

MEDIA RELEASE

ESG Practices Require a Balanced Approach Based on Metrics and Values

*City Developments Limited, Prudential Singapore, and Tata Consultancy Services Asia Pacific explain
their methodologies*

Singapore, 30 May 2022 – The business and investment community will present evidence that metric-based Environmental, Social and Governance (ESG) frameworks must be underpinned by stewardship values and genuine goals to achieve material outcomes at the Stewardship Commons (SC).

The third iteration of SC — “Unlocking Values for ‘Greener’ Growth” — will be held on June 7th, in conjunction with Temasek’s Ecosperity Week 2022.

The pandemic, climate risks, social unrest, economic and racial inequality, and more recently, the Russian-Ukraine conflict have tested the resilience of businesses. While addressing these challenges, investors and businesses have expanded their ESG adoption, leading to numerous standards and disclosure requirements. However, many of these focus on measurements and reporting, which could lead to window-dressing without achieving material changes.

While addressing humanity’s challenges, quantifiable goals must be balanced with a values-based approach supported by steward leadership. Steward leaders are guided by four values: interdependence, ownership mentality, long-term view and creative resilience. Business leaders and investors who adopt this mindset understand that the world is highly interconnected and take ownership to come up with innovative solutions to create sustainable returns. They are motivated to do well by doing good, and they leverage opportunities that address the needs of a wide range of stakeholders, not just shareholders.

Dr Fraser Thompson, Co-founder & Principal, AlphaBeta, who will be delivering the keynote address titled “Investing in a nature-positive future,” said: “Stewardship and sustainability work in tandem. The risks we face related to climate change, biodiversity loss and the decline of nature are inherently long-term in nature and require ambitious business action towards sustainable transitions across the economy. Stewardship is at the heart of this long-term economic view — businesses and their leaders must be

stewards of natural capital as much as financial and human capital to unlock a nature-positive economy, which could create up to US\$4.3 trillion in annual business opportunities and almost 400 million jobs globally in 2030.”

Ms Elaine Cheung, Chief Financial Officer, Temasek’s Asia Sustainable Foods Platform, the moderator for the panel discussion “Leading Towards ‘Greener’ Growth” said: “In Asia alone, US\$1.55 trillion of investment is needed over the next decade to satisfy demands for healthier and more sustainable food options. Rather than rely on conventional solutions, we need to take decisive and innovative actions to survive and thrive. Leaders need to be motivated by genuine belief to enact change and be bold enough to take the first step to create ‘greener’ growth. Through engagement platforms such as the Stewardship Commons, different groups can come together to foster better exchange of information and best practices in order to protect our commons.”

City Developments Limited (CDL), Prudential Assurance Company Singapore (Pte) Limited, and Tata Consultancy Services (TCS) Asia Pacific will present their case studies, focusing on sustainability in the real estate industry, responsible investment, and how technology can contribute to a resilient and green future.

“Through our two-decade sustainability journey, we have learnt that profit and purpose are interdependent and connected. Embracing the UN Sustainable Development Goals into our business since 2016 has helped CDL raise performance and future-proof our business strategy and operations without compromising on financial sustainability. Corporate stewards can lead by empowering partners and stakeholders across their value chain to turn risks into opportunities. Only by working together will we be able to amplify our action and impact to create a more equitable, inclusive and sustainable future for all,” said Ms Esther An, Chief Sustainability Officer at CDL.

Mr Geoffrey Hill, Lead, Strategic Asset Allocation/Asset-Liability Management, Prudential Singapore, said: “Decarbonisation is a key part of Prudential’s ESG efforts. We monitor our investments regularly, with the goal of weighted average carbon intensity reduction of 25 per cent by 2025. We actively engage investment managers and investee companies to reduce their carbon footprint, promote business sustainability, and to ensure our investment decisions support our focus on stewarding the human impacts of climate change.”

Mr Girish Ramachandran, President of TCS, said: “We have always believed that businesses exist to serve communities. This belief is rooted in our triple bottom-line approach to sustainability that extends to people, planet and prosperity, which also guides the way we collaborate with our employees, customers, partners and the community at large. To this end, TCS is proud to be a digital force for good, leveraging our expertise in technology and innovation to help deliver a more sustainable future for generations to come.”

Ms Annisah Smith, Senior Research & Advocacy Manager, Stewardship Asia Centre, said: “Amidst the proliferation of frameworks and measures to encourage ESG and sustainability behaviour, businesses and investors need to adjust their approach to adequately address the dire threats posed by climate change and pollution to our global commons. Leaders need to be driven by genuine conviction to achieve long-term sustainable growth, rather than a mere adherence or desire for perfection, and to take the first step by embedding values-driven practices into the organisation’s DNA.”

As many as 70 business leaders and investors will be attending the in-person event.

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About Stewardship Asia Centre (SAC)

SAC is a non-profit organisation established by Temasek dedicated to helping business and government leaders, investors and individuals activate stewardship practices through research, executive education and engagement. We define stewardship as creating value by integrating the needs of stakeholders, society, future generations and the environment. Stewardship Commons is an SAC knowledge and networking platform.