



The Knowledge to Decide

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PRESS RELEASE

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80% of companies in Singapore claim to be Green, though driven by business considerations

Survey findings from Spire Research & Consulting show that 80% of companies in Singapore claim they are engaged in environmental conservation activities, higher than the regional average of 67%. Most Green activities were motivated by cost reduction and brand image concerns, suggesting that going Green is seen as good for business. Laws and regulations play a smaller role in driving corporate Green activity in Singapore as compared to the region.

The findings of Spire's latest study, which focused on Asia-Pacific companies' internal policies, show that two thirds of companies interviewed across the Asia-Pacific region claim to practice some form of environmental conservation activity. In Singapore, 80% of the companies surveyed claim to make such efforts, primarily to reduce wastage of electricity, water or paper, most of which were implemented in the last decade.

Market trends and the corporate bottom-line are apparently the biggest drivers for businesses in Singapore to go Green. Green efforts are motivated by the prospect of cost reductions and brand image enhancement in a competitive marketplace.

"Companies in the Asian region have a high level of awareness of the benefits of going Green in terms of brand image and cost reduction," commented Spire's group managing director Leon Perera. "These findings demonstrate that Singapore is ahead of the regional curve."

What the MNCs say

Spire's survey was carried out among more than 100 global companies located in the Asia-Pacific region, covering 7 countries. Most of the respondents operate in at least three Asian countries, with nearly a third operating in seven or more. Highlights of the findings include the following:

Singapore

- 80% of the companies based in Singapore claim to engage in some form of environmental conservation activity, of which 58% have increased the intensity over the last two years
 - Recycling paper and reducing the use of electricity are the most important Green policies implemented by Singapore-based companies
 - Others include reducing carbon dioxide emissions, switching to more environmentally-friendly machines or products, as well as conscious efforts to work with like-minded organizations
- Of the 20% of firms that have not engaged in Green activity yet, only one-third plan to begin such activities in the next five years

For companies in Singapore, these measures have been taken primarily for reasons of cost-saving and so as to align the company with industry and market trends. Corporate social responsibility (CSR) motivations do not figure strongly. This is in line with the other countries in the region, save for Korean firms which tend to be motivated more by CSR considerations.

Regional

- Air pollution and energy wastage are seen as the most pressing issues for most regional companies, especially those in the energy/industrial and automotive sectors
- 67% of respondents in the Asia Pacific region as a whole claim to engage in environmental conservation activities
 - The healthcare (100%), energy/industrial (77%), automotive (75%), consumer durables (75%) and lifestyle and leisure (75%) industries are most engaged in environmental conservation activities in Asia
 - Of these, more than 80% plan to be more engaged with such activities in the near future
 - The most common Green policies implemented in companies are paper and electricity reduction
- The industries that are perceived to lead the way in terms of environmental conservation are, not surprisingly, energy/industrial and automotive
- Of the 33% that do not practise Green activities as yet, two-thirds of them intend to become active on this front in the next five years

- 🌐 Laws and regulations and consumer pressure are perceived as the biggest drivers of corporate Green activities in the region.

Environmental Management Accounting – the next big thing?

Spire’s survey findings show that corporate Green activities in Singapore are likely to grow over time from current levels that are already ahead of the region. The fact that most companies see going Green as good for business suggests that the movement is sustainable. Interestingly, Singapore companies are less motivated to go Green due to laws and regulations as compared to the regional average.

Singapore’s government and NGOs have, however, taken steps to facilitate this movement on the part of the private sector. The ACCA, for instance, has introduced the Singapore Environmental and Social Reporting Awards (SESRA). According to a 2005 ACCA survey, many of the companies that have adopted environmental management accounting did so in the last decade, 93% of which had ISO14001 certification. This has contributed to the growth of environmental accounting among Green-minded companies in Singapore.

Spire’s survey implies that companies that currently report environmental information do so because they see the business benefits of reporting non-financial information and companies that do not report are at risk of being sidelined by customers and suppliers if they cannot provide non-financial (environmental & social) information on demand.

While most companies in Singapore do not yet practise formal environmental management accounting, this is expected to grow in the years to come, particularly among public-listed firms that face greater pressure for disclosure.

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About Spire Research and Consulting

Spire Research and Consulting is Asia's leading strategic market intelligence consultancy. Spire's competitive advantage lies in its ability to deliver to its clients actionable intelligence on the external business environment in support of their strategic decision-making in marketing and business development. Spire is one of the few companies in its industry to be headquartered in Asia. Spire's clients include over 20 Fortune 500 organizations as well as Government agencies in ten countries. For more information, visit us at www.spireresearch.com.

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