

UNITED NATIONS (UN) GLOBAL COMPACT LAUNCH
OPENING REMARKS BY SINGAPORE COMPACT PRESIDENT
16 SEPTEMBER 2005

Key Message: CSR is not simply about philanthropy and giving money. It is about doing good, even as companies seek to do well for sustainable development. Companies that have the respect and support of their stakeholders are more likely to work better and be sustainable/successful in the long run.

We urge more like-minded companies and stakeholders to join the Singapore Compact and support UN Global Compact principles, in bringing forward the CSR movement in Singapore.

Mr Lim Swee Say,
Minister in the Prime Minister's Office (PMO),
Second Minister for National Development

Mr Andrew Toh
Assistant Secretary-General of the United Nations (UN)

Dr Uddesh Kohli,
Senior Advisor, UN Global Compact Office of the UN Secretary-General

Members of Singapore Compact

Distinguished guests,

Ladies and gentlemen,

Welcome to the launch of the UN Global Compact Singapore network!

1. Introduction – CSR Concept

1.1 Corporate Social Responsibility (CSR) in essence is not new and has been an evolving term without a standard definition. It is generally understood to be how companies function as a responsible corporate citizen towards its stakeholders and operating environment. *It is about doing good, even as companies seek to do well*

1.2 It is not simply about philanthropy, PR and giving money. CSR is crucial for the achievement of sustainable and fair economic development. It is an integration of management process in achieving *real* benefits for both business and its stakeholders.

2. Momentum & Practice in Singapore

2.1 *Underpinning this momentum is a fundamental belief that business thrives where society thrives.*

2.2 Globalisation has changed the way business issues are debated and who is involved in the debates. The dynamics are so changed that society now looks to business to address issues that were once the province of governments. It has created new demands and expectations of business, which if not addressed, can be potential risks for a company. The question therefore is not whether there is a role for business in meeting society's expectations, but rather what that role is.

2.3 While the CSR concept may be relatively new to Singapore, its spirit and practices have been present in the social, environmental and economic fabric here. Early in our immigrant societies, our forefathers and business pioneers had been CSR practitioners, perhaps not quite in the area of corporate governance, but certainly in the area of philanthropy by building schools, homes and hospitals to benefit the community. It was timely that we harnessed this cultural legacy and brought it to another level by launching the National Tripartite Initiative for CSR in May 2004. .

3. Efforts from Singapore Compact

3.1 Since the launch of the National Tripartite Initiative (NTI) as a national CSR steering committee, the tripartite partners have founded the Singapore Compact as a national society in January 2005, taking a multi-stakeholder approach in bringing the CSR movement forward.

3.2 The key objective is to formulate coordinated CSR strategies and to broaden the base for collaboration between stakeholders. Key programmes include ongoing dialogues, workshops and structured training courses. We are heartened that over 120 companies, unions, cooperatives, institutions and associations have since joined us in supporting the CSR movement in Singapore.

3.3 The establishment of the Singapore Compact has helped us embrace CSR as a coordinated national initiative and to view the issues holistically. The launch of the United Nations (UN) Global Compact today will strengthen the process by enhancing corporate involvement and initiative. It will play a pivotal role in defining the CSR landscape in Singapore with clear principles and direction.

4. Sharing of CSR Stories/Case Examples - STMicroelectronics

4.1 A key priority action of the Singapore Compact is to develop the CSR knowledge base. This will enable better sharing of positive experiences and case studies, for wider dissemination and learning. It will also be an important process for cross-fertilisation of ideas, practical actions and best practices for adaptation and implementation.

4.2 We appreciate sharing by the STMicroelectronics as a practical example of good corporate citizenship - *on how management vision and mission can translate to real outcomes for both business and stakeholders*. We welcome you to support the CSR movement and join us in this journey, by sharing your corporate stories as well.

5. Conclusion - Support for Singapore Compact & UN Global Compact Principles

5.1 The Singapore Compact strongly believes in the positive role that companies such as STMicroelectronics can play, in improving the quality of life of its employees and their families, as well as the community at large. The business case for CSR revolves around the creation of employee motivation, customer satisfaction and brand loyalty which are important fundamentals of a successful and sustainable business.

5.2 The work of the Singapore Compact as a multi-stakeholders and non-profit society will be demanding and challenging as it takes time, effort and resources to develop clear directions for implementation and in meeting the collective need of the various stakeholders. What is before us is a long process of persuasion, clarification and committed actions.

5.3 But it presents an unique opportunity for all stakeholders to come together, however diverse our specific concerns are, with a platform to deliberate and deliver workable action plans for implementation. The potential benefits and positive changes we can bring about to our workplace and community through such dialogues and collaboration are limitless, and only bounded by how willing we are to participate and commit. It is not merely the privilege of big companies to exercise CSR. For small and medium enterprises, if they wish to grow, they need to address CSR issues in order to meet discerning market expectations.

5.4 So what you do now for CSR, however small the measures are, you are incrementally mapping your company's CSR values and shaping its competitiveness factors to become the sustainable corporation for the future. And sustainable companies add value for both themselves and for society as a whole.

5.5 We sincerely hope that more like-minded stakeholders will support the CSR movement by joining the Singapore Compact and supporting the UN Global Compact principles - that the campaign to reach out will snowball into a national movement that drives businesses, both big and small, to be more caring towards their workers, the community and the environment.

So make a decision today, be a CEO for the future, sign up as a member of Singapore Compact, and the Global Compact. Thank you.