

Just 2 in 5 manufacturing companies here have sustainability initiatives

Sustainability efforts are focused on areas including the circular economy, reducing greenhouse gas emissions and energy efficiency. BY RENALD YEO

A NEW study has found that only 37 per cent of companies in Singapore's manufacturing sector have implemented sustainability initiatives, though the figure is expected to double in the coming years.

Another 38 per cent of manufacturers are expected to implement sustainability initiatives of their own within the next one to three years, the study found.

It added that sustainability efforts were focused on six areas – the circular economy; reducing greenhouse gas emissions; renewable energy and energy efficiency; preventing pollution; sustainability reporting; and sustainable finance.

Meets expectations

Singapore Manufacturing Federation (SMF) president Lennon Tan told *The Business Times* at the study's launch on Wednesday (Nov 29) that the 37 per cent figure was in line with his expectations.

"Personally, I feel that it is kind of what I expected, (with) about a third of companies embarking on



sustainability initiatives," he said.

The study also found that only 21 per cent of respondents have previously reported on their sustainability efforts.

"The low percentage suggests that a significant proportion (79 per cent) of manufacturing companies still have room to enhance their transparency and disclosure

regarding sustainability practices and impacts," it said.

The study was jointly conducted by the Institute of Singapore Chartered Accountants (Isca), SMF,

professional services firm Deloitte, and the Singapore Management University (SMU).
It surveyed 115 SMF members, of which 82 per cent were small and medium-sized enterprises (SMEs) and the remainder were multinational companies. Interviews were also conducted with the key executives of 20 companies, along with focus group discussions.

SMU associate professor of accounting Holly Yang, who presented the report's findings during the Isca Conference at the Sands Expo and Convention Centre on Wednesday, pointed to the reduction of emissions as one area of concern.

More than half of respondents said that they have started or had

plans to start cutting down on their emissions, Dr Yang said.

"But one challenge they face is that despite the investments and efforts they put in, it just does not move the needle," she added.

One recommendation from the study is for manufacturers to create a C-suite position for a chief financial and sustainability officer.

The inclusion of such a role can help translate sustainability measurements and data into a manufacturer's bottom line, the study said.

Fewer resources

For SMEs with fewer resources, SMF's Tan acknowledged that carving out a separate position would be a challenge.

However, SMEs should still designate and train at least one person for a sustainability-related role, he said, adding that they can also tap the expertise of on-demand chief sustainability officer-as-a-service providers.

renald@sph.com.sg