

KEYNOTE SPEECH BY ENTERPRISE SINGAPORE

MANAGING DIRECTOR CINDY KHOO AT

DBS SUSTAINABILITY DAY

DBS AUDITORIUM, MARINA BAY FINANCIAL CENTRE TOWER 3

3 APRIL 2024

Ms Tan Su Shan, Group Head of Institutional Banking at DBS

Distinguished Guests

Ladies and Gentlemen

1 Very happy to see all of you. I would first like to thank DBS for inviting me to speak today at your inaugural Sustainability Day. I'm also very happy to be here to launch the ESG Ready programme together with DBS today.

2 As Su Shan said, the conversations we are having at this event are timely. We feel the weather, we see the trends. The impacts of climate change will require businesses to start making transitions, making changes to the way they work in order to ensure long-term sustainability, and long-term survival.

3 Here I would like to share some thoughts on how our local businesses can view sustainability and what are some of the reasons and ways for them to make the transition.

4 Earlier this year, the Singapore Business Federation conducted its 2024 National Business Survey. From the results, we are quite happy to

see that sustainability is no longer just an afterthought for many of our businesses.

a. About one-third of SMEs surveyed agreed that being able to meet increasing employee and consumer expectations on sustainability is a business trend that would impact them. So there is recognition that sustainability is something that would affect them.

b. In addition, three quarters of businesses have implemented or plan to implement at least one ESG area. So there is also commitment to take action.

c. These are all steps in the right direction. But the survey also found that many businesses are still unclear as to how to start their sustainability journey. This is where we want to come in to help.

5 For a start, I think it is important for businesses to be very clear about the “why”, about how being sustainable can benefit them. Three immediate benefits come to mind:

6 First, to future proof one’s business, to ensure long-term sustainability and viability.

a. Last year, the government announced plans to incorporate environmental sustainability criteria for government tenders involving large construction and ICT projects.

b. This is not limited to the government. Corporates are also starting to implement sustainable procurement practices. For example, DBS has set out the DBS Sustainable Sourcing Principles, to outline what they expect of their suppliers.

c. This trend is gaining momentum, not just in Singapore, but globally. Companies that have started on their sustainability journeys will be in a beneficial position by getting a head start when sustainable procurement practices become more widespread.

7 Second, embarking on sustainability allows companies to cut costs by optimising their resource usage. Decarbonisation isn't for its own sake, it is also about reducing the cost of the resources we consumed.

a. By adopting energy efficient technologies, companies can develop resilience against rising energy costs. We already felt that with energy shortages and how prices went up. Energy efficiency practices allow companies to hedge against some of these fluctuations.

b. One example is Onn Wah Precision Engineering Pte Ltd. By making improvements such as installing an Energy Monitoring Information System and improving the efficiency of its air compressed system, the company saw its energy usage per revenue dollar fall as much as a quarter from 2019 to 2022. Improving their energy efficiency translated directly to cost savings as well.

8 Third, sustainability enables companies to build brand recognition.

a. There is a growing demand from consumers, corporates and investors for SMEs to become sustainable.

i. A Deloitte study conducted last year found that half of their respondents had changed their purchasing behaviours in response to climate concerns. They were also willing to pay more for sustainable products and solutions.

ii. Companies that transform quickly to respond to this growing demand will be able to differentiate themselves from competitors and reap first-mover advantages.

b. One example of a company that has embraced sustainability in building up their brand is Koda, a furniture brand that sources their wood and materials from suppliers with sustainability certifications.

9 Understanding the value of sustainability is only the first step. After understanding the “why”, very often, companies will ask, “what” should they do to embark on this green journey and set out the strategy.

10 It can seem daunting when they lack expertise and are unsure on where and how to start.

a. This is where we come in. Enterprise Singapore has put together a suite of support under the Enterprise Sustainability Programme, or ESP, that companies can tap on.

b. Some of these initiatives under the ESP includes courses, support for companies to engage sustainability consultants, as well as partnerships with larger corporates such as Schneider Electric to build companies' capabilities in specific areas such as decarbonisation.

11 Our partnership with DBS on the ESG Ready Programme is yet another avenue for companies to tap the support they need.

a. DBS will partner participating companies and closely guide them through their sustainability journey.

b. This includes building awareness on how to start, having expert help to put together a sustainability plan, and eventually, access to financing solutions from DBS to address the costs of becoming more sustainable.

c. I hope participating companies will benefit from this well-curated programme and the partnership with DBS.

12 To conclude, I hope you are convinced that there are clear benefits for companies to become sustainable and companies must start acting now. A sustainable company is one that is primed to stay competitive in the long run.

13 While taking the first step may seem quite daunting, companies do not have to go through it alone. Through initiatives such as the ESP and the ESG Ready Programme, EnterpriseSG and our partners are here to help.

14 Finally, I would like to say thank you again, to DBS, for partnering us in helping our local businesses on their sustainability journey. To everyone else, I look forward to you coming onboard the ESG Ready Programme as you embark or progress on your sustainability journey. Please enjoy the discussions and workshop sessions later, thank you.