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Are ASEAN Companies Ready for the EU's CSDDD?

A CSDDD Readiness Assessment of Listed Companies in Singapore, Malaysia, Indonesia, and Thailand

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Project Introduction & Objective

The EU Corporate Sustainability Due Diligence Directive (CSDDD, Directive (EU) 2024/1760) imposes binding human rights and environmental due diligence obligations on large EU companies — and through their supply chains, on the ASEAN exporters that serve them.

This project assesses how prepared listed ASEAN companies are to meet these obligations. We evaluate 138 listed companies across Singapore, Malaysia, Indonesia, and Thailand, covering five high-EU exposure sectors in each market. A bespoke 12-indicator CSDDD Readiness Scorecard (max score: 36) is applied based on company disclosures in FY2023/2024.

Our Objectives

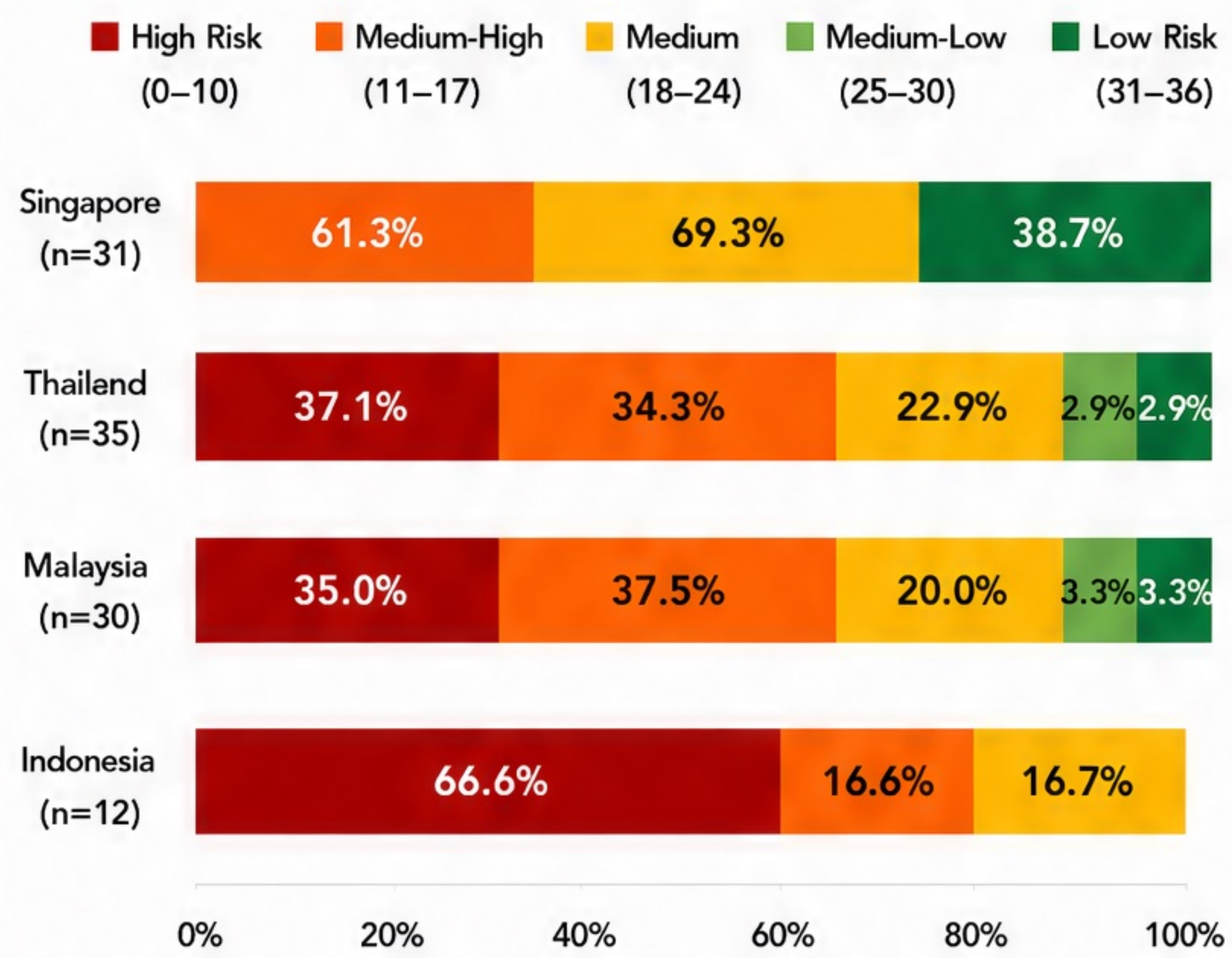
- Translate the CSDDD legal obligations into a measurable company-level scorecard.
- Assess the actual readiness of ASEAN companies across five markets and five key sectors.
- Identify key gaps and provide sector-level action agenda and policy recommendations.

I. ASEAN Readiness at a Glance

Key Takeaways

- Singapore is the only market with a meaningful Low-Risk cohort.
- Indonesia remains the highest-risk market.
- Commercial exposure to EU buyers matters more than company size.
- Operational due diligence is the weakest dimension across all markets.

Risk Distribution by Country



Average CSDDD Readiness Score /36

Singapore	Thailand	Malaysia	Indonesia
27.51	15.37	14.26	10.44
Medium-Low Risk	Medium-High Risk	Medium-High Risk	High Risk

II. Overall Indicator Performance (ASEAN Average)

Dimension (OECD Step)	Indicator	Avg Score / 4	Key Insight
Governance (Step 0)	G1. POL & Overs. Integration	1.61	Policies and oversight systems broadly in place
	G2. Board Accountability & Oversight	1.22	
Assessment (Step 1)	A1. Double Materiality Assessment	1.01	Impact materiality weak; variable depth of visibility remains
	A2. Supply Chain Traceability	1.14	
Prevention (Step 2)	P1. Prevention Action Plans & Contractual Controls	1.32	Prevention plans in place but uneven implementation
	P2. Supplier Verification & Independent Audits	1.12	
Tracking (Step 3)	M1. Monitoring (Effectiveness & KPIs)	1.26	Monitoring systems developing
Communication (Step 4)	M2. Public Communication & Transparency	1.52	Disclosure ahead of requirements
Remediation (Step 5)	R1. Grievance Mechanisms (Access)	1.29	Weakest area across all markets
	R2. Remediation Outcomes (Substantiated Remedy)	0.57	
Climate Change (Art. 22)	E1. GHG Emission Disclosure	1.54	GHG disclosure improving; scenario planning & targets insufficient
	E2. 1.5°C Transition Plan & CapEx Allocation	0.87	

III. Country Performance Snapshot

Country	Average Score /36	Risk Tier	Key Strengths	Key Weaknesses
Singapore	27.51	Medium-Low Risk	• Strong governance & disclosure • Advanced monitoring • Higher Low-Risk segment	• Supplier traceability • Remediation outcomes • Scope 3
Thailand	15.37	Medium-High Risk	• Proactive POL update • Active engagement • Good progress on GHG	• Size & low awareness • Traceability • Remediation depth
Malaysia	14.26	Medium-High Risk	• Strong policies (POL, Plan) • Disclosure steadily improving	• Implementation depth • Remediation & G2 • Scope 3
Indonesia	10.44	High Risk	• Large companies (PLANT, bank) lead the way	• Weak awareness baseline • Traceability & remedy • Monitoring

Key Finding: Commercial exposure to EU buyers is the strongest predictor of readiness — not company size or nationality.

IV. Sector-Level Insights (Top EU-Exposed Sectors)

Sector	Highest Performers (Score /36)	Lowest Performers (Score /36)	Key Gap
Palm & Oils (= Palm Oil)	United Plantations (MY) 34 / 36	PT PAM Mineral (IDN) 0 / 36	Traceability (A2) Remediation (R2)
Ores & Minerals	Mitra Nickel (IDN) 24 / 36	PT PAM Mineral (IDN) 0 / 36	ESG disclosure late & due diligence
Rubber	Sri Trang (THA) 19 / 36	Joe Holding Berhad (MYS) 0 / 36	EUDR readiness & traceability
Electrical Machinery	Delta Electronics (THA) 29 / 36	PNE PCB Berhad (MYS) 3 / 36	Supplier audits & remediation
Food Industries (Animal Feed)	Thai Union Feedmill (THA) 31 / 36	LEE FEED MILL PCL (THA) 0 / 36	Supplier oversight & climate plans

V. Key Recommendations

1. For Companies
- Strengthen stepwise traceability
- Build effective grievance and remedy systems
- Develop and disclose 1.5°C transition plans

2. For Policymakers
- Align with EU approach and dekstop guidance
- Build sector tools & capacity
- Improve access to data, finance and technical tools

3. For Investors
- Integrate CSDDD-readiness into investment analysis
- Engage portfolio companies on due diligence gaps
- Support leaders and drive market transition

4. For EU Buyers
- Cascade due diligence require-ments
- Support supplier capability building
- Collaborate on traceability and remediation

5. Policy Recommendation
- Make due diligence a value chain
- Set clear COM (risk-based)
- Provide Article 22 guidance
- Investing in SME readiness ecosystem

Building resilient supply chains through due diligence, transparency, and collaboration.