

Post-Session Notes on

# LEADING CORPORATE SUSTAINABILITY

11TH EDITION

QED CHANGEMAKER FORUM

ON 4 MAY 2023





## About Post-Session Notes

These post-session notes shed light on key takeaways emerging from the roundtable discussions at the 11th QED Changemaker Forum – how we move beyond the "why" to the practical "how" of achieving corporate sustainability, looking at it from the two fronts of “Environmental-Governance” and “Social-Governance”.

## About the QED Changemaker Forum

The QED Changemaker Forum brings together senior management and leadership from enterprise and governmental organisations, to engage in dialogue and discussion around critical industry issues in an intimate closed-door setting. The forum aims to both challenge and chart the future for their respective industries and organisations and empower change for the better.

Each edition of the QED Changemaker Forum is designed to tackle a current and crucial business challenge. The subject matter is chosen through the collective votes of the distinguished senior leaders within the QED Changemaker Network.

The event (including these post-session notes) adheres to the Chatham House Rule to encourage the candid exchange of ideas among the speakers, moderators, and invited attendees. Beyond the information received at the session, no identities nor affiliations to the attendees have been included in these notes.

# Acknowledgements

Special thanks to our Partners

## STRATEGIC PARTNERS



## VENUE PARTNER



## PATRONS





# CONTENTS

About Post-Session Notes	1
About QED Changemaker Forum	1
Acknowledgements	2
Executive Summary: Leading Corporate Sustainability	4
Key Takeaways	5-12
1. Issues/Challenges	13-17
2. Opportunities	18-20
3. Solutions/Approach Moving Forward	21-31
Case Study	32-33
Appendix	34





# Executive Summary: Leading Corporate Sustainability

In today's business landscape, the importance of Environmental, Social, and Governance (ESG) factors in ensuring corporate longevity is well-established. While much attention has been given to the challenges of achieving net-zero emissions, there has been an overemphasis on carbon reduction. It is crucial for businesses to refocus on the Social and Governance aspects of ESG and demonstrate true leadership across all three factors.

As we understand the reasons for prioritizing ESG, the pressing question now becomes: How can we effectively achieve ESG goals beyond mere reporting? At the 11th QED Changemaker Forum, we move beyond the "why" and delve into the practical "how" of achieving corporate sustainability through meaningful conversations. Our curated speaker panel and the candid roundtable discussions aimed to broaden the overall understanding of ESG implementation and facilitate an exchange of strategic insights that will guide organizations toward a resilient and sustainable future.



# Key Takeaways

## Challenges in the area of Social-Governance

- Despite women constituting 36% of director appointments in 2022 in the top 100 Singapore Exchange companies, board diversity remains limited due to a lack of diverse candidate promotion and control of positions by select individuals.
- Organisations must avoid the perception of tokenism in their diversity initiatives to prevent inclusivity efforts from being insincere.
- As the digital age progresses, some individuals risk being left behind due to variable digital literacy and technological proficiency across age groups, emphasising the need for inclusive policies and diversity initiatives.
- The “Great Resignation” continues to affect workforce dynamics, wage structure, and work models. Despite some leaders’ preference for traditional office collaboration, statistics support remote working, suggesting a need for hybrid models to balance various aspects of work.



# Key Takeaways

## Challenges in the area of **Environmental-Governance**

- Companies risk engaging in greenwashing by making misleading claims about environmental practices; this may cause reputational harm. They should focus on fundamental challenges and drive substantial change.
- While alternative approaches to reducing emissions like carbon capture and space exploration are being considered, they have limitations. Instead, electricity demand is predicted to rise due to factors like increased IoT device adoption, cloud services expansion and the electric vehicle transition.
- Industry-specific challenges complicate sustainability implementation. For example, the oil, gas, maritime, medical, and IT industries each face unique obstacles requiring tailored solutions.
- Food waste reduction struggles stem from liability concerns related to leftover food pick-ups, and the high cost of individual servings versus buffets at events.
- Capacity building for ESG initiatives can be challenging, with resources and expertise required for compliance and reporting. Support from regulators and stakeholders, including financial incentives or assistance programs, can help businesses.
- Enhanced public and shareholder environmental awareness, particularly among Gen Z, is pressuring companies to prioritise sustainability. Companies investing in sustainable projects due to shareholder pressure have faced backlash over less sustainable contracts.
- Companies struggle to extend environmental responsibilities to suppliers and to measure sustainability practices in remote locations.
- SMEs face challenges in implementing technology tools and need additional support in implementing ESG practices. Collaborations with larger corporations and collective action among SMEs are potential solutions.



# Key Takeaways

## Opportunities in the area of **Social-Governance**

- Life beyond the corporate career can be embraced as a phase of giving back and starting social businesses, with the priority of doing good first, followed by making profits.
- Leverage opportunities to streamline administrative responsibilities and reduce excessive regulations, freeing up capacity to focus on ESG goals.
- Utilise shared resources through organisations like the Singapore Business Federation and trade associations to reduce costs and avail resources for initiatives related to inclusivity and age-related workforce issues.
- Recognise the shifting mindsets of the younger generation who value ideals, passion, and personal growth over traditional career progression and monetary compensation. This can have significant impacts on talent acquisition and retention.
- Encourage innovation and entrepreneurship by creating spaces for employees to freely contribute ideas. This can foster a culture of innovation, increase employee satisfaction, and help uncover novel solutions to existing organisational challenges.



# Key Takeaways

## Opportunities in the area of **Environment-Governance**

- Social engineering strategies could encourage the adoption of sustainable practices. For example, incorporating environmental education into school curricula, healthcare professional training, and individual eco-friendly practices like reducing plastic use and participating in recycling initiatives.
- CO2 capture and concrete production could be viable carbon reduction methods. Funding avenues such as sustainability loans could help companies invest in necessary carbon capture machinery and infrastructure. Carbon trading can also potentially provide financial incentives for carbon reduction.
- Continue to address waste management issues through reinforcing the three Rs (Reduce, Reuse, Recycle), and expanding to practices such as prioritising repair over replacement. Collaborations with organisations like the World Wide Fund for Nature could potentially help significantly reduce single-use plastic and implement stricter regulations.
- Influencing consumer preferences to support local businesses and willingness to pay a premium for sustainable products could enhance the competitiveness of SMEs against larger corporations. Governments can play a key role in this process.
- Leverage profits from past ventures, even if environmentally detrimental, to fund sustainable initiatives and transform business practices. Implementing sustainable and responsible business practices can bring about financial success.



# Key Takeaways

## Solutions in the area of Social-Governance

### Diversity, Equity, and Inclusion Hiring

- Adopt blind recruitment, revise job descriptions to reduce bias, provide mentorship and support programs, and offer flexible work arrangements for underrepresented groups, including ex-offenders, LGBTQ+, special needs, and neuro-diverse individuals. Assess diversity metrics against industry benchmarks to measure progress.

### Countering Tokenism

- Enhance HR and talent team education on unconscious bias and inclusive leadership skills. Employ diversity and inclusion experts for audits, training, and ongoing support to refine initiatives.

### Breaking the Glass Ceiling

- Programs like Yokogawa's engagement survey and MetLife's Developing Women's Career Experiences Program (DWCE) are helping to address gender gaps in leadership. City Developments Limited (CDL) is an example of gender balance in the workforce (70% female employees, 50% in leadership positions).

### Celebrating Older Workers

- Implement job-sharing, project-based work, and reskilling opportunities for older individuals. Balance the focus on youth with recognising the value and experience older workers bring.

### Embracing Diverse Education Backgrounds

- Reduce emphasis on grades and encourage alternative pathways to employment, such as internships and management training programs. Recognise the value of skills like problem-solving, teamwork, and communication.

### Move Past Quotas to Competency

- Rather than enforcing diversity quotas, focus on competencies. Consider factors like ethnicity, personality, and departmental diversity for a comprehensive balance.





# Key Takeaways

## Solutions in the area of Social-Governance

### **Learning Culture and Intergenerational Collaboration**

- Promote a culture of continuous learning with dedicated training hours, upskilling opportunities, and mentorship programs that bridge knowledge gaps between different age groups.

### **Corporate Social Responsibility**

- Incorporate diversity and inclusion practices with external partners, as in L’Oreal’s Solidarity Sourcing program. Regularly participate in community initiatives and support diversity and inclusion organisations.

### **Monitoring Employee Well-Being and Burnout**

- Utilise data and analytics to monitor burnout and implement supportive interventions. Foster a culture that destigmatises mental health and encourages open communication.

### **Flexible and Family-Centered Workplace Practices**

- Adopt a high trust, work-from-anywhere and task-oriented culture that supports work-life balance and caregiving responsibilities, as seen in QED’s approach.

### **Measuring Social Impact**

- Integrate social impact into reporting, using measures such as Mexico’s Sustainable Taxonomy. Implement measurable KPIs tied to executive compensation, such as workplace safety, gender representation, and pay equity.

### **Social Impact Integration in Business Models**

- See social impact as a comprehensive integration into business models rather than a mere reporting exercise. Successful integrations can provide competitive advantages, as seen in Danone’s example.



# Key Takeaways

## Solutions in the area of **Environmental-Governance**

### **Changing Paradigms of Building & Infrastructure**

- Emphasis on integrating natural ecosystems into expanding urban spaces, exemplified by Singapore's transition from "Garden City" to "City in a Garden".
- New constructions encouraged to meet sustainability goals, such as the chlorine-free HomeTeamNS Khatib swimming pool that uses a natural filtration system instead.
- Green certification for buildings endorsed as a model for promoting sustainability.
- Repurposing existing buildings, developing underground spaces, and seeking alternatives to cement to optimise land use and minimise carbon emissions.

### **Sustainability Governance and Ethics**

- Robust governance, adherence to ethical standards, and leadership are needed for steering long-term corporate sustainability initiatives.
- Emphasis on ethical supply chain management and setting sustainability goals, such as Microsoft's aim for carbon neutrality by 2030.
- Look at sustainability holistically, considering environmental, social, and governance aspects.

### **Evaluating Sustainability Initiatives**

- Tracking progress against the United Nations Sustainable Development Goals is increasingly important.
- Advocate for authenticity, accuracy, and veracity in reporting ESG metrics.
- The role of policy and engagement with governments are highlighted for achieving ESG goals.



# Key Takeaways

## Solutions in the area of Environmental-Governance

### Leader Incentivisation

- ESG targets are recommended to be incorporated into compensation structures to motivate stringent regulation and enforcement at the executive level.
- Government Regulations and Support
- Collaboration between industry stakeholders, government bodies, and regulators needed to address sustainability challenges.
- Singapore government exemplifies this through energy capping, exploring alternative energy sources, and setting consumption limits for major cloud providers.
- Emphasis on compliance with sustainability standards for cost and accountability purposes.

### Decarbonation Strategies for Companies

- Activist investors and board members play a role in driving company-wide change - controlling shareholders can significantly impact decarbonisation efforts.
- Holding directors and global oil and gas agents accountable through legal action and governance changes
- Sustainable investments and nature-based solutions have been implemented, such as using certain plants for cooling and decarbonisation.

### Collaboration and Innovation for Environmental Impact

- Partnerships and collaborations are seen as key to finding innovative sustainability solutions, such as Unilever Foundry's Biodegradable & Sustainable Cosmetics & Packaging Challenge.
- Limited budgets for sustainability initiatives can be overcome by maintaining impact through strategic partnerships.



# 1. Issues/Challenges

## Social-Governance

### 1.1 Board Diversity Beyond Gender

Women made up 36% of all director appointments to the boards of the top 100 companies on the Singapore Exchange in 2022, according to a study by the Council for Board Diversity. Despite the record percentage of female board appointments since the data was first tracked in 2013, there is still a gap towards boardroom diversity. The diversity vacuum in the boards stems from the lack of active promotion and recommendation of diverse candidates to board positions by organizations and chairpersons. The observation of how a small group of individuals serve on multiple boards has also contributed to the board's slow diversification. While quotas are being considered as potential solutions to accelerate gender diversity on boards, it is important to focus on other aspects such as age, skills, and experience to bring about diversity of ideas and perspectives.

Robust conversations that challenge ideas and promote critical thinking can be beneficial for effective decision-making. It is important to strike a balance between open discussions and aligning perspectives to move forward effectively. McKinsey studies and other research have shown that diverse leadership teams lead to improved business performance and increased equity. For instance, Microsoft, under the leadership of Satya Nadella, prioritized a cultural shift and let go of employees who didn't align with the new direction, hiring individuals who brought fresh perspectives and contributed to diversity and inclusion.

### 1.2 Tokenism

Companies have to be mindful of their representation efforts to not come across as tokenistic. There have been challenges in the banking sector where members might view inclusivity initiatives as tokenism in recruitment.



# 1. Issues/Challenges

## Social-Governance

### 1.3 Inclusion and Technological Proficiency

The transition into the digital age will inevitably leave some individuals behind due to varying digital literacy and technological proficiency among different age groups, resulting in a bell curve distribution in technology adoption. It is important to address the needs of individuals who may not be comfortable with digital technology. Policies should also include diversity initiatives to create a more equitable society.

### 1.4 Talent Retention, Employee Well-being and Burnout

The “Great Resignation” is more than just a trend. Rather, it diverges in different directions; it continues to trigger changes in the workforce, influencing wage upliftment, and shaping discussions on work models. Some view the “Great Resignation” as an elitist concept that is not applicable to everyone, especially those in lower-wage jobs. Leaders still want employees back in offices for collaboration despite statistics that indicate increased productivity from remote working.

The concerns around the workforce’s mental health and burnout related to talent retention are real, and the leaders agreed that companies would do well to provide resources and support for mental health, such as employee assistance programs, flexible working hours, and initiatives promoting work-life balance. Overall, companies should strive to strategically balance office utilisation with the fostering of workplace collaboration, and employee happiness.



# 1. Issues/Challenges

## Environmental-Governance

### 1.5 Greenwashing Dangers

Companies are at risk of greenwashing when they are compelled to engage in cosmetic sustainability initiatives that do not align with their core operations and make misleading claims about company environmental practices. With mounting pressures from shareholders and the young generation (Gen Z) to prioritise purposeful sustainability actions, companies may be tempted to use superficial or symbolic gestures that can cause more harm to their reputation than good. Instead, companies should focus on addressing fundamental obstacles and drive meaningful change.

### 1.6 Limits to Carbon Emission Reduction and the Rising Electric Consumption

Alternative approaches to reducing carbon emissions, such as carbon capture and space exploration, are being explored but they have their limitations. As the world moves away from traditional energy sources and reducing energy consumption, the electricity demand is still projected to rise due to factors like the rise of Internet of Things (IoT), growth of cloud services and the transition to electric vehicles.

### 1.7 Food Waste

The struggle to reduce food waste stems from potential liability and food poisoning risks in advertising leftover food pick-ups and the high cost of individual servings versus buffets for events.





# 1. Issues/Challenges

## Environmental-Governance

### 1.8 Industry-specific Challenges

Different industries face unique challenges in implementing sustainability measures. The nature of the oil and gas industry poses complex hurdles for energy companies like Shell and Chevron to implement sustainable change due to their diverse business associations and external partners. Energy trading companies like Energy Market Company (EMC) also face challenges in balancing energy, sustainability and security costs. The feasibility of consumers bearing the cost of sustainability initiatives was discussed. The Maritime industry may have core operations with heavy reliance on fossil fuels, complicating the transition to green alternatives. The medical and IT industries face environmental challenges due to processes like sterilization and packaging. Balancing industry-specific needs and sustainability goals requires careful consideration and support.

### 1.9 Capacity Building

ESG initiatives require capacity building and resources. It can be challenging for companies to develop the necessary expertise and infrastructure to meet all the compliance and reporting requirements. Support from regulators and stakeholders, including financial incentives or assistance programs, can help alleviate the burden on businesses.

### 1.10 Pushing the Green Agenda throughout Supply Chains

Companies face struggles in pushing environmental responsibilities to suppliers and auditing and measuring sustainability practices in remote locations like cashew producers in Africa.



# 1. Issues/Challenges

## Environmental-Governance

### 1.11 Stakeholder Interest and Sustainability

Technology has increased the awareness shareholders and the public have on the environment. In particular, the younger generation (Gen Z) is showing a growing concern for environmental issues and is prioritising companies that actively address sustainability challenges and align their values with actions. Companies also switched to investing in sustainable projects due to shareholder pressure. For instance, Siemens faced backlash from green protesters and its shareholders in 2020 over an Australian coal mine supply contract<sup>1</sup> in Germany.

### 1.12 SMEs Need Greater Support

SMEs face the struggle of implementing technology tools. Larger corporations like Microsoft can collaborate with SMEs to provide them with support and guidance in implementing ESG practices. SMEs highlight the need for financial support as they face stricter cash flow constraints compared to larger corporations. Collective action among SMEs is proposed as a potential solution.



## 2. Opportunities

### Social-Governance

#### 2.1 Life Beyond the Corporate Career

Life beyond the corporate career should be embraced as a phase of giving back and starting social businesses. Priorities should pivot towards doing good first and making profits second, as doing good can lead to sustainable financial success.

#### 2.2 Reduce Regulations and Share Resources

Both SMEs and large corporations can benefit from streamlining administrative responsibilities and reducing excessive regulations to free up company capacity to focus on ESG. Shared resources through organisations like the Singapore Business Federation or trade associations can help companies reduce costs and save time. This allows for more resources allocated to other initiatives related to inclusivity and addressing age-related issues in the workforce.

#### 2.3 Shifting Mindsets and Attitudes

The younger generation is challenging traditional views of career progression, prioritising ideals, values, and passion rather than compromising for career choices and monetary compensation. For instance, a leader's daughter resigned from UOB to join a startup and turned down another offer from an established organisation to pursue the perceived learning and growth opportunities of the startup.

#### 2.4 Innovation and Entrepreneurship

By creating spaces for employees to freely contribute ideas, companies can foster an innovative culture and make employees feel proud of their contributions – as a way to potentially improve talent retention and uncover innovative ideas to existing organisational challenges.



## 2. Opportunities

### Environmental-Governance

#### 2.5 Education and Lifestyle Change

Social engineering strategies were discussed as a way to encourage and support the adoption of sustainable practices, as these social values shape the priorities and behaviours of current and future generations. For instance, integrating environmental education into the school curriculum and training healthcare professionals can help foster a deep understanding of environmental issues and responsible attitudes and actions. Sustainability initiatives should focus on both economic benefits and social impact to drive behavioural changes effectively. Moreover, individual eco-friendly practices should be encouraged like reducing plastic usage and actively participating in recycling initiatives.

#### 2.6 Carbon Reduction Practices

CO<sub>2</sub> capture and concrete are seen as two viable methods for carbon reduction. Concrete can capture CO<sub>2</sub> during production, thus effectively removing it from the atmosphere. Funding avenues such as sustainability loans can be considered to invest in the machinery and infrastructure required for carbon capture. CO<sub>2</sub> capture and storage technologies are being explored, both within concrete and in dedicated storage facilities. In addition, Carbon trading can provide financial incentives for carbon reduction practices.

#### 2.7 Waste Management Strategies

Despite growing efforts to uphold the three Rs (Reduce, Reuse, Recycle), difficulties still persist through inconsistent recycling practices in shopping malls, plastic bag usage in grocery stores and medical waste. Waste management is not limited to recycling. Insurance agencies can consider sustainability in their practices, like insurers prioritising repair over replacement to reduce waste. Companies can also look into collaborations with the World Wide Fund for Nature to reduce single-use virgin plastic by 90% and implement stricter regulations.



## 2. Opportunities

### Environmental-Governance

#### 2.8 Climate Change

Biodiversity and climate change are also essential to consider in any environmental strategy, and environmental issues should be tackled holistically. Climate change poses risks and challenges to healthcare infrastructure, including floods, hurricanes, and earthquakes. Thus, companies should raise awareness and explore solutions to counter the detrimental effects of plastic pollution, including microplastics found in water, food, and even breast milk.

#### 2.9 Bringing Profits Through Driving Sustainability

Companies can use their past actions to influence the future positively. For instance, using profits from past ventures, even if they were environmentally detrimental, to drive sustainable initiatives and transform business practices. Furthermore, the implementation of sustainable and responsible business practices has the potential to bring financial success.

#### 2.10 Influencing Consumer Preferences and Support for SMEs

SMEs face challenges in meeting sustainability requirements and may try to find ways to navigate around regulations. More support and education are needed to help SMEs embrace sustainability practices effectively. Assistance programs and partnerships can facilitate sustainable development without excessively burdening SMEs.

As the customer is crucial in the SME equation, being able to shape and change consumer preference in support of local businesses or to be willing to pay a premium for sustainable products could help SMEs compete with larger corporations and governments could play a key role in driving this narrative.

# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.1 Diversity, Equity and Inclusion Hiring

Some companies have made conscious efforts to include underrepresented groups in the hiring process beyond gender, such as ex-offenders, LGBTQ+, special needs and neurodiverse individuals, while ensuring cultural relevance and sensitivity in an Asian context. Inclusive hiring and retention policies such as blind recruitment processes, revising job descriptions to reduce bias, providing mentorship and support programs for underrepresented employees, and offering flexible work arrangements to accommodate diverse needs were some of the solutions discussed. Comparing company-level diversity metrics with industry benchmarks can help an organization understand its progress in this area.

### 3.2 Countering Tokenism

To avoid the tokenism trap when carrying out representation efforts, HR and talent teams could be educated on unconscious bias, cultural competency, and inclusive leadership skills. Seeking external advice from diversity and inclusion experts or consultants to conduct diversity audits, provide training and ongoing support to navigate challenges and ensure the refinement of initiatives through the successful implementation of diversity and inclusion strategies could be another approach.





# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.3 Breaking the Glass Ceiling

Yokogawa conducted an engagement survey focusing on women leaders that showed women's willingness to step up to leadership roles. MetLife implemented a programme called Developing Women's Career Experiences Program (DWCE) to address gender gaps at senior levels, which significantly increased the likelihood of women being promoted to VP positions. CDL is a company with a high percentage of female employees (70%) and women in leadership positions (50%).

### 3.4 Celebrating Older Workers

The aging population in Singapore has spurred measures like job-sharing and project-based work to engage mature individuals. Organisations such as Singapore Institute of Technology (SIT) and UOB have programmes to involve retired individuals and people with disabilities. The focus on celebrating youth can be balanced with recognising and appreciating the value and experience of older workers. Social responsibility includes reskilling and providing meaningful employment opportunities for older individuals. While hiring younger employees to drive business reinvention may be cheaper, reskilling older workers can be rewarding due to their domain knowledge and commitment.

# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.5 Embracing Diverse Education Backgrounds

Companies can reduce the emphasis on grades and encourage alternative pathways to employment, such as internships or management training programmes, as talented individuals from diverse backgrounds may have fallen through the gaps of traditional educational systems. It was shared that certain Polytechnic students have excelled in the industry due to their problem-solving skills, teamwork, and communication abilities developed through Problem-Based Learning (PBL).

### 3.6 Move Past Quotas to Competency

While the idea of quotas has floated around to increase company diversity, it limits individuals to their labels rather than competencies. A Visier gender equity report revealed an underrepresentation of women in managerial positions from age 32 onwards known as the Manager Divide. Companies can look at Visier Insights Report: Gender Equity and the Problem of the Manager Divide for further details. Companies can shift the focus to selecting the best person for the job. One company achieved a balanced gender representation, with 60% females at the sales level and 50% at the manager level after shifting its focus to hiring for the best fit. The organization now considers factors like ethnicity, personality, and departmental diversity for a comprehensive balance.

# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.7 Learning Culture and Intergenerational Collaboration

A company has dedicated four hours every Friday for training and partnering with organisations to provide reskilling and upskilling opportunities to promote a culture of continuous learning. Skills have become the new currency, and creating value lies within ongoing reskilling and upskilling. While academic qualifications may provide a foundation, continuous development in hard and soft skills is necessary to keep up with the evolving workforce. Companies can also recognise and value the contributions of employees of all age groups; this includes promoting intergenerational collaboration, providing learning and development opportunities for all employees, and creating mentorship programmes to bridge the knowledge gap between different age groups.

### 3.8 Corporate Social Responsibility

Companies can consider incorporating diversity and inclusion practices in deal terms with external partners to amplify their efforts. For instance, L’Oreal started the Solidarity Sourcing programme in 2010 that directs a part of their global purchases to suppliers who help people from vulnerable groups find employment. In 2022, the company helped 85,544 beneficiaries gain access to work across 70 countries with 886 local initiatives.

Smaller ways to give back to the community could be team-building activities that align with volunteering efforts, like having the company regularly participate in food preparation for a morning with Food From the Heart. These initiatives can have the added benefit of improving employee engagement and satisfaction. Others could come in the form of supporting initiatives like Community Chest’s ‘Change for Charity’ (refer to page 32) or supporting organisations and initiatives that champion diversity and inclusion, such as Daughters of Tomorrow or HCSA Dayspring.

# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.9 Monitoring Employee Well-Being and Burnout

Some companies have relied on data and analytics to monitor signs of burnout to inform decisions about interventions and support, while others focus on fostering a culture that destigmatises mental health issues and encourages open communication for employees to feel a sense of belonging and acceptance. Others maintain regular communication channels and provide remote-friendly resources and benefits to ensure all employees feel connected and valued.

### 3.10 Flexible and Family-centered Workplace Practices

QED's family-focused approach in team design and organisational culture - one of high trust, work-from-anywhere and task-orientedness, resulted in highly engaged employees delivering a high level of work output. The focus on flexible work arrangements empowers individuals to attain their work-life balance needs and caregiving responsibilities.

### 3.11 Measuring Social Impact

Mexico's Sustainable Taxonomy<sup>2</sup>, announced in March 2023, is an example of how Social impact can be integrated into reporting. The goal is to promote investment in economic activities which contribute to bridging the gender and socio-economic gaps, on top of environmental preservation. Achieving gender equality is one of its major goals. Industries should consider their specific impact areas to implement measurable KPIs such as workplace safety, gender representation and pay equity. Companies can encourage the meeting of KPIs by tying the metrics to executive compensation.



# 3. Solutions/ Approach Moving Forward

## Social-Governance

### 3.12 Social Impact Integration in Business Models

Social impact is often viewed as a reporting exercise rather than a comprehensive integration into business models, hindering the ability to assess and quantify its true value. Incorporating social impact into business models can be a competitive advantage, as exemplified by companies like Danone that successfully integrated social considerations into their operations and gained recognition from investors.

In Danone's case, it started as a 'visionary speech' in 1972 by the CEO to take responsibility for all of their stakeholders - investors, people, suppliers and the planet, which turned into a committed pursuit of 'business success with social progress' as a collective corporate impact strategy.

This can be seen through examples such as its focus on producing healthy food for consumers at its core; its Venture Capital fund Danone Communities that invests in social businesses; its empowerment of local communities to make healthier eating and drinking practices and others that strengthen smaller partners in its supply chain.

# 3. Solutions/ Approach Moving Forward

## Environmental-Governance

### 3.13 Changing Paradigms of Building & Infrastructure

Singapore has cemented itself as a 'Garden City' and is moving towards establishing itself as a 'City in a Garden'. This paradigm shift underscores the importance of natural ecosystems in the face of ever-expanding urban spaces. The Singapore government encourages constructing new buildings with sustainability goals in mind.

The HomeTeamNS Khatib swimming pool<sup>3</sup> in Singapore exemplifies this trend using a natural filtration system instead of chlorine. Furthermore, green certification for buildings is presented as an established model for promoting sustainability. In the hospitality industry, Amara Sanctuary Resort preserves green spaces and considered glamping to avoid building concrete structures but faced regulatory challenges.

Besides building new eco-infrastructure, companies can repurpose existing buildings and develop underground spaces to optimise land use and reduce energy consumption. Underground spaces naturally provide cooler temperatures, making them suitable for certain purposes. Careful planning, legislative considerations, and regulation compliance are necessary for successful underground developments.

Companies can search for cement alternatives to reduce carbon emissions, considering that 40% of the emissions are actually in cement. For instance, volcano ash is a good healer that reduces CO<sub>2</sub> on Earth<sup>4</sup>.

R&D efforts are essential for advancing sustainability practices in the construction industry, and companies can focus on areas such as energy efficiency, renewable resources, and minimising environmental impact throughout the construction process.



# 3. Solutions/ Approach Moving Forward

## Environmental-Governance

### 3.14 Sustainability Governance and Ethics

Robust governance in ESG practices, cohesive ESG frameworks, strict adherence to ethical standards, and leadership are critical to steering corporate sustainability initiatives, which are viewed as a long-term commitment with goals and targets set for 5, 15, or 20 years. Microsoft has helped enterprise customers with technology implementation for sustainability, and commits itself to the responsible deployment of AI and sets ambitious sustainability goals like achieving carbon neutrality and water conservation by 2030. Siemens has ceased doing business with certain partners due to ethical concerns about their practices, such as supplying equipment for coal transportation, and has a target to reduce landfill waste 50% by 2030.

Companies should consider the impact and carbon footprint of their products in their supply chain, and look at sustainability holistically, not just from an environmental aspect but also considering social impacts and governance. For instance, companies can work with NGOs like the Singapore Environment Council which deals with industries, communities, and governments in promoting sustainability.

### 3.15 Leader Incentivisation

Companies can embed ESG targets into compensation structures and leadership-level incentives to motivate CEOs and C-suite executives for stringent regulation and effective enforcement, thus reinforcing the company's commitment to these goals at the highest level of the organisation.

# 3. Solutions/ Approach Moving Forward

## Environmental-Governance

### 3.16 Measuring Sustainability Initiatives and Meeting Them

The prevalence of the United Nations Sustainable Development Goals (SDGs) is setting the curve for governments and companies alike. Some companies track progress against the SDGs and monitor its impact against these targets annually.

In ESG metric reporting, authenticity, accuracy, and veracity are needed just like in financial disclosures. Focusing on measurable factors while acknowledging the complexity of the overall impact can be an approach. A good report is one that is a detailed, transparent source of information about the company's ESG performance and strategies.

Corporate policy can play a crucial role in achieving ESG goals, and so can deeper public-private sector engagement. Businesses could engage with governments at a 'system level' that could create environments conducive to achieving those goals.

### 3.17 Collaboration and Innovation for Environmental Impact

Companies are increasingly relying on partnerships to find innovative solutions for sustainability. The Unilever Foundry is one such initiative to incentivise and support collaboration with startups through a 'Biodegradable & Sustainable Cosmetics & Packaging Challenge<sup>5</sup>'. Dole's 'Sunshine for All<sup>6</sup>' Fund supports global strategic partnerships and innovation in the areas of sustainability, food access and waste. Despite a limited budget for sustainability initiatives, they maintained impact through these partnerships.

# 3. Solutions/ Approach Moving Forward

## Environmental-Governance

### 3.18 Government Regulations and Support

Addressing sustainability challenges will require collaboration between industry stakeholders, government bodies, and regulators. In particular, governments may need to provide support, resources, and incentives to help businesses navigate the transition to more sustainable practices.

The Singapore government is capping energy consumption, exploring alternative energy sources, and setting limits on energy consumption by major cloud providers like Microsoft, Amazon, and Google. Singapore is also looking to secure additional solar power resources from neighbouring countries and is considering using solar energy to produce green ammonia for shipping. Singapore's implementation of a carbon charge incentivises companies to reduce emissions while the government is working on projects like the Global Maritime Carbon Decarbonisation (GMCD) and the development of green shipping lanes.

The US government has strict sustainability standards and requires companies to report ESG performance. Compliance with these standards is crucial for cost and accountability purposes. For instance, Zara's case demonstrates how strict European regulations compel companies to adhere to sustainability standards, with potential fines for non-compliance. Compliance with legislation and regulation is also crucial for implementing sustainable practices. Companies should understand and adhere to relevant laws and regulations as they are essential to ensure successful implementation.



# 3. Solutions/ Approach Moving Forward

## Environmental-Governance

### 3.19 Decarbonation Strategies for Companies

Activist investors and board members are needed to drive change in companies. Singapore is an example where controlling shareholders can significantly impact decarbonisation efforts. It is also important to hold directors and global oil and gas agents accountable through legal action and governance changes.

ExxonMobil made sustainable investments in carbon capture, hydrogen, and biofuels, demonstrating a focus on areas where they could make a significant difference. Nature can also play a role in sustainability efforts by utilizing the potential of certain plants in Singapore to help with cooling and decarbonisation.

# Social-Governance Case Study:



**Community  
Chest**

The NCSS Philanthropy and Engagement Arm

## Maximising corporate social impact sustainably

As expectations of companies to align with ESG objectives and adhere to ESG reporting grow, Community Chest has been enabling companies to strengthen the 'social' aspect of ESG holistically to help Singapore's social service sector be adequately resourced to meet current and future challenges.

## Change for Charity – an approach to Sustainable Philanthropy

Change for Charity is an initiative where Community Chest partners with businesses to incorporate a giving mechanism into their business models and enable the public to donate conveniently and regularly to social causes supported by Community Chest. This could include rounding up their payment at the point of purchase, providing regular donation options with subscription-based services, donating a portion of their sales, or facilitating the conversion of loyalty points or rewards into donations.

The Government also provides matching grants to participating businesses to amplify their social impact by up to twofold.

**To find out more about Change for Charity**

<https://go.gov.sg/cfcinfokit> | [ncss\\_comchest@ncss.gov.sg](mailto:ncss_comchest@ncss.gov.sg)

# Social-Governance Case Study:



**Community  
Chest**

The NCSS Philanthropy and Engagement Arm

## A growing community of corporate partners

Change for Charity encourages consumption-based giving, which has diverse implementation methods for different industries. For example, in the hospitality industry, Royal Plaza on Scotts provides a donation PayNow QR Code at the hotel's rooms and its Carousel restaurant. Millennium Hotels & Resort enables customers to donate at the point of purchase of room and dining, as well as through the conversion of reward points to donations via its My Millennium and À La Carte Rewards membership programmes. In the health sector, Q&M Dental Group's over 100 dental clinics give patients a choice to donate when they make payment at the counter. Red Beacon Asset Management is also on board to donate partial proceeds of their asset management fees towards Community Chest.

At the time of writing, over 25 companies across eight industries are supporting this initiative, providing more than 1,300 donation touchpoints across Singapore.

## Warming the hearts of many

100% of funds raised through this initiative go towards helping children with special needs and youth-at-risk, adults with disabilities, persons with mental health conditions, and seniors and families in need of support. Change for Charity will support more than 200 critical programmes of these five causes.

To find out more about Change for Charity

<https://go.gov.sg/cfcinfokit> | [ncss\\_comchest@ncss.gov.sg](mailto:ncss_comchest@ncss.gov.sg)





# Appendix

- <sup>1</sup> **Green protesters step up pressure on Siemens over coal mine project**  
<https://www.reuters.com/article/uk-siemens-results-idUKKBN1ZZ0K5>
- <sup>2</sup> **How Mexico's sustainable taxonomy tackles both environmental and social issues**  
<https://www.spglobal.com/esg/podcasts/how-mexico-s-sustainable-taxonomy-tackles-both-environmental-and-social-issues>
- <sup>3</sup> **This is How Green HomeTeamNS Khatib Will Be**  
<https://www.hometeamns.sg/frontline/hometeamns-going-green/>
- <sup>4</sup> **Volcanic ash could help reduce CO2 associated with climate change**  
<https://www.southampton.ac.uk/news/2020/09/co2-climate.page>
- <sup>5</sup> **What Do We Mean by Biodegradable & Sustainable Ingredients and Packaging?**  
<https://www.theunileverfoundry.com/innovation-challenge.html>
- <sup>6</sup> **Sunshine For All® Fund**  
<https://dolesunshine.com/partners/innovation-partner/our-fund>

## Legal Disclaimers

The views and opinions expressed in this report are those of the participating leaders, and do not necessarily reflect the opinions, policy, or recommendations of QED.

*Terms of use: This publication may be reproduced electronically or in print, and used in discussions on radio and television, with prior written permission obtained from QED and due credit given to the company. Please contact [info@qed.sg](mailto:info@qed.sg) for further editorial queries.*

*Reporting errors: Should there be any errors found in these post-session notes, please highlight them to [info@qed.sg](mailto:info@qed.sg)*

## ABOUT QED

QED is a private sector think tank with a network of >1,300 C-suites & Board Directors.

We champion multidisciplinary leadership conversations on critical business issues, transforming thinking today.

Find out more:  
[www.qedchangemakers.com](http://www.qedchangemakers.com)

