



## Transcending boundaries: Lifting the game in sustainability reporting

By Christopher Ang, Executive Director Singapore Compact

2014 is quickly drawing to a close.

It is usually a time for people to reflect on the year that has passed, draw lessons from it so that they can improve themselves in the coming year. For sustainability practitioners, and advocacy evangelisers like myself, it is also an opportunity for us to review the year and look ahead at the trends so that we can chart a brighter future for our organisations and the communities we operate in.

Earlier this year, Oxfam released a briefing paper (URL: <http://www.oxfam.org/sites/www.oxfam.org/files/bp-working-for-few-political-capture-economic-inequality-200114-en.pdf>) with a staggering data: The richest 85 people in the world own more wealth than the bottom half of the entire global population. Indeed, corporations and individuals today hold a significant amount of wealth, and much of this wealth resides in Asia. There is much that corporations can do to push for the necessary changes that would bring about sustainability in the long term.

From our perspective at Singapore Compact, we believe these two sustainability issues would have significant impact on businesses in Singapore in the coming years.

- **Climate change and the Sustainable Singapore Blueprint:** The impact of climate change is increasingly seen in extreme weather events around the world, which brings with them loss of lives and properties and huge damages to investments. With Singapore ratifying the Doha Amendment to Climate Change in September 2014, the developments leading to the Paris Climate Change Summit in 2015 and the recently-unveiled Sustainable Singapore Blueprint 2015 (URL: <http://app.mewr.gov.sg/web/ssb/index.html>), corporations can work towards greater reduction of carbon emissions, more efficient use of resources, and waste management. More importantly, businesses can find new opportunities as the world looks for ways to cope with climate change. I believe there will be growth areas in the clean and green technology sector, which companies can tap on.
- **The importance of sustainability communications and reporting:** The 2014 Edelman Trust Barometer showed that at 58% of the global respondents to the survey say they trust in businesses. This has plateaued compared to 2013, but it remains higher than trust in governments. Businesses in general have 'recovered' from the crisis of trust following the financial meltdown in 2008. This is due in part to businesses demonstrating transparency and accountability in its supply chains and product quality.





KPMG's International Survey of Corporate Responsibility Reporting 2013 showed that over 71% of the 100 largest companies in 41 countries report their sustainability performance. Such communication of companies' sustainability efforts can help to build trust in corporations, which is immensely valuable in providing companies with the 'social license to operate'. The need for accountability is especially crucial for large corporations, with complex supply chains that will impact thousands of employees and subcontractors.

It is no wonder then that the Singapore Exchange (SGX) has announced an impending regulatory change, for all listed companies here to report sustainability. SGX's CEO Magnus Bocker, who shared the announcement at Singapore Compact's CSR Summit in October 2014, said that "this move to improve reporting of environmental and social aspects of sustainability through a comply-or-explain approach is meant to demonstrate the quality of our listed companies". Such transparency and accountability can lead to greater trust in the company, increase positive mind share among consumers and attract high quality and responsible investments. Singapore Compact applauds this move, and we look forward to encouraging and engaging companies in Singapore to communicate their sustainability initiatives and results through reporting.

In the larger context of ASEAN and the rest of Asia, as producers and suppliers of raw materials, sustainability in the supply chain would be of significant importance to companies. Many supply chain sustainability challenges such as sustainable agriculture, the use of natural capital like land and water, the treatment of migrant workers and indigenous populations and the fight against corruption, if managed well, would reduce business risks for companies, lower business costs and lead to healthier bottom lines. The successful management of these issues will also ultimately contribute to more equitable economic development in Asia, which can bring about stability and a more conducive business environment.

Responsible companies have done much to advance these agendas, but they must not rest on their laurels and must continue their work to improve their business practices. They can also be leaders in sustainability and examples for other companies in their sectors to emulate. Companies can work with NGOs like Singapore Compact to bring more companies on board the sustainability agenda, creating a better business environment where all can thrive.

## Biography

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Mr Christopher Ang is the Executive Director of Singapore Compact for Corporate Social Responsibility (CSR), the national society promoting a holistic approach to meaningful and sustainable benefits for businesses and stakeholders through CSR and sustainability. Mr Ang was Senior Deputy Director of the 3P Division at the National Environment Agency, where he oversaw its strategic marketing and community outreach programmes. He has 24 years of experience in the private and public sectors, covering a wide range of areas including engagement, marketing and management. He has a First Class honours in Electronics Engineering from Loughborough University and an MBA in Marketing from Curtin University.

### Olam International Ltd

9 Temasek Boulevard | #11-02 Suntec Tower Two | Singapore 038989  
Tel. 65 6339 4100 | Fax. 65 6339 9755 | [www.olamgroup.com](http://www.olamgroup.com) | Reg. No. 199504676-H

