

Sustainability Report

2020



EUROPEAN CHAMBER OF
COMMERCE (SINGAPORE)



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EXECUTIVE SUMMARY

This survey conducted by the European Chamber of Commerce (Singapore) surveyed one hundred senior leaders in European organisations based in Singapore to assess their initiatives in the sustainability area and to have a better understanding of their sustainability strategies.

The report highlights the impact of these initiatives and strategies in Singapore and in the region, and exposes some of the key challenges that were encountered. Opportunities are also clearly identified in this report.

The intention of this survey is to raise awareness in the sustainability area and to close the gap between companies' needs and government support programmes.

The most pressing elements driving sustainability in the organisations were identified as reputation along with competitive advantage and new trends. However, organisations are experiencing a clear barrier as costumers seem less willing to pay a premium for sustainable items. It is apparent how quickly corporate actions and policies have shifted. Still, too many other business priorities are roadblocks for a swifter evolution.

When it comes to sustainability in Singapore, almost all respondents pointed out a need for an elevated education system to upgrade the understanding and awareness of sustainability practices. They also indicated a demand for more government incentives as well as the establishment of a ecosystem of sustainability to simplify the way forward in this journey. This ecosystem should embed collaborations between companies and stakeholders to create a platform for sharing ideas and best practices to stimulate the creation of successful solutions.



INTRODUCTION

A rapidly changing climate represents a potent, unprecedented, and irreversible threat to habitats, societies, and economies around the globe. In 2015, almost 200 leaders signed the Paris Climate Agreement, committing countries to transition to a lower carbon economy and limit the global average temperature rise to 2 degrees Celsius above pre-industrial times.

The European Green Deal, established by the European Commission in 2020, as well as Singapore's Sustainability Concept Plan show the importance of the topic of Sustainability for both jurisdictions. The European Chamber of Commerce (Singapore) has similarly embraced the topic of Sustainability as the main focus of its activities.

It is an ambitious project in line with the commitments and aspirations of Singapore, towards the 2015 Paris Agreement. It also has the goal of showing the degree of involvement of European companies in the Sustainability area.

The focus is on 5 key strategic topics mutually shared by the EU Commission and Singapore's Sustainability Concept Plan, which are: Circular Economy, Clean Energy, Smart Mobility, Green Finance, Sustainable Food.

Through the conducting of this survey, the European Chamber of Commerce (Singapore) has the ambition of highlighting the sustainability initiatives, challenges, and opportunities in Singapore and the region.

All respondents to this survey have our deep appreciation and gratitude for their valuable contributions and inputs in this survey: we cannot neglect to mention the openness and transparency of the respondents of this survey, made up of more than a hundred senior managers of European companies ranging from SME to MNCs who have shared their views with us and identified potential challenges for the future.

Alongside this initiative, EuroCham is also organising an ongoing series of sharing sessions - known as "European Excellence in Sustainability Sharing Sessions". This is another opportunity for our members to expose their sustainability best practices and to start a dialogue between private entities, non-profits, government, and academia. Only by involving all existing actors, are we able to tackle the enormous challenge that we face.

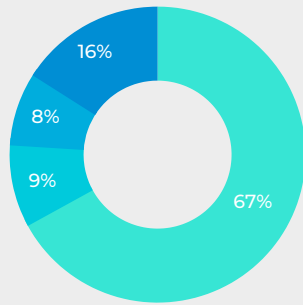
RESPONDENT DEMOGRAPHICS

COMPANY SIZE

LESS THAN 20 EMPLOYEES

BETWEEN 20-100 EMPLOYEES

BETWEEN 100-1000 EMPLOYEES



ABOVE 1000 EMPLOYEES

For this study, 100 European companies in the Singapore region were surveyed.

Large organisations dominated the sample with 67% of those surveyed working at companies with more than 1000 employees.

16% of the companies reported having fewer than 20 employees, 8% having between 20-100 employees, 9% from 100 up to 1000 employees.

POSITION IN THE COMPANY

SENIOR MANAGER
58%

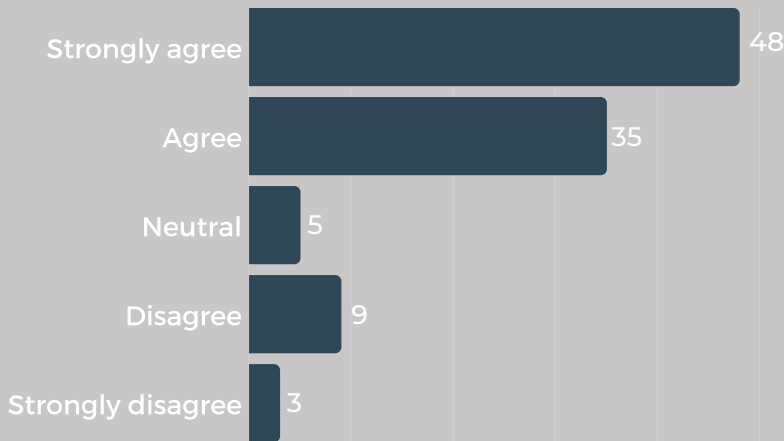


EXECUTIVE
30%

LINE MANAGER
12%

The majority of respondents hold positions within senior management, with 58% senior managers, 30% executives, and the smallest group being line managers at 12% of the respondents. This provides an indication of credibility of our respondents as experienced professionals.

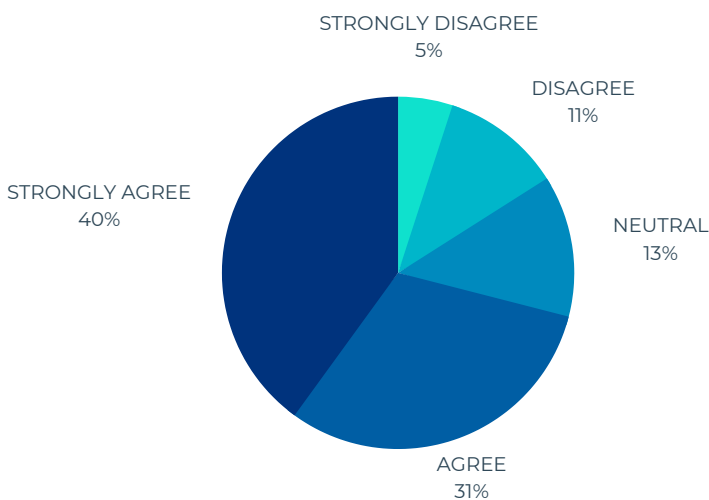
HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION HAS A COHERENT PLAN ON SUSTAINABILITY"?



83% of our participants agree that their organisations have coherent plans on sustainability, showing that most companies do have some level of plan towards their sustainability actions.

Only 12% saw their companies as not having a coherent plan.

HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION HAS IMPLEMENTED SUSTAINABILITY REPORTING"?

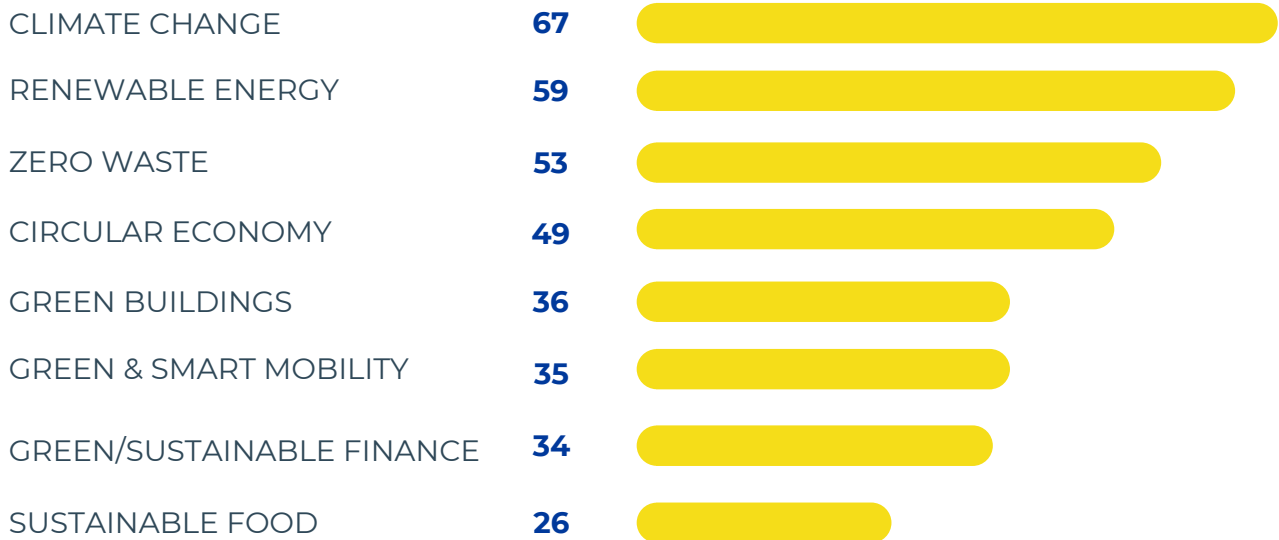


A large majority of 71% agree that their organisation has implemented sustainability reporting. This shows convergence towards organisations adopting sustainability reporting practices in the region.

16% disagreed with the statement, so some organisations have not yet moved towards reporting on their sustainability.

SUSTAINABILITY IMPACT

IN YOUR OPINION, WHICH SUSTAINABILITY AREAS ARE SIGNIFICANT FOR YOUR INDUSTRY/BUSINESS?



Climate change has shown to be the area influencing most industries/businesses, with 67% reporting it as a significant area. Renewable energy and zero waste are clearly significant for over half of the businesses surveyed, with more specific areas such as sustainable finance and sustainable food only being of significance for only 34% and 26% of the respondents respectively.

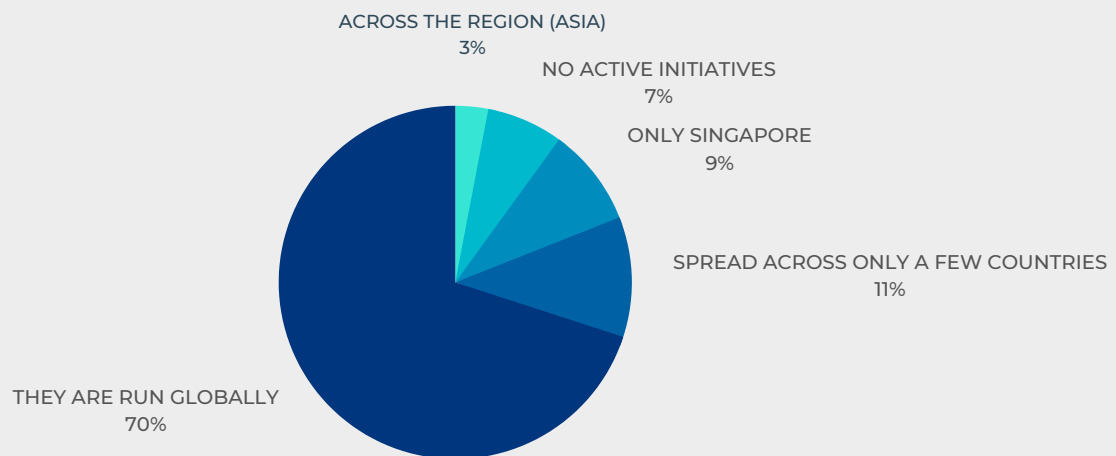
HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION IS A RECOGNISED GLOBAL LEADER IN SUSTAINABILITY PRACTICES"?



50% recognised their companies as global leaders within sustainability practices, exhibiting a strong positivity towards their employer's sustainability efforts. 1/3 of respondents neither agreed nor disagreed, and 1/5 actively disagreed with the statement that their organisations are global leaders within sustainability practices.

SUSTAINABILITY IMPACT

WHAT IS THE SPAN OF SUSTAINABILITY INITIATIVES IN YOUR COMPANY?

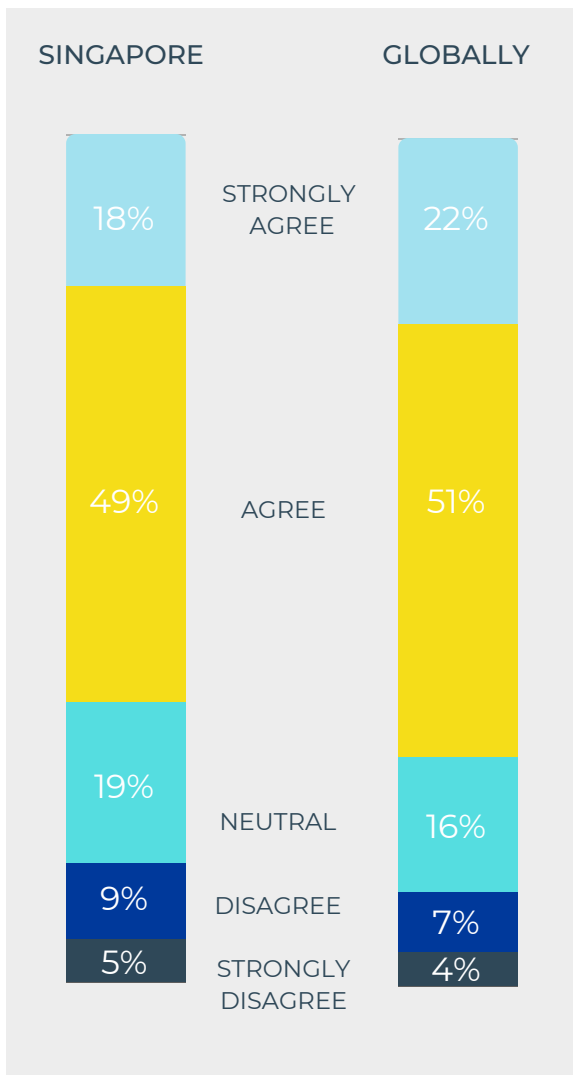


The majority of the organisations surveyed run their sustainability initiatives on a global scale. 11% having sustainability initiatives in selected countries and another 11% either in Asia or Singapore. 7% showed to have no sustainability initiatives.



SUSTAINABILITY IMPACT

HOW MUCH DO YOU AGREE WITH THE STATEMENT
"MY ORGANISATION HAS SUCCESSFULLY IMPLEMENTED SUSTAINABLE INITIATIVES
AND PRACTICES"?



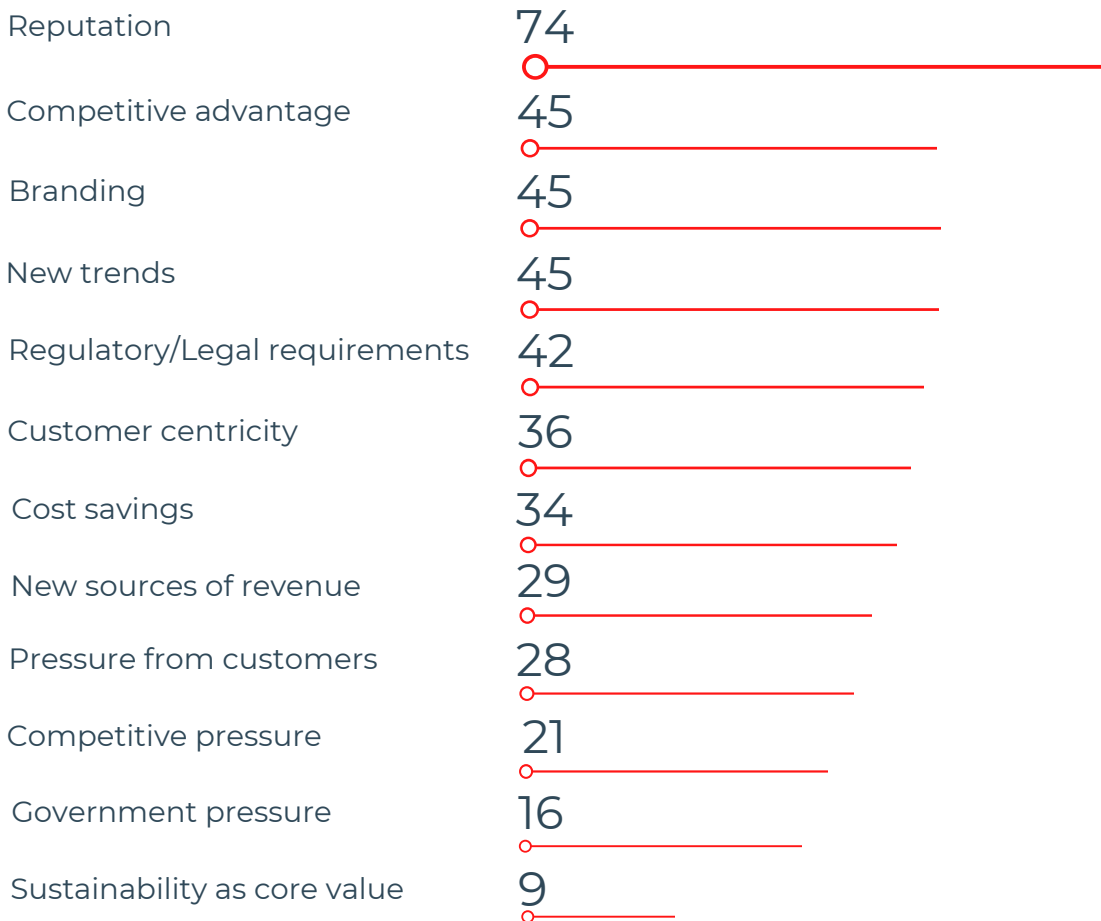
Despite not all of the companies having sustainability initiatives on a global scale, 73% of the respondents agreed or strongly agreed that their company successfully implementing sustainability practices on a global scale. This is compared to 67% in Singapore, showing an overlaying sense of positivity concerning the successfulness of implemented sustainability initiatives.

Almost 20% were neutral towards the sustainability initiatives their company has implemented in Singapore, not seeing them as successful or unsuccessful, with 16% being neutral on the global initiatives.

On a Singaporean level, 14% saw the initiatives as unsuccessful, and 11% of the sustainability initiatives implemented on a global scale were seen as ineffective.

KEY CHALLENGES & SUCCESS FACTORS

WHAT ARE THE KEY DRIVERS OF SUSTAINABLE BUSINESS IN YOUR ORGANISATION?



An overwhelming 74% of respondents saw reputation as a key driver of sustainable business in their organisation. Other major drivers included competitive advantage, branding and new trends.

Fewer than 30% saw pressure from customers, governments or their own competition as a driver of sustainability. Hence, many did not see the pressure as extrinsically, but rather coming from inside the organisation.

Only 9% of respondents added that sustainability was not an option but rather an essential and had become a core value or mission within the organisation.

KEY CHALLENGES & SUCCESS FACTORS

WHAT ARE THE KEY BARRIERS TO SUSTAINABLE BUSINESS IN YOUR ORGANISATION?



In line with many companies not seeing customer pressure as a primary driver of sustainability, a major barrier to sustainability is the belief that customers are not ready to pay a premium for products and services that are more sustainable.

Companies also face too many business priorities like budget pressure that hinder their sustainability developments along with a lack of knowledge about sustainability and how to go about it.

KEY CHALLENGES & SUCCESS FACTORS

WHICH OF THE FOLLOWING ELEMENTS WILL BE KEY DRIVERS IN MEETING SUSTAINABILITY GOALS IN YOUR ORGANISATION?

CLEAR ROADMAP WITH WELL-DEFINED PRIORITIES	72%
INVOLVING CUSTOMERS IN THE JOURNEY	57%
GOVERNMENT INCENTIVES	42%
SUSTAINABILITY INCENTIVES COMING FROM HIGH POSITIONS	41%

ADDITIONAL ELEMENTS

- Profitability of green initiatives
- The right quantitative targets and KPI's
- Collaborations with stakeholders

A clear plan on how to become more sustainable and reach goals along with explicit priorities is seen as a key driver in meeting sustainability goals in the future for 72% of respondents.

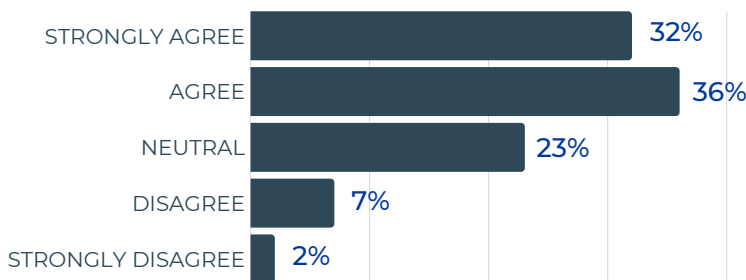
57% also saw customers as key to meeting sustainability goals.

Just over 40% highlighted the importance of incentives from both within and outside the firm to achieve sustainability goals from now on.



SUSTAINABLE BUSINESS ETHICS & CULTURE

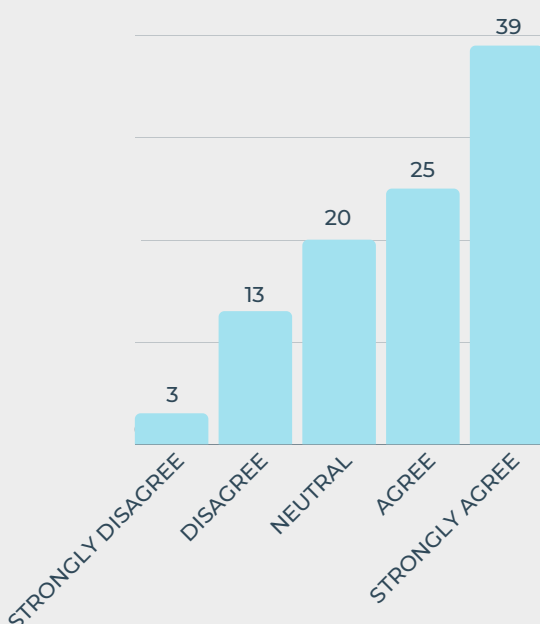
HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION HAS POLICIES TO MINIMISE ENERGY AND RESOURCE CONSUMPTION IN OUR INTERNAL OPERATIONS"?



Roughly 70% agreed or strongly agreed that their organisation has policies in place to minimise the consumption of resources within its internal operations.

Fewer than 10% disagreed, seeing their companies as not having initiatives in place to actively discourage energy and resource consumption within its operations.

HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION HAS ALIGNED OUR CORPORATE SOCIAL RESPONSIBILITY BUSINESS TARGETS WITH THE UN SUSTAINABLE DEVELOPMENT GOALS"

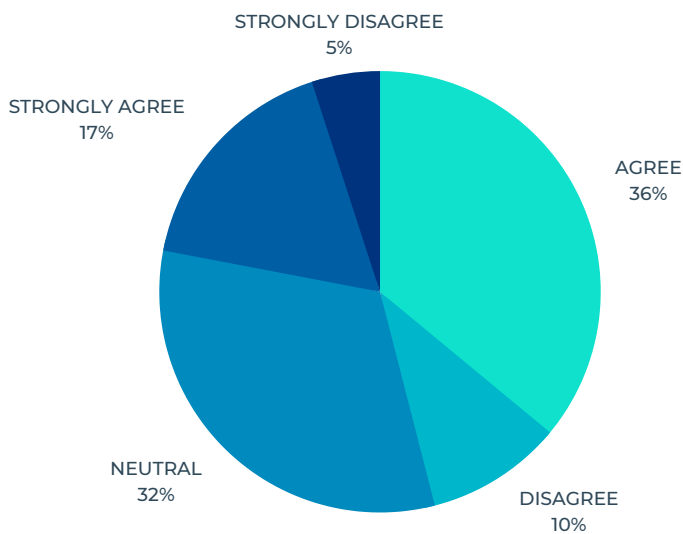


39% strongly agreed that their organisation has aligned CSR targets with the UN sustainable development goals, and 1/4 of respondents agreed, presumably that the UN development goals were taken into account to some degree.

16% actively disagreed or strongly disagreed, showing almost 1/5 of organisations not considering the UN sustainable development goals when developing their corporate responsibility business targets.

SUSTAINABLE BUSINESS ETHICS & CULTURE

HOW MUCH DO YOU AGREE WITH THE STATEMENT "MY ORGANISATION REQUIRES OUR SUPPLIERS TO HAVE SUSTAINABLE BUSINESS PRACTICES"?



17% of companies strongly agree that their organisation requires suppliers to have sustainable business practice. A further 36% agreed with the statement of having sustainable business requirements for their suppliers.

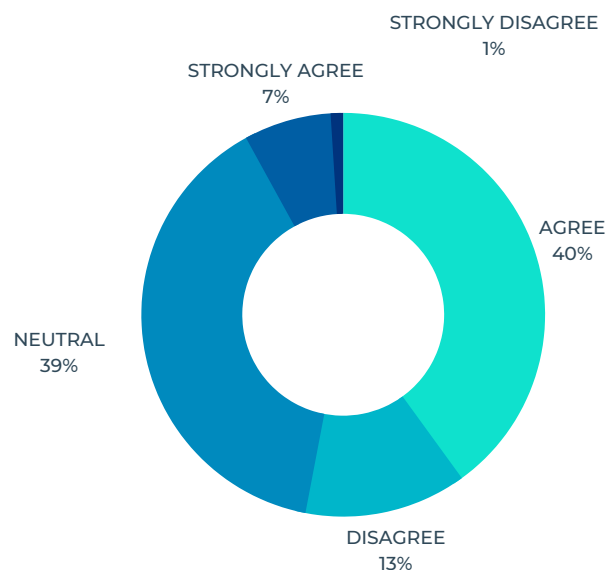
This shows over half of companies having an active pursuit of equitable suppliers.

15% of respondents indicated that their companies do not require their suppliers to have sustainable business practices.

HOW MUCH DO YOU AGREE WITH THE STATEMENT "CUSTOMERS OF MY ORGANISATION DEMAND THAT WE HAVE A SUSTAINABILITY POLICY"?

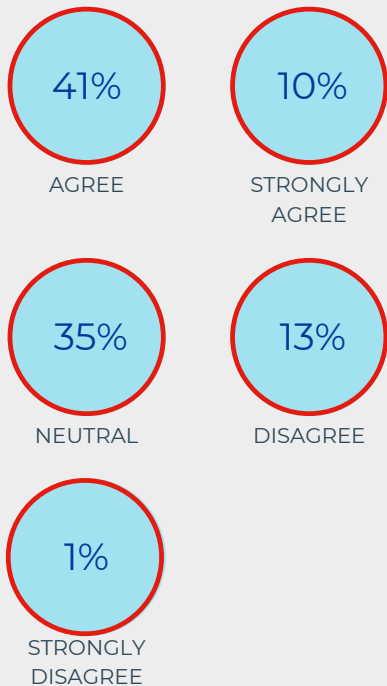
40% agree that their customers do have a demand for the company to have a sustainability policy, with 39% being neutral.

8% disagree, indicating that their customers do not demand a sustainability policy from the organisation.



SUSTAINABLE BUSINESS ETHICS & CULTURE

HOW MUCH DO YOU AGREE WITH THE STATEMENT
"EMPLOYEES IN MY ORGANISATION ASK THAT WE HAVE A SUSTAINABILITY POLICY"?

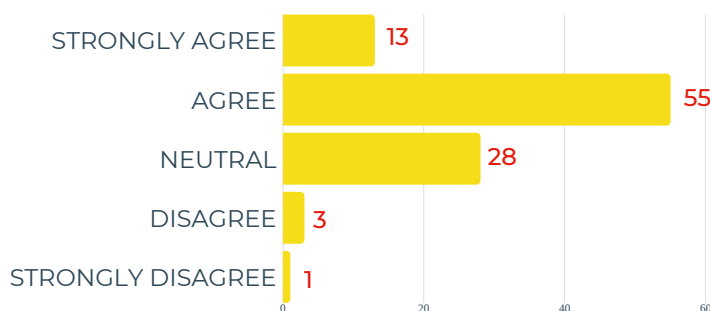


Roughly 1/2 of respondents agree that the employees within the organisation want the firm to have a policy on sustainability.

35% were neutral towards the statement, showing no opinion towards whether the employees actively ask the organisation to have a sustainability policy.

14% of those surveyed disagree, claiming that those working at the firm do not ask the company to take a stance with a sustainability policy.

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT "SINGAPORE PROVIDES BETTER BASIS TO ENGAGE IN SUSTAINABILITY THAN ITS REGIONAL COUNTERPARTS IN APAC".

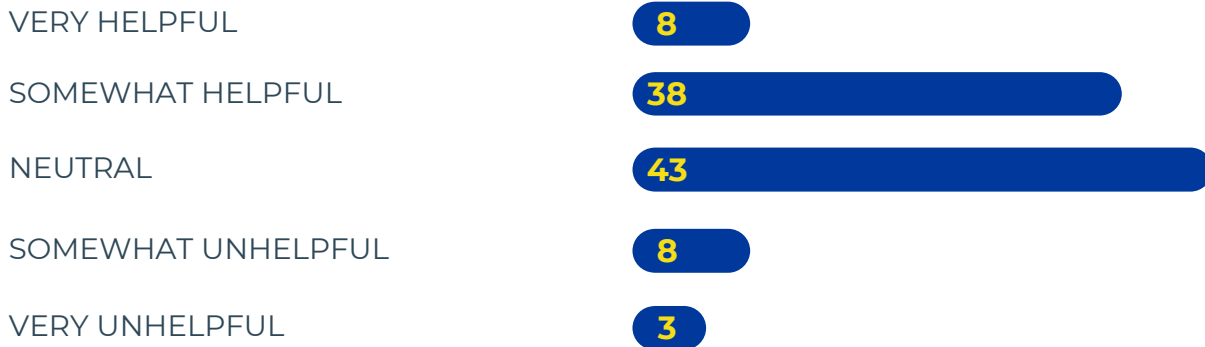


The prevailing opinion is that Singapore provides a better basis to engage in sustainability compared with other countries in APAC, with 68% agreeing or strongly agreeing with the statement.

4% disagree or strongly disagree with the statement.

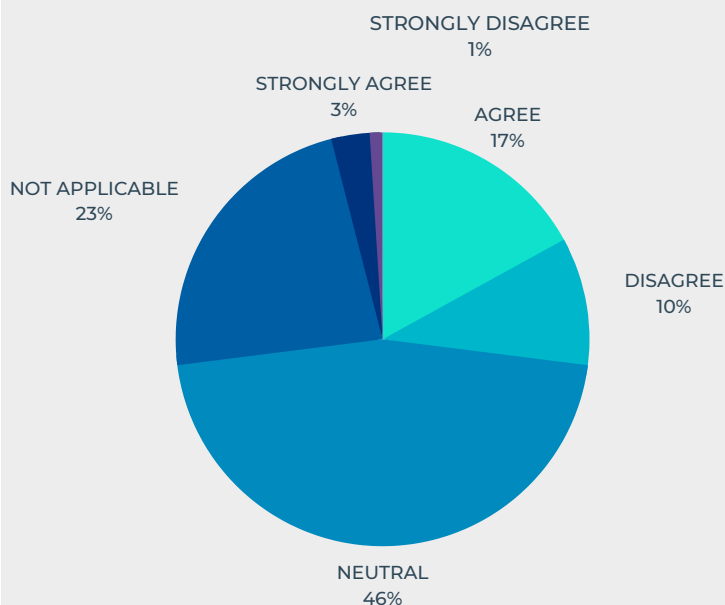
SUSTAINABILITY IN SINGAPORE

IN YOUR OPINION, HOW HELPFUL HAS THE DEVELOPMENT OF REGULATORY STRUCTURE FOR SUSTAINABILITY IN SINGAPORE BEEN?



While 46% finds the regulatory structure in Singapore for sustainability very helpful and somewhat helpful, the rest of the respondents are either neutral or found dissatisfaction in the development of regulatory structure for sustainability. This shows potential improvement possibilities and deserves further attention.

TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING STATEMENT "THE SINGAPORE EXCHANGE (SGX) MANDATORY SUSTAINABILITY REPORTING HELPED TO TRACK THE ADOPTION OF SUSTAINABILITY INITIATIVES IN MY COMPANY IN SINGAPORE"?



Only 20% of respondents agree that the mandatory sustainability reporting in place by the SGX helps track sustainability in their company.

Almost half, 46% are neutral towards the initiative, and a further 23% claim the mandatory sustainability reporting does not apply for their organisation

SUSTAINABILITY IN SINGAPORE

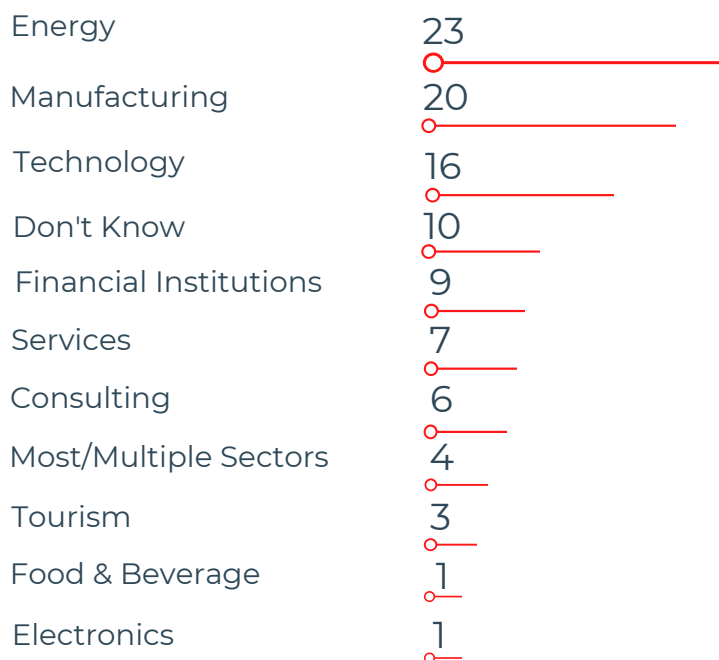
HOW MUCH DO YOU AGREE WITH THE STATEMENT, "THE EUROPEAN GREEN DEAL" WILL CREATE NEW BUSINESS MODELS AND OPPORTUNITIES IN SINGAPORE & SOUTH EAST ASIA?



The European Green Deal is seen to be creating new business models and opportunities in Singapore and South East Asia by 56% of respondents.

Only 3% does not see opportunities arising in the region from the European Green Deal.

IN WHICH SECTOR WILL "THE EUROPEAN GREEN DEAL" CREATE NEW BUSINESS MODELS AND OPPORTUNITIES?



The largest opportunities arising from the European Green Deal are seen within Energy, Manufacturing and Technology, but with 10% of respondents being unsure to where the new business models and opportunities will arise.

SUSTAINABILITY IN SINGAPORE

OF THE FOLLOWING ASPECTS, WHICH ONES COULD BE IMPROVED TO INDUCE COMPANIES TO ENGAGE IN MORE SUSTAINABILITY PROJECTS IN SINGAPORE?

GOVERNMENT INCENTIVES
& TAX INCENTIVES

69



SUSTAINABLE BUSINESS -
FRIENDLY ECOSYSTEM

56



REGULATORY FRAMEWORK

56



AVAILABILITY OF
COLLABORATIVE NETWORKS*

49



*(businesses, associations, organisations, communities)

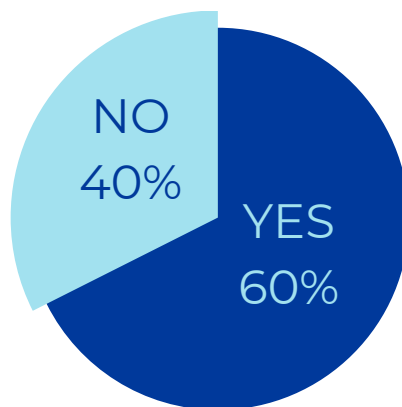
To encourage an increase in sustainability projects in Singapore, the largest group of 69% is in favour of increased incentives in terms of taxes and government initiatives.

56% also sees a need for an improved regulatory framework, as well as an entire ecosystem that is friendly towards sustainable business.



SUSTAINABILITY IN SINGAPORE

HAVE YOU HEARD ABOUT THE SINGAPORE ZERO WASTE MASTERPLAN?



IF YES, HOW RELEVANT IS THE SINGAPORE ZERO WASTE MASTERPLAN TO YOU?

Over 50% of those who had heard of the Zero Waste Masterplan see it as relevant or very relevant to their organisation.

12% does not see the Zero Waste Masterplan as applicable to them.

The remainder argue limited relevance.

Comments and suggestions from those aware of the Zero Waste masterplan included reservations against the functionality and feasibility of the plan.

“

"Low awareness will hinder adoption"

"Will require a long time to achieve"

"Needs to become more relevant for corporations"

"Needs to become more concrete and practical"

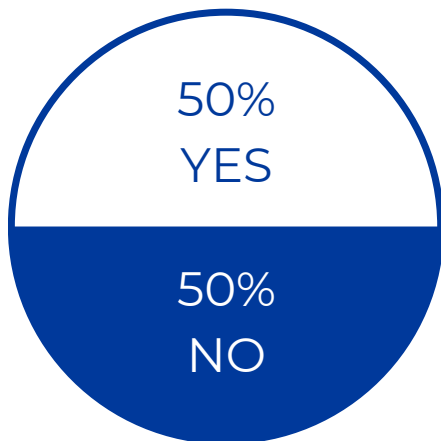
"Good intentions, although there have not been enough concrete actions"

"Seen as less relevant to organisations, but more geared towards individuals on a personal, consumer level"

”

SUSTAINABILITY IN SINGAPORE

HAVE YOU HEARD ABOUT THE SINGAPORE CARBON PRICING ACT?



Awareness of the Singapore Carbon Pricing Act is lower than that of the Zero Waste Masterplan, with a clear 50/50 split between respondents.

IF YES, HOW HAS YOUR COMPANY REACTED TO THE INTRODUCTION OF THE "SINGAPORE CARBON PRICING ACT"?

54%

Out of those who had heard of the Singapore Carbon Pricing act, more than half does either not see it as applicable to their organisation/industry or have not reacted to the act so far.

18%

18% of those aware, are very supportive and see the act as a good initiative. It is, however, unclear if there had been any action from the organisations in response to the act.

16%

Relatively few of the respondents reported company reactions, for example, in the form of increased demand, new product offerings brought to market and/or new business opportunities

Some respondents express uncertainty as to how the carbon pricing act will affect them, and whether the associated measures are enough to make a difference, rather than just push the costs forward.

EUROPEAN EXCELLENCE IN SUSTAINABILITY

BEST PRACTICES IN SUSTAINABILITY - WHAT OUR RESPONDENTS ARE DOING TO BE MORE SUSTAINABLE

At the end of our survey, we asked companies to share some of the most frequent sustainability practices that have been implemented in their companies.

Most of the companies have already implemented initiatives such as:

Going Paperless	LED Lights & Motion Sensors
Energy Saving	Limiting Waste
Solar Panels	Ban of Single Use Plastics
Water Treatment	Recycling

For others, who are already on the next phase of sustainability, they have committed globally through:

- UN Sustainable Development Goals
- Annual Reporting on Sustainability Targets
- Sustainability Scorecards
- Flight Reduction
- Green Investments
- Working Mostly With Companies Who Are Carbon Neutral.

Only 15 out of the 100 companies that have participated in the survey shared that there are still no sustainability practices implemented, but there are plans to do so.

These are very encouraging numbers, which are showing that even if not all companies are on the same stage of sustainability development, almost all of them are integrating sustainability in their current or future plans

BUSINESS RECOMMENDATIONS TO SINGAPORE

SUSTAINABILITY RECOMMENDATIONS FROM THE EUROPEAN BUSINESS COMMUNITY TO SINGAPORE

INCENTIVISE

Our respondents underline the importance of having the right incentives to encourage companies and individuals to behave more sustainably, ensure sustainability measures are adhered to and make it more meaningful for companies operating in Singapore to act sustainably.

- Recommendation**
- Provide tax incentives for environmentally friendly companies

AWARENESS & EDUCATION

The public mindset and awareness regarding sustainability and what to do about it, is crucial for its success. The firms highlight that information about sustainability and its importance needs to be spread wider in Singapore, both to the public and towards businesses.

- Recommendations**
- Educate the young in school about climate change
 - Create awareness for the general public on topics like usage of electricity and packing material waste

RESOURCES, PLASTICS & WASTE MANAGEMENT

Many of the respondents are disappointed in regards to the high levels of plastic usage in Singapore, paired with a lack of recycling for all materials and an overall waste management system that is lagging behind. A more responsible and holistic attitude towards resource consumption and wastage is needed in Singapore, whether that is packaging materials, energy, fuels or other resources.

- Recommendations**
- Remove single plastic usage
 - Promote hybrid and electric vehicles
 - Implement clean energy buildings, e.g. solar panels

BUSINESS RECOMMENDATIONS TO SINGAPORE

REGULATE

Our respondents believe regulation is key to promote and enforce sustainable behaviour. They suggest a better regulatory framework with clear policies and road maps to make sustainability initiatives more meaningful, rather than just "talk". Sustainability needs to be a priority, with the government leading by example. Legislation will not only ensure compliance, but also contribute to a wider sustainability-friendly business ecosystem, making it easier for companies to adhere.

Recommendations

- Regulatory structure could be better to help sustainability
- Tighten regulatory framework around circular economy and zero waste

COLLABORATION & COORDINATION

Stronger collaboration between governmental entities and organisations is seen as needed to accelerate and streamline the sustainability shift.

By coordinating the initiatives across areas, platforms and authorities firms can more easily work towards a common goal. Together with a sound regulatory framework, collaboration and coordination between entities will enable a sustainable business ecosystem for all.

Recommendation

- Create a sustainability-friendly ecosystem involving multiple actors

These are the focus areas where the companies feel the need to reinforce action from the government side. There are still a few takeaways that all of them have highlighted: there is an urgency; climate change and the environment damage will not adapt to our corporate or governmental agenda and we should act immediately and decisively.

If we want to tackle this enormous challenge, we have to work together. This is one of the most important elements; it does not start only with individuals, the government, the private entities, or the non-profits. It is all of us, together and that is why most of them have mentioned the need to create a sustainability-friendly ecosystem, where every actor contributes in a meaningful way.