency Directors	231
IV	Conclusion	232
<b>7</b>	<b>Liability of Companies, Shareholders and Directors</b>	<b>235</b>
	I Rationales for Limited Liability	237
	II Existing Exceptions to Limited Liability	242
	A Distinguishing Limited Liability and Separate Legal Personality	243
	B Piercing the Corporate Veil	246
	1 Singapore and Hong Kong	247
	2 Malaysia	249
	3 India	250
	C Breach of Duty of Care by Parent Companies	252
	III Proposed Exceptions to Limited Liability	261
	A Enterprise Liability	261
	B Liability on Shareholders of the Wrongdoing Company	264
	IV My Proposal	267
	A Imposing Liability on the Controlling Shareholder	267
	B Liability in Networks	274
	V Breach of Public Interest Legislations	277
	VI Conclusion	282
<b>8</b>	<b>Conclusion</b>	<b>284</b>

*Appendixes*

Appendix 1	External Assurance	289
Appendix 2	Top Fifty Listed Companies in Each of the Four Jurisdictions	302
Appendix 3	Qualitative Assessment of Sustainability Reports	310
Appendix 4	Good Examples of Diversity Policy Disclosure	360
Appendix 5	Proportion of Female Directors	365
	<i>Bibliography</i>	371
	<i>Index</i>	394

## FIGURES

- 3.1 Proportion of female directors in Singapore, Malaysia, India and Hong Kong (in %) (in the top fifty companies by market capitalisation) *page* 117
- 3.2 Proportion of female directors in Singapore, Malaysia, India and Hong Kong (in %) (among GLCs/SOEs in the top fifty companies by market capitalisation) 134
- 3.3 Proportion of female directors in Singapore, Malaysia, India and Hong Kong (in %) (among non-GLCs/SOEs in the top fifty companies by market capitalisation) 134
- A5.1 Proportion of female directors to male directors in Singapore, Malaysia, India and Hong Kong:
  - (a) Singapore 365
  - (b) Malaysia 365
  - (c) India 366
  - (d) Hong Kong 366
- A5.2 Proportion of female directors to male directors in the SOEs/GLCs in Singapore, Malaysia, India and Hong Kong:
  - (a) Singapore 367
  - (b) Malaysia 367
  - (c) India 367
  - (d) Hong Kong 368
- A5.3 Proportion of female directors to male directors in the non-SOEs/GLCs in Singapore, Malaysia, India and Hong Kong:
  - (a) Singapore 369
  - (b) Malaysia 369
  - (c) India 370
  - (d) Hong Kong 370

TABLES

2.1	Extract from the BRR of Tata Consultancy Ltd	<i>page 79</i>
5.1	Country distribution and summary statistics	192



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I have endeavoured to state the law as it was known to me as of 1 July 2019.

## ABBREVIATIONS

1MDB	1Malaysia Development Berhad
AUM	assets under management
BRR	business responsibility report
CBD	Council for Board Diversity
CEO	chief executive officer
CPSE	central public sector enterprise
CSR	corporate social responsibility
DAC	Diversity Action Committee
EES	economic, environmental and social
ESG	environmental, social and governance
EU	European Union
GLC	government-linked company
GRI-G4	Global Report Initiative Guidelines
HK CO	Hong Kong Companies Ordinance (Chapter 622)
HKEX LR	Hong Kong Stock Exchange Listing Rule
HKPRO	Hong Kong Principles of Responsible Ownership
HKSAR	Hong Kong Special Administrative Region
IN CA	India Companies Act 2013
IPO	initial public offering
KPI	key performance indicators
MCA	Ministry of Corporate Affairs, India
MCCG	Malaysian Code on Corporate Governance
MCII	Malaysian Code for Institutional Investors
MNC	multinational corporation
MSC	Malaysia Securities Commission
MSWG	Minority Shareholders Watch Group
MY CA	Malaysia Companies Act 2016 (Act 777)
NEP	New Economic Policy
NGO	non-government organisation
NTUC	National Trade Union Congress
PRC	People's Republic of China
PRI	Principles of Responsible Investments
PSU	public sector undertaking

## LIST OF ABBREVIATIONS

xix

R&D	research and development
SASAC	State-Owned Assets Supervision and Administration Commission
SEBI	Securities and Exchange Board of India
SEHK	Stock Exchange of Hong Kong
SG CA	Singapore Companies Act (Chapter 50) Revised edn 2006
SGX LR	Singapore Exchange Listing Rule
SOE	state-owned enterprise
SPFB	Stewardship Principles for Family Businesses
SRI	socially responsible investments
SSP	Singapore Stewardship Principles for Responsible Investors
UK	United Kingdom
UN	United Nations
UOB	United Overseas Bank Limited
US	United States

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