**Asia-Pacific
Economic Cooperation**

Corporate Social Responsibility in the APEC Region

Current Status and Implications

Economy Paper: Singapore

SINGAPORE
Economy Paper on Corporate Social Responsibility (CSR)

"Corporate Social Responsibility in Singapore: Institutions, Frameworks and Practices"

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1. Introduction

Singapore is unique among its regional neighbours as a small island state that is highly urbanized and comparatively affluent. Singapore's economy is small by global standards, but also relatively rich. Its GDP per capita in 2002 was US$24,040, more than double that of its closest ASEAN neighbour, Malaysia and more than three times higher than Thailand. In the face of increasing global competition, Singapore continues to build on its core advantages--a good geographical location, developed infrastructure, a good communications system, political stability and a disciplined workforce--while always looking to develop new economic strengths. As a small economy with limited domestic market and lacking physical resources, Singapore has been strongly reliant on international trade for growth. Policy makers continue to chart a course for the Singapore economy that leverages on increasing globalization of the worlds' economies.

The development of CSR in Singapore has been influenced by its unique characteristics as a city state that has achieved great success with an economy that was heavily managed by the government in the first decades post-independence in 1965. The government was responsible for the allocation of land, labour and capital resources. The pervasive presence of the government extended to the welfare of society, with public provision of housing, education, health and recreational services. The government also managed the bulk of retirement savings and took responsibility for workers' welfare through a tripartite approach involving unions and industry. In this period, it appeared that social needs were fulfilled by the public sector, either through direct provision or prescribing corporate behaviour through legislation. In recent years, there have been many reforms put in place to liberalise key sectors of the economy and to encourage free enterprise, innovation and entrepreneurship. Nevertheless, the public sector remains the key architect of Singapore's economy and has considerable interface with industry and therefore, considerable influence over corporate behaviour.

To an extent, this government-centric approach has spread to the realm of CSR, with much emphasis on compliance with legislative requirements as a means of achieving and regulating socially responsible behaviour. This might be viewed as the success of policy makers in enforcing the "social contract" between corporations and stakeholders. On the other hand, a strong dependence on compliance-induced behaviour raises the question of whether all aspects of social responsibility can be meaningfully legislated or promoted by the public sector.

2. History of CSR in Singapore

While CSR as a concept is relatively new to Singapore, it may be argued that the spirit of CSR has been evident in the practices of Singapore companies for much longer. In the 19th and early 20th centuries, the presence of Asian migrants from China and India, as well as the indigenous Malay community, has evolved many small and medium sized businesses with strong ties to their ethnic communities. Consistent with Asian values that emphasise the importance of extended families, business owners contributed to clan associations and communities, providing scholarships and bursaries and funds for community development projects. Within this narrower definition of CSR as voluntary contributions to society and community, CSR has flourished for many years in Singapore.

Singapore's early growth post-independence was driven by strong inflows of Foreign Direct Investments that resulted in many Multinational Corporations establishing operations here. These large corporations have brought with them the values and practices of their head offices, introducing CSR elements into their Singapore-based operations. The most prominent of these elements, corporate philanthropy and voluntarism, are now staples of most large companies in Singapore, whether foreign or locally owned.

More formally, institutional CSR efforts have been focused broadly on reporting and compliance with labour and environmental laws. The government has played its part by setting up

a sound legal framework and establishing an environment that is intolerant of corruption and emphasises the virtues of transparency and strong ethics.

Recent years have seen the rise of CSR conceptually and as a movement in Singapore. This is evident from the establishment of several organizations dedicated to promoting CSR, increasing media attention on CSR issues and a proliferation of CSR events in Singapore. The emergence of CSR in this respect may be traced to 2003, when the then-proposed Consumer Protection (Fair Trading) Act became a platform for dialogue on corporate responsibility issues. In August 2003, a seminar on "Business Excellence: The Emerging Role of CSR" co-organised by the Faculty of Law at the National University of Singapore introduced the concept of CSR as a "higher plane" of social responsibility beyond a fair-trading environment. Earlier that year, in April 2003, the Centre for Corporate Social Responsibility was formed, bearing the distinction of being the first NGO in Singapore with a focus on CSR as a holistic concept involving multiple stakeholders, issues and approaches. With the formation of the Centre for CSR, Singapore became represented in a number of major regional fora for CSR-related dialogue, participating actively in the Social Venture Network (SVN) Asia Conference 2003 and the Asian Forum on CSR 2003.

In 2004, Singapore hosted a number significant CSR conferences, including one organised by the British High Commission and the second SVN Asia Conference and First Asia-Pacific CSR Conference organised by the Centre for CSR. Attendance at these conferences encompassed multinationals and local corporations, SMEs, private and public sector organizations. CSR issues received increased exposure among a wide-cross-section of Singapore-based corporations. Additionally, the presence of many international CSR experts in Singapore for these events highlighted the importance of CSR on the global platform. With CSR issues gaining prominence in Singapore, the National Tripartite Initiative on CSR was established in May 2004, taking a tripartite approach with representatives from industry, unions and the government.

Ownership of CSR issues has been and is still largely within the Public Relations and Corporate Communication functions due to the dominance of community-based programs and corporate philanthropy in most corporations' CSR agendas. However, the tide is slowly changing, particularly among the larger corporations. Aligning operations to social values is increasingly seen as making good business sense.

3. Current Climate for CSR in Singapore

3.1 Globalization

One significant factor contributing to the rise of CSR in Singapore is increasing globalization. More so than companies in other economies, Singapore businesses face the pressures of globalization, competing on the supply side with lower-cost economies and on the demand side in increasingly open markets within diverse communities with differing stakeholder needs.

In terms of influencing the CSR priorities of companies, the pressures of globalization are manifested in two ways. Firstly, Singapore companies that participate in integrated global supply chains find themselves subject to requirements to requirements imposed by upstream corporations, in particular those originating from the USA and the European Communities. In fact, as stated by Dr Vivian Balakrishnan, Minister of State for Trade and Industry and National Development, Singapore "must not allow CSR to become an excuse for the erection of non-tariff barriers …".

Secondly, Singapore companies that expand into overseas markets have to obtain a social license to operate in these new environments. There are lessons to be learnt from the experiences of American, European and Japanese MNCs that have established operations in both developed and less developed economies. There are many challenges faced by Singapore companies that venture to less familiar surroundings. In addition to differing government regulations, environmental and social issues in rural communities are much different from those encountered in Singapore's urban and comparatively affluent environment. In many

less developed countries, companies step in to fulfil social roles that in Singapore, would be fulfilled by the government. For Singapore companies venturing into these countries, managing the relationship with the local government has been likened to a fine balancing act, being sensitive to not overstep boundaries while responding to the needs of the community.

3.2 Financial Scandals

A spate of high-profile financial scandals in Singapore has raised many questions about responsible reporting and disclosures. In 2004, Informatics Holdings, a large listed education group, announced that it overstated its unaudited pre-tax profit for the nine months ended December 2003 by $6.7 million, or 90 per cent of actual profit. More recently, the revelations of unreported bad investments by China Aviation Oil (CAO) have placed Singapore's reputation as having one of Asia's strongest corporate governance regimes under scrutiny. In July 2005, a remarkable series of revelations about possible irregularities at the National Kidney Foundation (NKF), Singapore's largest and most recognisable charitable organisation, led to the resignation of NKF's long-serving CEO and the entire NKF Board stepping down. This brought corporate governance to the forefront of public awareness. Overnight, corporate governance and stakeholder responsibility were moved from the business pages to the front pages of local newspapers.

Heightened public awareness and stakeholder pressures have invoked swift response from relevant parties. The Institute of Certified Public Accountants of Singapore announced in July 2005 that, through its Corporate Governance Committee, ICPAS will be issuing a publication that will provide guidelines on the roles and responsibilities of an audit committee with the view to enhance its members' knowledge, the corporate community's understanding and the public's appreciation of the role and responsibilities of the audit committee. Preceding the NKF incident, the government had accepted a series of recommended changes proposed by the Council on Corporate Disclosure and Governance in its recent review of the Code of Corporate Governance.

4. Government Legislative Frameworks for Socially Responsible Behaviour

In Singapore, certain elements of CSR have been addressed by government legislation in order to enforce minimal accepted levels of corporate responsibility. Many conventional definitions of CSR preclude legislated obligations and emphasise voluntary action. However, Singapore is unique in having strong government presence and is renowned for being business-friendly because of the stability of its political and legal spaces.

4.1 Code of Corporate Governance

Following the amendments to the Companies Act in July 2002, then Deputy Prime Minister and Minister for Finance Lee Hsien Loong launched the Council on Corporate Disclosure and Governance (CCDG) on 16 August 2002. Among its terms of reference, the CCDG is responsible for strengthening the framework on disclosure practices and reporting standards. The Code of Corporate Governance was first issued by the Corporate Governance Committee on 21 March 2001. Compliance with the Code is not mandatory but listed companies are required under the Singapore Exchange Listing Rules to disclose their corporate governance practices and give explanations for deviations from the Code in their annual reports for Annual General Meetings.

The CCDG initiated a review of the Code in May 2004 and submitted its recommendations to the Ministry of Finance in June 2005. The Ministry of Finance issued a revised Code on 14 July 2005, after considering the CCDG's recommendations.

Among the recommendations that have been accepted include requiring companies to disclose, at the start of the corporate governance section of their annual report, that they have adhered to the code's guidelines; expanding the duties of audit committees to include reviewing and ensuring the integrity of the financial statements of the company; requiring companies to put in mechanisms to enable staff to bring forth matters relating to possible improprieties in the financial statements or other matters in confidence and

independent investigation and appropriate follow-up action be carried out on such matters and asking companies to avoid imposing a limit on the number of proxies for nominee companies, thus making it easier for larger investors such as fund managers to participate in annual general meetings (AGMs). Changes to the Code of Corporate Governance will take effect in January 2007.

4.2 Employment Laws

Singapore has been a member of the International Labour Organization since achieving independence in 1965 and at present has ratified 23 of the 185 ILO Conventions. A list of the ILO Conventions that Singapore has ratified is provided in the Appendix.

From the beginning, the Singapore government emphasised harmonious labour relations in its nation-building efforts. Singapore sought to establish a pro-active and complementary relationship between labour, industry and government and has developed and fine-tuned an unique tri-partite approach to managing labour relations. The law pertaining to employment and labour relations has aimed to strike a balance between providing appropriate protection for workers while keeping the economy agile so that it can respond quickly and flexibly to changes in conditions. In this, Singapore has struck its own path in

The principal statutes regulating employment law in Singapore are the Employment Act and the Industrial Relations Act. The Employment Act applies to employees (including manual workmen) except for seamen, domestic servants and persons in managerial, executive or confidential positions. The Act regulates the termination and breach of employment contracts, employment of women and young persons, and prescribes certain minimum conditions of service in respect of employees earning below S$2,000 a month. These minimum requirements cover employment terms such as rest days, hours of work, holidays, annual leave, sick leave, payment of retrenchment benefits and retirement benefits.

Under the Employment Act, there are some statutory restrictions on the ability of employers to terminate service in accordance with the employment contract. These restrictions protect employees against the discrimination and include:

- termination by reason of an employee joining a trade union;
- termination by reason of an employee being called up for national service or being liable to be called up.
- termination of a female employee's employment while she is on maternity leave. (Female employees are entitled to 8 weeks of paid maternity leave);
- termination on the ground of age of any employee who has not attained the minimum statutory retirement age (currently 62 years);
- termination without giving the minimum statutory period of notice or payingsalary in lieu of notice

The Employment Act also provides for protection against abuse of children as labour. Under the Act, children may perform light work at age 12. Children under the age of 14 may only be employed in an industrial undertaking if it is a family-operated business, while youth between the ages of 14 and 16 can work in an industrial undertaking if they possess a medical certificate certifying their fitness for employment. Restrictions are placed on the hours of work for children. In addition, children and youth are prohibited from working in mines, with heavy machinery, with any live electrical apparatus that is not effectively insulated, and under any working conditions that may be injurious to their health.

The Industrial Relations Act lays down the mechanism for orderly collective bargaining and arbitration processes in labour-management relations. Additionally the Industrial Relations Act place certain issues to be outside the scope of labour-management negotiations. Promotions, transfer, recruitment and retrenchment and task assignments are deemed to be solely within employers' prerogative. As for other labour-management issues, the Act lays down the mechanism for orderly collective bargaining and arbitration processes.

Other pieces of legislation governing labour relations are the Trade Dispute Act and the Workmen's Compensation Act. The Trade Disputes Act defines illegal industrial actions and lock-outs, protects unwilling persons from intimidation to participate in trade disputes, and institutes penalties for instigating and providing financial aid for illegal industrial actions and lock-outs. The Workmen's Compensation Act, provides for the payment of compensation to workers who are injured or afflicted with occupational diseases in the course of work. To ensure that employers have the financial capacity to pay, the Act makes it compulsory for employers to take up insurance for all manual workers and other employees earning less than S$1,500 per month to cover any liability.

4.3 Environmental Protection Laws

As a small economy with limited natural resources, Singapore has always been highly aware of the fragility of its environment and eco-system. Recognising that environmental challenges such as climate change, management of hazardous chemicals and wastes, ozone depletion, marine pollution and transboundary air pollution are global in scope and impact, the national body for environmental issues, the Ministry of the Environment and Water Resources (MEWR) has engaged in the process of environmental cooperation at the global, regional and bilateral levels.

MEWR is the national focal point for Multilateral Environmental Agreements (MEAs) that aim to enhance global environment protection through the use of internationally recognised legal instruments. The conventions that Singapore has ratified and protocols that Singapore has acceded to include:

- United Nations Framework Convention on Climate Change which was ratified in 1997

- The Montreal Protocol on Substances that Deplete the Ozone Layer which was acceded to in 1989 and subsequently ratified and acceded to in various Amendments. Singapore has successfully reduced the consumption of controlled Ozone Depleting Substances way ahead of the schedule for

developing nations. For this, the United Nations Environment Program (UNEP) presented Singapore with the Outstanding National Ozone Unit Award in September 1997.

- The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal which was acceded to in 1996. Arising from this, The Hazardous Waste (Control of Export, Import and Transit) Bill was passed by Parliament in November 1997 to ensure sound and effective management, transportation and disposal of hazardous wastes in Singapore.

- Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. Since June 2001, Singapore has been participating in the Interim PIC Procedure (IPP) prior to the Convention coming to force in February 2004.

- Stockholm Convention on Persistent Organic Pollutants (POPs) to which Singapore became a signatory in 2001. 10 out of 12 POPs are controlled as hazardous substances under the Environmental Pollution Control Act in Singapore. Parties to the Stockholm Convention are required to eliminate use of in-place equipment containing PCBs by 2025. Since 1980, Singapore has prohibited the import and use of PCBs, including electrical transformers and capacitors containing PCBs. A program had also been put in place to phase out equipment containing PCBs

The Singapore Green Plan

The first Singapore Green Plan (SGP) was introduced in 1993 as the environmental master plan to take Singapore into the twenty-first century. A review of that plan has resulted in a new blue print, the Singapore Green Plan 2012.

The first SGP described and mapped out the policies and strategies the government would implement to transform Singapore into a model Green City. The SGP vision was one of

Singapore as a city with a high standard of public health and a quality environment conducive to gracious living, with a population that cares for the local as well as the global environment. The first plan gained considerable industry and community support, although assessment of its impact has not been uniformly favourable. The Nature Society (2002), an environmental NGO, said in its feedback on the Singapore Green Plan 2012 that "many changes with respect to our environment have taken place, some for the better and some for the worse". It was of the opinion that Singapore's "good and healthy living environment in terms of ambient air quality, high public health standards, etc. … has not been balanced with an equitable care and protection of our natural heritage and capital."

With the SGP 2012, the government has restated its commitment to contribute to global sustainability efforts within Singapore's capability and resources. The Singapore Green Plan 2012 sets out the response to the challenges of sustaining a quality environment while pursuing economic progress. The key thrusts of the SGP 2012 are:

- Waste management, including the nurturing of a commercially viable recycling industry
- Conserving nature and preserving indigenous biodiversity
- Efficient Energy Use to ensure cleaner air
- Water conservation and management
- Improving Public Health
- Close partnership with the 3P – People, Private and Public – sectors
- Innovating for sustainability
- Enhancing External Collaborations.

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5. Institutional Frameworks for CSR in Singapore

5.1 Government and Government Related Organizations Promoting Socially Responsible Behaviour in Corporations

National Volunteers and Philanthropy Centre

The National Volunteer & Philanthropy Centre (NVPC) is the national body, established in July 1999, to promote volunteerism and philanthropy in Singapore, working in partnership with the public, people and private sectors. NVPC functions as a non-profit non-government organisation, with funding support from the Ministry of Community Development, Youth, and Sports (MCYS) for overheads.

NVPC works with corporations in several different ways to encourage corporate volunteering. Organisation may choose to act as a promotion channel for NVPC by encouraging employees to sign-up for NVPC's e-match as individuals. In e-match, individuals indicate which areas they want to volunteer with and are then matched electronically with non-profit organisation's (NPO) needs. Organizations may also choose to volunteer at the corporate level through volunteering opportunities identified by NVPC. NVPC also acts as a "matchmaker" by communicating the interests and skills of organizations interested in volunteering to relevant NPOs.

Ministry of the Environment and Water Resources

Set up in 1972, the mission of the Ministry of the Environment and Water Resources (MEWR) is to provide Singaporeans with a quality living environment and a high standard of public health, protected against the spread of communicable diseases.

Having performed well and achieved a clean and green living environment, MEWR aims to move from maintaining good environmental performance in the short term to achieving environmental sustainability in the long term. Together with its two statutory boards, the

National Environment Agency (NEA) and the Public Utilities Board (PUB), this can be accomplished through continued innovation in managing Singapore's limited resources, and vibrant partnerships and co-operations across the 3P sectors - private, public and people - crucial in meeting Singapore's environmental sustainability challenges.

National Environment Agency

The National Environment Agency (NEA) was formed under the Ministry of the Environment and Water Resources (MEWR) on 1 July 2002 to focus on the implementation of environmental policies. Under the NEA, the divisions of Environmental Protection, Environmental Public Health, and Meteorological Services work together to ensure a quality environment for Singaporeans, for now and for generations to come.

The Environmental Protection Division implements programs to monitor, reduce and prevent environmental pollution. It is also responsible for the operation of the four refuse incineration plants and off-shore sanitary landfill in Singapore. In order to conserve energy resources and landfill space, this Division implements programs to minimize waste generation, and maximize recycling and energy conservation.

The Environmental Public Health Division ensures a high standard of public health through comprehensive ground surveillance and appropriate preventive measures. This Division is also responsible for the overall cleanliness in Singapore and a high standard of hygiene in our food retail industry.

NEA administers two funds aimed at achieving the goals of environmental sustainability.

- The 3P Partnership Fund aspires to forge meaningful synergies with potential partners - organisations, companies and individuals - from the People, Private and Public (3P) sectors to spawn innovative and sustainable environmental initiatives, reaching out to and benefiting the community at large. These sustainable partnerships should

culminate in a sense of co-ownership of the environment and social responsibility in every Singaporean.
- Innovation for Environmental Sustainability (IES) Fund aims to encourage and assist Singapore-registered companies to undertake innovative environmental projects that could help to meet the government's goal of environmental sustainability. The projects may be classified in the following categories: (1) Projects that enhance MEWR's capabilities to pursue the goal of sustainability; (2) Projects for the development of environmental technologies and products for commercialisation purposes; or (3) Projects with the primary aim to improve environmental performance of a company.

National Tripartite Initiative (NTI) on CSR

The National Tripartite Initiative (NTI) on CSR was launched in May 2004 and positions itself as a holistic and sustainable approach to bring forward the Corporate Social Responsibility (CSR) movement in Singapore. The NTI on CSR serves as a steering committee to review and formulate broad CSR strategies, taking a tripartite approach to include the key stakeholders including business, unions and the government.

The Co-chairs of the NTI steering committee are Ms Claire Chiang (Senior Vice President, Retail Operations, Banyan Tree Holdings Pte Ltd) and Mr Thomas Thomas (General Secretary, Singapore Shell Employees' Union). The committee comprises of the following national bodies in Singapore

- Ministry of Manpower (MOM)
- Ministry of Community Development, Youth & Sports (MCDYS)
- National Trades Union Congress (NTUC)
- SPRING Singapore
- Singapore National Employers Federation (SNEF)
- Singapore Business Federation (SBF)
- National Volunteer & Philanthropy Centre (NVPC)
- National Environmental Agency (NEA)

- Consumers Association of Singapore (CASE)
- Singapore Institute of Directors (SID)
- Singapore National Co-operative Federation (SNCF)

Singapore Compact

The NTI on CSR national steering committee has founded a society known as **Singapore Compact for CSR**. Launched in January 2005 with the National Trade Union Congress (NTUC) and the Singapore National Employers' Federation (SNEF) as founder members, the national society aims to be a platform in fostering dialogue and collaboration among various CSR stakeholders. The Singapore Compact for CSR functions as a national society in furthering the CSR movement in Singapore. On 16th September 2005, Singapore Compact launched the UN Global Compact in Singapore and is a strong proponent of the adoption of the Global Compact principles by Singaporean organizations.

5.2 Non Governmental Organizations and Other Organizations Promoting and Advocating CSR in Singapore

Singapore Environment Council

The Singapore Environment Council (SEC) evolved from the National Council on the Environment (NCE) which was formed in 1990. The NCE was restructured to form a nationally oriented, independently managed body. SEC is a company limited by guarantee, and is also a non-profit organisation with the status of an institution of public character and it is an approved charity which therefore offers tax exemption for donors. SEC was incorporated in 1995 and evolved from a growing national awareness of "Green-Consciousness".

In the 1990s, green issues such as future limitations on growth; land use; water supply; pollution control; refuse disposal as well as the quality of life became a focal point for debate in Singapore. While the government had been active and successful in driving environmental protection initiatives, it was apparent that real changes were needed at the grass-roots level.

SEC was formed against this backdrop and sees itself as a catalyst to individual action and responsibility and acts as an umbrella body to small, resource-constrained green-groups in Singapore.

The objectives of SEC are:

- To promote greater public awareness of and concern for the living and natural environment in Singapore.
- To encourage members of the public to be more environmentally conscious and display a greater sense of environmental responsibility.
- To co-ordinate environmental promotion and protection undertaken in Singapore and to organize and assist other organizations and institutions, bodies and persons for the purposes of environmental and protection.
- To study, develop and improve measures for the promotion and protection of the environment which are suitable for adoption by private and public organizations, educational institutions, community organizations, the media and the general public in Singapore.

One of SEC's key target groups is the private sector. SEC sees the business sector as the decision-making body for Singapore's consumption-oriented society. It aims to help businesses work towards sustainable viable goals, conformity with evolving world standards of environmental conduct, and good corporate citizenship on environment concerns, within both the local and global frameworks. SEC administers several schemes and programs to encourage and incentivise environmentally responsible behaviour in corporations.

The Singapore Green Labelling Scheme and Energy Labelling Scheme

The Singapore Green Labelling Scheme (SGLS) was launched in May 1992 by the Ministry of the Environment. The GreenLabel can be used on products which meet the eco standards specified by the scheme and is recognised as a member of the international Global Ecolabelling Network (GEN) allowing certification by mutual

recognition of SGLS endorsed products by other members of the network.

The Energy Labelling Schemewas launched in April 2002 to provide consumers with information on energy consumption in household appliances. The scheme is supported by the National Environment Agency and the National Energy Efficiency Committee.

Project Eco-Office

Project Eco-Office is a joint initiative between Singapore Environment Council (SEC) and City Developments Limited (CDL) and was launched on 5th June 2002 to mark World Environment Day. Project Eco-Office brings the environment agenda to companies of all sizes and from all sectors. This broadens the corporate coverage beyond the traditional target groups of environmental lobbyists, such as the energy sector. The first phase of this on-going program helped companies raise awareness and cultivate environment-friendly habits within the workplace. The second phase was launched during Clean and Green Week November 2003 and aimed to further the interest and effectiveness of the program by developing a website to allow ease and low cost dissemination of awareness materials.

One of the key programs associated with the second phase of Project: Eco-Office is the On-Line Eco-Office Rating System which enables offices to perform a self-audit based on simple metrics, such as corporate environmental policy and commitment, purchasing practise, waste minimisation measures, level of recycling, amongst other variables. Offices will be able to gauge their performance over time and the Eco-Office Rating System also forms the basis on which offices that rate well enough can apply for a Green Office Label.

Singapore Environment Achievement Award

The Singapore Environment Achievement Award (SEAA) was developed to inspire in Singapore-based organisations a level of commitment towards becoming more environmentally and socially responsible. Being the only local award that addresses overall environmental initiatives and awareness within an organisation, the SEAA is the most prestigious environmental award in Singapore.

The criterion for the award focus on assessing the ability of an organisation to establish procedures, staff training and education, and an overall direction towards achieving a breakthrough in environmental performance.

Centre for Corporate Social Responsibility

The Centre for CSR, an independent not for profit organisation, was set up on 17th April 2003 by a group of like-minded and civic-conscious individuals with the aim of improving standards of ethical and responsible behaviour within the community in general and among corporations in particular.

The Centre for CSR is independent and impartial. It will strive to develop and maintain a good relationship with trade and professional associations, and to help raise the CSR bar for members of such associations. It also intends to work with local and international government departments; consumer, worker, environmental, community and other NGOs; standards-setting bodies; and special-interest groups to improve and enhance CSR standards and practices.

In July 2004, the Centre for CSR oganised one of the first large scale CSR events to be held in Singapore, the second Social Venture Network Asia Conference. This event also marked the First Asia-Pacific CSR Conference and Seminar Series and incorporated a Youth Conference. Drawing participants from all over the Asia Pacific and beyond, the event was an important focal point for identifying key CSR issues regionally.

The Asia Pacific CSR Group

The Centre for CSR set forth to concretise and bring to bear its aspiration of getting the Asia Pacific CSR Group off the ground when it committed itself to organise and host the 2nd SVN Asia Conference, after overwhelming nominations received at the close of the first SVN Asia Conference held in Bagkok on 9th to 11th November 2003.

The Asia Pacific CSR Group was launched on 12-13 July 2004, bringing together 9 CSR organisations in the region. Brief details on the member organizations are provided in the Appendix. Members of the Asia Pacific CSR Group engage in active learning exchanges and practices, networking and sharing of information with the aim of supporting each other to achieve the vision of the members or goals of the group. The group is setting forth to identify goals and aspirations for the region and whilst at the same time preserving individual values. Goals include the recognition of standards and benchmarks that may commonly apply like governance as well as good business practices in the fields of environmental protection/conservation, equitable human resource management amongst others.

American Chamber of Commerce in Singapore: Corporate Citizenship Committee

The American Chamber of Commerce in Singapore (AmCham) was officially formed in September 1993, but has been a prominent presence in Singapore for many decades prior to this, firstly as the American Business Committee of the American Association and thereafter as the American Business Council

Today AmCham has more than 1400 members, many of whom work in 22 active committees to fulfil AmCham's mission: to promote the interests of AmCham members in Singapore and the region by providing advocacy, business information and networking opportunities. AmCham Committees focus on issues of concern to members, enable information exchange and developing advocacy platforms.

The Corporate Citizenship Committee aims to be a facilitator and educator, encouraging and enabling companies to incorporate a CSR framework within their companies.

The Committee objectives are:

- To **raise overall awareness** among the AmCham membership and beyond as to the importance of corporate social responsibility;
- To **educate** stakeholders within corporations, and the greater external stakeholder

audience, targeting all levels, from senior management to the operational levels – measured by a positive rating from 75% of participants in AmCham's educational initiatives as to whether the initiative increased their understanding of CSR;
- To **enable** those with an interest in the corporate volunteering aspect of CSR to become involved – measured by the facilitation or directing of 80% of those that show interest to an avenue through which they can experience corporate volunteering;
- To **serve as a broker** between companies interested in CSR and resources that can help them achieve their CSR goals measured by providing facilitation for 80% of requests received by the committee;
- To **communicate** information on corporate social responsibility to the membership and other stakeholders by way of the e-newsletter.

The activities that the Committee plans for meeting these objectives are:

- **Educating** stakeholders within corporations, and the greater external stakeholder audience by way of educational activities, including CSR courses, roundtables, lectures, conference promotion, literature, networking sessions, etc.
- **Enabling** those with an interest in the corporate volunteering aspect of CSR a vehicle through which to experience corporate volunteering, or a means through which to do so;
- **Serving as a broker** between companies interested in CSR and resources that can assist them, such as governmental, not-for-profit and for profit organizations.
- **Communicating** to the membership and beyond by way of newsletters, direct mail, media, awards, case studies, etc.

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6. Previous Studies on CSR in Singapore

Early studies on CSR in Singapore have relied on looking at corporation's self-reported CSR activities and performance via disclosures in corporate annual reports, websites and other publicly released sources of information. Studies such as those by Tsang (1998) and Foo and Tan (1988) are of this mould. However, the disclosure method has its critics. CSR reporting may lag behind actual involvement and is additionally rarely practised by smaller firms.

More recently, there have been several studies on CSR in Singapore that have adopted a stakeholder's perspective. In this section, the key findings from these studies, together with a recent study based on website reporting, are summarised. It should be noted that these studies are not representative of Singapore as a whole as the samples are usually biased towards companies that have at least some exposure to the concept of CSR.

6.1 Ramasamy and Hung (2004)

Ramasamy and Hung's (2004) comparative study of CSR awareness in a sample of 29 Malaysian and 47 Singaporean firms found that companies in both economies tend to have low levels of CSR awareness. Although 39 of the Singaporean firms claimed to have CSR activities, only 22 companies indicated that CSR was part of the company objectives and only 26 companies acknowledged that CSR was part of the company culture.

Despite the fact that the awareness of CSR in Singapore has emerged rather slowly, it appears that Singaporean companies are nonetheless more CSR-conscious than are their Malaysian counterparts. The authors suggest that this could be attributed to the structure of the industries with Singaporean businesses benefiting from the presence of many multinational corporations (MNCs) that make Singapore their regional hub. A second reason for the gap between the two economies is the higher economic wealth per capita of Singaporeans. Both as employees and consumers, Singaporeans are able to make greater demands on firms to be more socially responsible.

The study also found that larger companies tend to be more active in CSR activities. This suggests that larger companies are able to allocate more resources for CSR activities. Moreover, large companies in small economies are relatively more conspicuous and subject to greater scrutiny by government, NGOs, the media, consumers and employees.

6.2 Chambers, Chapple, Moon and Sullivan (2003)

In this study, Chambers et al. (2003) analysed company website reports of the top 50 companies (by operating revenue) in seven Asian economies: India, South Korea, Thailand, Singapore, Malaysia, Philippines and Indonesia. Using a structured classification scheme, the study classified the reported CSR activities in various ways: extent, degree of institutionalization and the extent of three "waves" of CSR involvement.

Singapore has proportionately fewer companies with CSR activities compared to the other nations. 38% of the Singapore sample was found to have CSR activities compared to an average of 41% for the 7 nations, with Indian companies having the highest CSR penetration rate of 72%.

The extent of CSR reporting in Singapore was also relatively lower. Only 15.8% of the Singaporean companies had "extensive" reporting of CSR compared to the average of 27.1% across the seven economies. Conversely, 42.1% of Singapore companies only had minimal CSR reporting. Furthermore, only 2% had a dedicated CSR report. Of the seven economies, Singapore ranked 6th in terms of coverage of CSR issues in their reporting.

The study followed Moon's (2002) classification of three "waves" of CSR: community involvement, socially responsible production processes and socially responsible employee relations. In Singapore, 47.4% of companies had at least medium coverage of "community involvement", compared to 10.5% for "production processes" and 21.1% for "employee relations". The high level of penetration in the community involvement wave is consistent with the findings for the other economies. Currently, community involvement

is the most established form of CSR not only in Singapore, but generally in Asian companies. In the case of Singapore, there is also a prominent third wave of employee relations, suggesting the importance of employee welfare in the CSR agenda in Singapore.

The study contrasted Singapore, with its high per capita wealth levels, to Western economies, where companies have demonstrated a relationship between CSR activities and improved profits. In Singapore, CSR penetration is relatively low and the benefits of CSR to the bottom line appear to be not yet recognized. The authors offer several explanations for this finding, based on the reasoning that wealth dilutes imperatives for CSR. Singapore's relatively large tax base enables the government to invest in areas such as education and environmental protection, removing the need for companies to fulfil this function. The relative affluence of Singaporean society has also meant the absence of poor social conditions that act as drivers for CSR in other places. As a land-scarce island with no agricultural sector to speak of, many environmental issues are not directly applicable.

6.3 British High Commission (2004)

In February 2004, the British High Commission in Singapore organized a conference with the theme "Singapore/UK: Developing Corporate Social Responsibility". The Nottingham University Business School, Malaysia Campus designed a short questionnaire which was handed to delegates at this conference. The questionnaire was designed to elicit information on CSR activities in organizations, motives for CSR activities and how organizations are structured to carry out CSR activities. In total, 54 completed responses were returned.

The respondents ranked customers as the most important stakeholders, followed by shareholders, employees and the community in fourth place. Business partners and supplier were ranked relatively low, in sixth and ninth place respectively. It is suggested that these low rankings reflect a lack of recognition of emerging CSR supply chain issues.

It was felt that the most important audience to recognize a company's CSR activities is its own employees. 40% of the respondents believed that it was important for employees to recognize CSR. Customers and Community were cited by 38% of respondents. The media and NGOs were ranked relatively low, with 30% believing that NGOs should recognize CSR efforts, while only 24% felt that the media's role was important. This highlights an importance difference between Singapore and economies like the USA, UK and Australia – the local media does not have a tradition of confrontational advocacy feeding off headlines created by NGO pressures.

The top three CSR activities in order of importance were community participation, employee involvement and partnerships with the community. One surprising finding was that philanthropy ranked last in the list of 8 activities.

When asked to rate the importance of various motives for CSR, the respondents ranked highly factors related to obtaining a social license to operate in their chosen business environment. Community trust and reputation were ranked equal first. Employee morale was ranked second, reflecting an understanding of internal customer satisfaction. Building long term sustainability and customer loyalty were next, followed by government support as the last factor contributing to obtaining a social license. It was noted that this relatively lower ranking of government support indicates a willingness to be independent of the state.

Other motives for CSR that ranked lower may be classified as contributing to capacity building and market presence. These included developing employee skills, public welfare, market access and short term financial gain.

6.4 Luo, Ng and Soh (2005)

This study is a project completed by students at the Nanyang Technological University and submitted as an Honours year thesis for the Bachelor of Communication Studies. Luo et al. (2005) surveyed a large sample of 513 executives on their views and perceptions of CSR in Singapore. Additionally, in-depth interviews were conducted with 19 companies.

Awareness and Perception of CSR

There is a moderate level of awareness of CSR as a concept in that 69% of surveyed executives had heard of the term. The general consensus is that the parameters which most strongly reflect socially responsible behaviour are anti-corruption, business ethics, health and safety, environment and labour practices. Revealingly, these are areas which are governed by established laws in Singapore. Conversely, charitable contributions, community involvement and sustainability were rated lowest as elements of corporate obligation to society.

Most executives agreed that corporations have responsibilities towards society. While the majority believed that CSR should be a consideration for corporate strategy, nearly half acknowledge the reality that CSR is largely a publicity issue at present.

CSR Activities in Corporations

The most common CSR programs implemented are charitable donations, employee welfare and training programs and community projects. The activities that are least common are environmental projects, arts and cultural activities and the adoption of a code of ethics. The practice of CSR obviously lags behind perceptions and understanding of what CSR encompasses.

Motivation for CSR

The top three motivators for CSR are enhancing reputation, long term sustainability and enhancing community trust and support. It was generally found that economic motivators were categorized as being less important than motivators associated with the company's license to operate. Least important of all were motivators associated with external pressures from NGOs, media and other parties.

The respondents were divided on whether or not government regulations should be considered as CSR motivators. The number of respondents that believed government regulation to be important was almost the same as the number who believed it to be unimportant. While participants in the in-depth interviews were divided on

whether CSR should be legislated, most agreed that the government can raise CSR awareness and promote CSR practices in companies due to the strong influence of the public sector in Singapore.

From the in-depth interviews, it was found that there were three major approaches to CSR: proactive, accommodative and reactive. Proactive corporations are motivated by corporate values and corporate agendas that incorporate social responsibility. Such companies are typically large companies or multinational corporations. Accommodative companies follow existing regulations and guidelines to fulfil a minimum level of responsibility to society. Reactive companies conduct CSR activities on an ad-hoc basis in response to specific events, such as the Tsunami disaster.

CSR Implementation Processes

Overwhelmingly, respondents indicated that decision making on CSR is top-down in their company. 74% reported that the company's CEO is the CSR decision maker, with the Head of HR being cited by 45% and the Head of Corporate Communications being cited by 38% of respondents.

The in-depth interviews affirmed that CSR initiatives are driven from the top down. For MNCs, directives came mainly from regional or global headquarters

Almost one quarter of respondents had a department dedicated to handling CSR activities, although this need not necessarily be a specialized CSR department.

In terms of resources allocation, 42% have an annual budget allocated to CSR-related activities. Almost half (49%) had staff designated to plan CSR activities. However, 30% were unable to track their manpower allocation to CSR activities

The majority of respondents, 61%, do not evaluate their CSR programs and activities. Of the 29 companies who do conduct evaluation of CSR, methods varied and ranged from tracking media coverage to conducting formal

stakeholder surveys. Verbal feedback was the most common method used. Only five companies used profit figures to measure the success of their CSR efforts.

It was generally agreed by the in-depth interview participants that it is inherently difficult to measure CSR. The lack of proper evaluation measures, the intangible nature of the results of CSR programs and the perceived lack of importance accorded to CSR reporting contribute to the low level of CSR evaluation. Many felt that evaluation is an essential management process that needs to be adopted in the future. A common standard that is broadly applicable and acceptable to all companies would provide a basis for benchmarking and assessment.

6.5 Synthesis of Studies

From the four studies previously described and summarized, several preliminary observations about CSR in Singapore may be made.

Awareness of CSR as a concept is relatively low in Singapore, although awareness levels have improved in more recent years. While there is understanding that CSR is very wide in scope and encompasses myriad areas, there is no commonly agreed upon view of what constitutes CSR. The debate on what constitutes "CSR" is most apparent on two elements: legislation and corporate philanthropy.

Many companies claim that the motivation to practise CSR stems from the desire to obtain a "social license" by building trust and long term sustainability. They readily agree that CSR should be an integral part of their business. However, in practice, CSR is still missing from the strategic agenda of most boardrooms. CSR activities are largely executed by Corporate Communication, Public Relations or Human Resources departments. There is a clear gap between the ideals of what CSR should be within corporations and the reality of how CSR is practiced in Singapore. The visible face of CSR is in community-based programs and corporate philanthropy.

The motivations to practise CSR appear to originate from the corporations and their

operating environment. Extrapolating from this, it appears that competition will likely be a key driver pushing corporations to implement CSR programs and meet standards of responsible behaviour. It is expected that this will be especially applicable for corporations that participate in global supply chains and establish presence in overseas locations. Not only would Singapore companies be subject to such requirements due to competitive pressure but large, influential Singapore companies would also be in a position to push the CSR agenda to their partnering organizations. In this respect, Singapore corporations might be slightly slow off the starting-block as awareness of CSR supply chain issues is still quite low.

Corporations are most concerned with their primary stakeholders, namely customers, employees and shareholders. This implies that business-related activities such as quality products and customer service would take precedence over activities targeted at community and environmental well-being. These priorities are reflected in the current situation in Singapore, where CSR is largely a publicity issue and not yet a major consideration in formulation corporate strategies. The primacy of primary stakeholders is also consistent with the elements of CSR that are most strongly identified with by Singapore corporations: employee relations, business ethics and anti-corruption, which in turn, are in line with areas of policy emphasis by the government.

These studies have established that CSR has begun to take root in Singapore, especially among MNCs that have had a head-start due to directives from corporate head-quarters and larger corporations that have devoted resources to CSR activities, usually community-based programs. However, these studies have sought information from select groups of corporations. Methodologically, self-selection bias has skewed responses towards more favourable perceptions of CSR than would normally be the case. It is expected that a more representative assessment of CSR in Singapore would reveal much lower awareness levels and understanding of CSR concepts. On an economy-wide basis, socially responsible behaviour by corporations is most likely manifested in compliance with laws and

regulations, and where there is no legislation, observation of industry-endorsed guidelines.

7. Case Studies

In this section, two case studies of CSR as practised in Singapore companies are presented. The first company is one of Singapore's largest home-grown corporations with a wide-ranging domestic customer base. The second company is a smaller Singapore-owned company that has the bulk of its operations overseas in less developed nations. The choice of these two companies illustrates the different CSR imperatives of companies that serve domestic versus overseas markets.

7.1 SMRT Corporation Ltd

SMRT Corporation Ltd (SMRT) is a holding company with transportation as its core business. Incorporated in 2000, it offers premier multi-modal public transport services in Singapore through its subsidiaries (SMRT's subsidiaries are listed and briefly described in the appendix). In addition to the provision of train, bus and taxi services, SMRT provides maintenance consultancy and project management services in railway systems. At present, SMRT Corporation employs around 6,000 staff. For the financial year ending March 2005, SMRT recorded revenue of S\$673 million and net profit of S\$127 million, an increase from net profit of S\$90 million in the previous years. SMRT has consistently achieved growth in both profits and revenues since the early 2000 and remains one of the most reliable performers in the Singapore Stock Exchange.

CSR at SMRT Corporation[1]

In an interview, the Vice President in charge of Corporate Communications at SMRT explained the company's philosophy with regards to CSR. He does not regard CSR as a core business function, but rather the way that the company functions. In the strictest sense, business is about

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[1] Portions of the information used for this case study are sourced from an interview with the VP, Corporate Communications of SMRT Corporation transcribed in Luo, Ng and Soh (2005).

making profit and in practical terms, CSR concepts are divorced from this profit motivation. However, when a business is well-managed, it will find that it is natural to be socially responsible. At SMRT, CSR is embedded in the way the company is managed, as reflected in its 3 core values of Excellence, Respect & Recognition and Commitment.

The value of Respect & Recognition encompasses the treatment of staff as well as SMRT's customers, which include a large proportion of Singapore's population. The core value of Commitment is all-inclusive to include customers, regulators, shareholders, employees, the community and the environment. As a provider of public transportation, SMRT regards itself as having a responsibility to Singaporeans to provide affordable transport, while remaining profitable to be responsible to its shareholders. Within this context, SMRT defines CSR as meaning that everything done within its business is sustainable.

One strong pillar of CSR is SMRT is community service. The twin objectives of CSR for SMRT are to promote volunteerism among SMRT staff and to build community spirit by ensuring that SMRT is part and parcel of the community. The belief is that CSR must be practiced with genuine intentions. The well-being of employees is enhanced through volunteerism and in turn, they become better workers and SMRT reaps the benefits. In line with these objectives, SMRT has introduced the Corporate Volunteer Program. Staff who volunteer are entitled to 2 days or 16 hours of volunteer leave for activities under the program.

Organizing for CSR

At SMRT, the responsibility for carrying out CSR related projects lies with the Corporate Communications Department. In the opinion of the VP of Corporate Communications, the commitment to CSR stems from the CEO and as long as there is strong support from the top management, the operational responsibility can be delegated to anyone or any department, depending on the nature of the organization. In the case of SMRT, as a company serving the public, CSR is the domain of the Corporate Communications department because Corporate

Communications is the interface between SMRT and the public. There is no designated CSR manager as the Corporate Communications department drives the entire CSR movement within the company, setting ground rules, selecting projects and organizing training.

Commitment to CSR at the top management level is demonstrated by the involvement of the senior management team in CSR programs. The CEO of SMRT has asked that all members of the management committee sponsor a CSR program. For example, the VP of Buses, who is also the CEO of SMRT Buses Pte Ltd is in charge of the community outreach program with the Geylang East Home for the Aged. The VP of Rails is in charge of the SMRT Blood Recruitment Program, working closely with the Singapore Red Cross to organize blood donation drives. All senior managers form their own committees combining people from across the SMRT group to drive the programs.

At the end of each project, each committee in charge will conduct its own evaluation of the project, including the finances and manpower allocation. At the Corporate Communications Department, the responsibility is to track the number of volunteers for each project, as this indicator signals the success of SMRT is promoting corporate volunteerism. SMRT has not reached a level of sophistication where it has a structured approach for evaluating the success of CSR projects, such as guidelines for soliciting feedback from project participants or standards for performance. However, the VP of Corporate Communications expressed a lack of enthusiasm for restrictive instructions and guidelines and believed that broader policies should suffice.

Community Service Programs at SMRT

SMRT has adopted 3 main charity organizations for its CSR programs. These are the Geylang East Home for the Aged, Beyond Social Services and the Singapore Red Cross. In choosing these projects, SMRT was looking for areas in which SMRT's support was needed and SMRT is able to help through leveraging on its strengths.

With a network of 51 train stations spanning the length and breadth of Singapore, SMRT is in the unique position to reach out to large groups of Singaporeans for fund-raising and community-awareness programs. This strategic advantage has been innovatively leveraged in public blood donation drives organized with the Singapore Red Cross. Train stations are natural collection points. SMRT mapped out the stations with high traffic flow and made arrangements for the Red Cross to set up beds and station the necessary medical staff. SMRT has also offered free advertising space on its trains and in its stations for worthy causes, such as the Nature Society and Beyond Social Services, a registered charity which works to curb delinquent behaviour in youths.

In addition to these initiatives, SMRT has also conducted fund-raising events for its adopted charities. For the Geylang East Home, SMRT assisted in their annual flea market event. During Senior Citizen's week, SMRT placed donation boxes for the home in all of its 51 stations, and additionally conducted a tour for the home's residents. For Beyond Social Services, SMRT has organized events such as charity runs. SMRT's involvement in these events has included donation of staff time, sponsorship of transportation services, advertising space and sponsorship of participants.

7.2 Banyan Tree Hotel and Resorts

Banyan Tree is a Singapore-based company that operates high-end waterfront resorts in several developing economies, including Thailand, Indonesia, Maldives and Seychelles. In total, it runs six resorts and nine spas, mainly in the Asian region. Since its inception in the mid 1990s, Banyan Tree has been committed to the idea of CSR as a necessary business value. Because it operates in environmentally fragile and economically underdeveloped communities, it has developed a perspective of CSR that informs the way that its business is run.

CSR at Banyan Tree

The Banyan Tree perspective of CSR is encapsulated as "Embracing the environment, empowering people. The objectives are twofold: firstly, to reinforce the core value of the company to be a responsible and

pro-environment member of the community; and secondly, to provide critical funding to individuals and organizations, in support of worthy environmental action and community based projects.

This perspective of CSR is translated corporate policies and practices in three areas: Human Resources, Corporate Governance and Environment. It is in the area of environmental practices that Banyan Tree has achieved many accolades that have raised its profile to be recognized as among the leading practitioners of CSR in Singapore. Environmental responsibility is to both the natural environment, where Banyan Tree's policy is to ensure effective programs and demonstrate environmental responsibility, and the human environment, where Banyan Tree assists in community enrichment by operating as an agent of social and economic development. To ensure sustainable development, Banyan Tree is committed to continually helping to conserve the immediate surroundings of its resorts. These conservation efforts extend to the human environment. By hiring and buying locally, as well as by engaging indigenous communities of various countries to produce cottage crafts for the resorts and the Banyan Tree Gallery, Banyan Tree helps keep local cultures alive.

Funding Banyan Tree's CSR

To raise funds for community-based environmental action in the Asia Pacific region, Banyan Tree has established the Green Imperative Fund in all its resorts. The Fund works on the basis of each resort guest contributing US$1 per room per night; after the Asian tsunami, in the January to June 2005 period, this was raised to US$2 per room per night. Ever guest is at liberty to opt out of the program, otherwise the donation is automatically charged to the hotel bill. Banyan Tree matches guests' contribution dollar for dollar. In addition, Banyan Tree has committed to contributing 1% of audited net profits to the Fund. The fund is audited by Ernst and Young, and can only be utilized for projects that benefit the community or the environment.

Case Study: CSR in Action in Banyan Tree Maldives

Banyan Tree operates the Maldives Vabbinfaru resort in the Maldives, a chain of islands in the Indian Ocean with an economy largely dependent on tourism for foreign income. With a population of under 400,000 and GDP per capita of US$3,900, the Maldives faces many development constraints due to minimal communications facilities and lack of potable water and arable land. Mr David Campion, Project Manager for Corporate Social Responsibility at Banyan Tree explained that the key principle that Banyan Tree adopts in the Maldives is "We realize that alone we can never solve the developmental problems of the Maldives, but with careful selection of projects, can assure maximum beneficial implications for the local environment."

Translating the Banyan Tree group philosophy of Corporate Citizenship in action, Banyan Tree Maldives has CSR programs demonstrating responsibility to both internal and external stakeholders.

To ensure the safety and health of workers who work and live at the resort, situated in a small island, strict environmental standards are maintained in the disposal of waste and the use of chemical products for cleaning. This ensures that resort employees are not subject to contamination of their drinking water and living environment. Additionally, Banyan Tree maintains a policy of providing employment to the local community and endeavors to boost employee morale through recreational activities and provision of training and upgrading programs.

The jewel in Banyan Tree's CSR crown is its marine conservation effort. Mr Campion acknowledged that building a resort in the Maldives requires construction work in an area with a delicately balanced biodiversity which could be disrupted by inappropriate development. To preserve this delicate balance, Banyan Tree's marine conservation projects engage a team of marine biologists who work tirelessly to studying the ocean life. Even before El Nino wrecked marine havoc, dealing a crucial blow to life in the waters around the Maldives, Banyan

Tree scientists have already begun work on reef-building projects such as the Necklace and Barnacle projects at Angsana Ihuru. The undersea creatures that sought refuge in the more resilient reefs are the most immediate beneficiaries of these projects, with the resultant diversity profiting divers as well. Besides the corals, Banyan Tree marine biologists also monitor the states of rare fish (like the Napoleon Wrasse) and turtles, a couple of which are tracked by satellite. For its efforts in marine conservation in the Maldives, Banyan Tree has won several awards, including the Pacific Asia Travel Association's Grand Award for Corporate Environmental Program in 2002 and the President of the Maldives Green Resort Awards in 2002 and in 2004.

In addition to its responsibility to the natural environment, Banyan Tree takes seriously its role as community champions. In the Maldives, Banyan Tree's major community outreach program is a collaboration with the Society for Health Education (SHE) to combat Thalassaemia, a genetic anaemic blood disorder that is very common in the closely inter-related island communities of the Maldives. Banyan Tree tested each of its staff to ascertain if they carry Thalassaemia. Banyan Tree staff members volunteered for blood donation to ensure sufficient supply of blood for transfusions given to young children to delay the onset of the disease. Additionally, Banyan Tree Maldives and Angsana Maldives Ihuru collectively donated 200 leukocyte filters to SHE, an equipment required for blood transfusions which is priced beyond the means of most Maldivian families. Lastly, Banyan Tree is also funding and providing expertise for the production of a Thalassaemia Awareness video program to be distributed throughout the Maldives.

Another thrust of the community outreach programs in Banyan Tree is creating livelihoods by supporting local businesses. Where possible, Banyan Tree Maldives sources from local suppliers for the resort's daily needs and engage local staff. Additionally, the rural communities are engaged to make craftworks used for decorating the guestrooms of the resort. These initiatives complement ongoing efforts by Banyan Tree Gallery (a signature outlet in each resort) to showcase cottage crafts and the work of indigenous artisans. This arrangement has the two-fold benefit of keeping traditional arts and crafts alive while providing the local community with a means of earning a living.

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APPENDIX 1

Companies in SMRT Corporation Group

SMRT Trains Ltd (SMRT Trains)
SMRT Trains is the largest of the companies in the SMRT family of companies. Formerly known as Singapore MRT Ltd, it was incorporated in 1987 and operates the first mass rapid transit system in Singapore, serving major high density travel corridors in Singapore. The 89.4 km SMRT system, which consists of the North-South and East-West lines stretching over 51 stations, serves more than a million passengers daily.

SMRT Light Rail Pte Ltd (SMRT Light Rail)
Formerly known as Singapore LRT Pte Ltd (SLRT), it was set up in 1997 and operates Singapore's first fully automated light rapid transit system - the Bukit Panjang LRT system. The LRT system includes approximately 7.8 km of elevated guideways stretching over 14 stations.

SMRT Buses Ltd (SMRT Buses)
Formerly known as Trans-Island Bus Services Ltd (Tibs), SMRT Buses operates a fleet of more than 800 buses from five interchanges. Its trunk, feeder and night bus services attract a daily ridership of 735,000 passengers.

SMRT Taxis Pte Ltd (SMRT Taxis)
Formerly known as TIBS Taxis Pte Ltd, SMRT Taxis manages a fleet of 2000 taxis, including Mercedes and London taxis.

SMRT Automotive Services Pte Ltd (SMRT Automotive)
Formerly known as TIBS Motors Pte Ltd, SMRT Motors, operating out of three workshops in Ang Mo Kio, Woodlands and Kranji, provides maintenance and repair services.

Singapore Shuttle Bus (Pte) Ltd (SSB)
SSB has a fleet of more than 40 buses. It operates City Shuttle Service with two services plying between mature housing estates and the Central Business District.

Bus-Plus Services Pte Ltd (Bus-Plus)
Bus-Plus was incorporated in 1994 and operates a luxury bus service designed to bridge the gap between public bus services, the MRT system, the LRT system, taxis and private cars. Bus-Plus currently operates out of two depots with a fleet of 47 air-conditioned buses fitted with comfortable Vogel aircraft-type seats.

SMRT Engineering Pte Ltd (SMRT Engineering)
SMRT Engineering was set up in August 1999. It offers one stop consulting services from project conceptualisation to operations, maintenance and related assignments. SMRT owns 100% of SMRT Engineering. SMRT Engineering, together with Singapore Technologies Electronics Limited, formed TranSys Pte Ltd, which provides a number of niche railway related products for local and regional markets.

SMRT Investments Pte Ltd (SMRT Investments)
SMRT Investments was set up in 9 March 2000. Its principal activities are in the marketing and leasing of media spaces as well as the marketing, leasing and management of commercial spaces.

RFP Investments Pte Ltd (RFPI)
SMRT has a 100% stake in RFPI. It is currently dormant.

SMRT International Pte Ltd (SMRTI)
SMRTI is established to explore local and international investment opportunities. SMRTI is a Facility-Based Operator licensed by Infocomm Development Authority of Singapore (IDA) to lease out its cable network for commercial purposes. It is currently dormant.

Transit Link Pte Ltd (TransitLink)
A service company set up by SMRT and SBS Transit to ensure efficient and effective fare and network integration as well as to serve as a one-stop resource for information pertaining to public transport services in Singapore. TransitLink is 66% owned by SMRT.

APPENDIX 2

Locations of Banyan Tree Hotels, Resorts and Spas

Banyan Tree Hotels and Resorts:
Phuket, Thailand
Bintan, Indonesia
Maldives, Vabbinfaru
Seychelles
Bangkok, Thailand
Ringha, China

Banyan Tree Spa
Phuket, Thailand
Bintan, Indonesia
Maldives, Vabbinfaru
Seychelles
Bangkok, Thailand
Ringha, China
Shanghai, China
Miyazaki, Japan
Gora, Hakone, Japan

APPENDIX 3

ILO Conventions Ratified by Singapore

Convention	Ratification date
C5 Minimum Age (Industry) Convention, 1919	25:10:1965
C7 Minimum Age (Sea) Convention, 1920	25:10:1965
C8 Unemployment Indemnity (Shipwreck) Convention, 1920	25:10:1965
C11 Right of Association (Agriculture) Convention, 1921	25:10:1965
C12 Workmen's Compensation (Agriculture) Convention, 1921	25:10:1965
C15 Minimum Age (Trimmers and Stokers) Convention, 1921	25:10:1965
C16 Medical Examination of Young Persons (Sea) Convention, 1921	25:10:1965
C19 Equality of Treatment (Accident Compensation) Convention, 1925	25:10:1965
C22 Seamen's Articles of Agreement Convention, 1926	25:10:1965
C29 Forced Labour Convention, 1930	25:10:1965
C32 Protection against Accidents (Dockers) Convention (Revised), 1932	25:10:1965
C45 Underground Work (Women) Convention, 1935	25:10:1965
C50 Recruiting of Indigenous Workers Convention, 1936	25:10:1965
C64 Contracts of Employment (Indigenous Workers) Convention, 1939	25:10:1965
C65 Penal Sanctions (Indigenous Workers) Convention, 1939	25:10:1965
C81 Labour Inspection Convention, 1947	25:10:1965
C86 Contracts of Employment (Indigenous Workers) Convention, 1947	25:10:1965
C88 Employment Service Convention, 1948	25:10:1965
C94 Labour Clauses (Public Contracts) Convention, 1949	25:10:1965
C98 Right to Organise and Collective Bargaining Convention, 1949	25:10:1965
C100 Equal Remuneration Convention, 1951	30:05:2002
C182 Worst Forms of Child Labour Convention, 1999	14:06:2001

APPENDIX 4

Member Organizations in the Asia Pacific CSR Group

AUSTRALIA
Corporate Social Responsibility Australia (CSRA)

Corporate Social Responsibility Australia (CSRA) is a not for profit, membership based, incorporated association dedicated to improving the behaviour, image and sustainability of Australian business and government. By providing support, information, access to networks, sharing experiences, training and education CSRA aims to improve awareness of relevant issues and help develop understanding of what the Australian community believe constitutes socially responsible behaviour.

The Board of CSRA has been working with Federal and State Governments, businesses and Universities to jointly achieve these goals and raise awareness of CSR in Australia. Although the goal of CSRA is to impact on the way Australian businesses do business, we look warmly to our network of international friends all with a common interest in CSR.

HONG KONG
Community Business

Started operations in January 2003
As at 30 June 2004, 18 Corporate Citizens (member companies)
Local Govt Agencies Dealt with:-
• Government secondary schools
International Agencies Dealt with:-
• World Bank Institute,
• IBLF
• Business in the Community,
• Over 36 partners in Europe, Asia and the Americas
Funding Support:-
• Annual membership fees from "Corporate Citizens" of Community Business
• Funding for projects, research and training obtained separately from donor agencies and companies
Activities:-
• Provides training, advice and brokerage to Corporate Citizens on overall CSR Strategy, Corporate Community Investment and Diversity in the Workplace
• Provides a platform for companies in Hong Kong to share experiences in and learn about CSR
• Provides CSR courses to corporate executives, students and interested individuals
• Produced the following publications:
• "A Handbook for Companies on Getting Started on Corporate Community Investment in HK"
• "CSR in Hong Kong: A Survey of Best Practices";

INDIA
Centre for Social Markets

The Centre for Social Markets (CSM) is an independent non-profit organization dedicated to making markets work for the triple bottom line - people, planet and profit. Through our offices in India and the United Kingdom, and an international network of partners and associates, CSM promotes responsible entrepreneurship, ethics and accountability worldwide.

Founded in 2000, by Ms Malini Mehra, Member of United Nations Secretary-General Kofi Annan's High Level Panel of Eminent Persons on UN-Civil Society Relations, CSM is a values-based organisation committed to sustainable development and human rights. CSM's work is divided into five main work streams focussing on business, investors, workers, consumers and governance respectively. CSM's primary geographical focus is on developing and transition countries, and our key constituencies are ethnic minority communities in industrialised countries, and domestic industry and stakeholders in developing countries.

INDONESIA
Indonesia Business Links - Resource Centre for Corporate Citizenship

Indonesia Business Links (IBL) is a not for profit organization that promotes Corporate Citizenship among national and international companies operating in Indonesia. Born out of a multi sector discussion held during the World Bank Conference in Washington DC (1998), it was jointlyregistered by several corporate representatives in Indonesia as a Foundation (Yayasan) in 2001.

IBL functions as Resource Centre for Corporate Citizenship that offers information (webportal, reports, publications) and capacity building for corporations (support, networks, learning forum, training and education. It aims at :
1. Increasing Awareness of CSR
2. Providing Forum and Resources on Corporate Initiatives
3. Increasing partnership building amongst corporations in Indonesia on CSR

PAKISTAN
RBI - Responsible Business Initiative

Founded 1999
40 members
Local Govt Agencies dealt with:-
• Export Promotion Bureau
• SECP
• Ministry of Labour, Commerce, Environmrnt
International Agencies Dealt with:-
• UNIDO, UNDP
• CIDA
• Nike
• FLO
• FLA
• GRI
• Wharton Business School,USA
• ILO
• Rattvissmarkt
• Global Compact

Funding Support:-
• UNIDO
• Collaborations
• Cost coverage for research from collaborating organization
Activities:-
• Research Studies/papers focused on CSR
• Technical support for setting up CSR Initiatives
• Case Studies on Best practices in CSR
• Compliance standards
• Seminars/awareness activities
• Youth awareness (CSR) program
• Multi Stakeholder Dialogue
• Enabling Corporation for CSR (implementation), Strategic planning
• Designing CSR courses for graduate school

PHILIPPINES
Philippine Business for Social Progress

Founded in 1970, more than three decades has passed since 50 chief executive officers of top Filipino corporations signed a joint Statement of Commitment to officially establish the Philippine Business for Social Progress (PBSP), a private, national, non-profit corporate-led foundation which encourages the members of the local business community to actively exercise their corporate social responsibility (CSR). As a direct response to the growing poverty and social unrest of their time, PBSP as a collective body has since become the business sector's arm in delivering organized and professional assistance to the underprivileged sector of our society. "Helping the poor people help themselves" has been its paradigm for growth and sustainability. Number of members at present, stands at 186 member companies (composed of both national and MNCs)

PBSP is basically supported by its member companies. Members commits 20% of 1% from their net income before taxes. Not until 1986 that the PBSP started to open up and accept fund from donor agencies. One of the strength of PBSP as far as sustainability is concerned is that it is able to build it's capital fund (no endowment given by members at the time of its inception) by leveraging membership contribution to get more funds from outside sources and judicious use of resources.

SRI LANKA
Society for Corporate Social Responsibily - an Essential Part of Corporate Life Style

The National Agri-business Council (NAC) with an umbrella of eighteen associations and a membership of over two thousand and all networked with the nation's predominant farmer community, took the step of initiating the Society for Corporate Social Responsibility - Sri Lanka (SCSRSL), together with the assistance of the Centre for CSR in Singapore. The CSR Centre in Colombo was launched in early May 2004.

THAILAND
The Corporate Social Responsibility Centre in Thailand (CSR Centre in Thailand)

Mission
To create an open platform for exchanges, discussions, training and networking among business leaders ~ and between business leaders and their stakeholders ~ in order to promote Corporate Social Responsibility.

Program
Exchanges, discussions and training facilitated by the CSR Centre in Thailand will focus on the questions:
"How CSR policies in the business sector can integrate urgent responses to a complexity of contemporary social challenges; and how to make these responses more effective?"

The major challenges the business sector faces from this point of view present themselves in the following fields:

• Labour standards and co-operative practices in the enterprise
• Environmental protection and rehabilitation
• Good governance and integrity of leadership; transparency
• Shared responsibilities with communities and the civil society

Leading Principles
Effective CSR policies will contribute to the strength and economic health of enterprises. It will help shape the important role of the economic sector towards establishing global Human Security.

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