

Comment on the consultation paper
by Government Pension Fund, Thailand

We find your ethical guidelines important to investment quality and ESG (environment, social and governance) factors beneficial to global sustainability. We see both exclusion and engagement approaches help stipulate social and economic development in a larger scale.

An explicit degree of tolerance may help improve coordination between the Bank and the Council, such as 0% or 5% limit for sales of alcohol. This would set a border line for exclusion and engagement activities and make it clear to targeted companies.

We strongly support your idea of incorporating ESG factors into other asset class investments, i.e. fixed income, real estate, private equity and especially hedge fund where transparency and disclosure are skeptical.

Last but not least, it is important to protect your reputation risk. The guideline should spell out the assumption that there may be some companies in the portfolio featuring ethical violations and tips from the public are welcome and helpful.