

SEC NEWGATE

# *Global ESG Monitor*

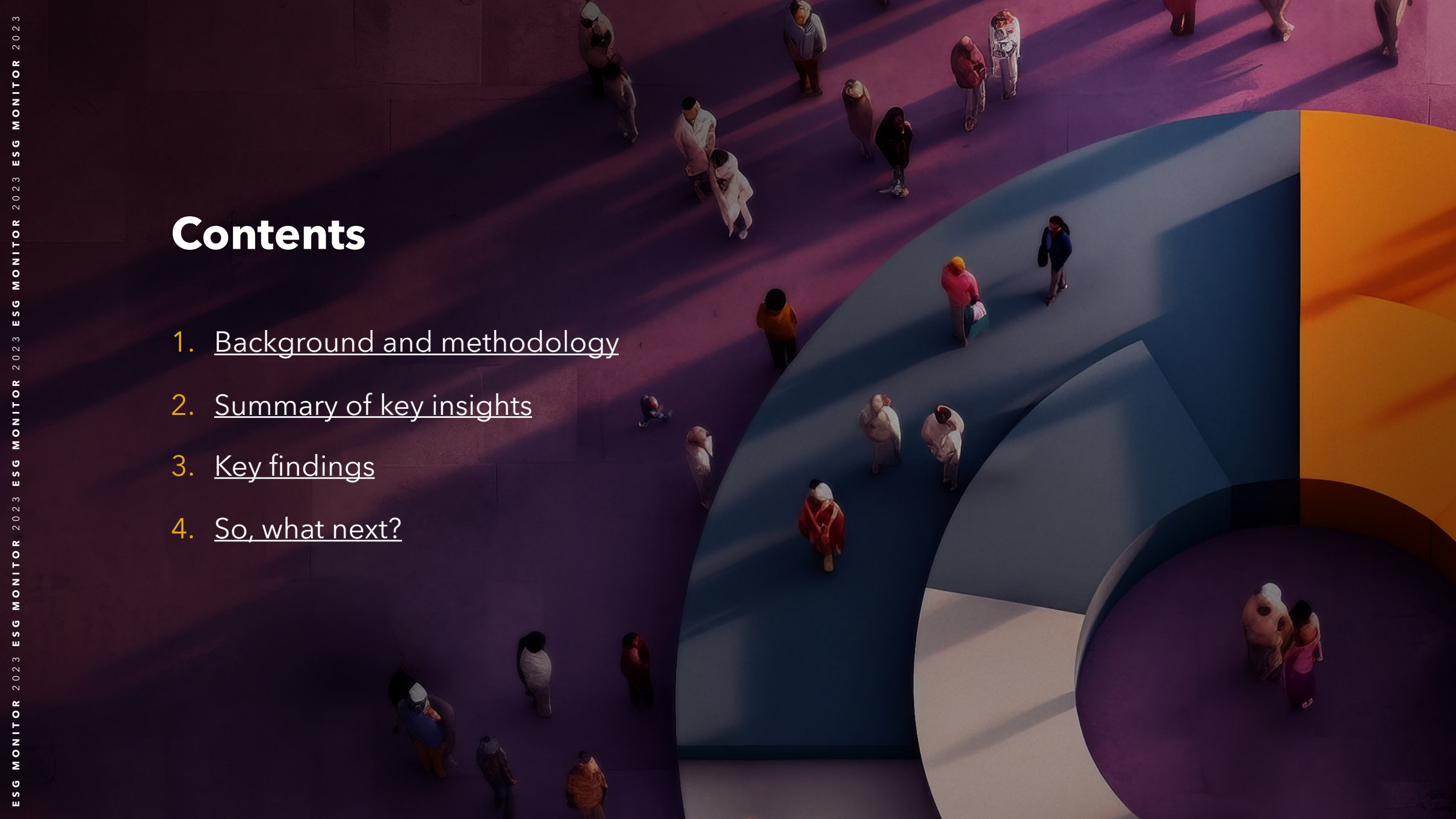
What the community expects from corporates on ESG

**SINGAPORE REPORT**

2023 RESEARCH FINDINGS

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*Part 1.*

# Background & methodology



# Background & methodology

For the third year running, SEC Newgate has conducted research to understand community awareness and perceptions around Environmental, Social and Governance (ESG) issues and actions by corporates in this space.

## 1,010

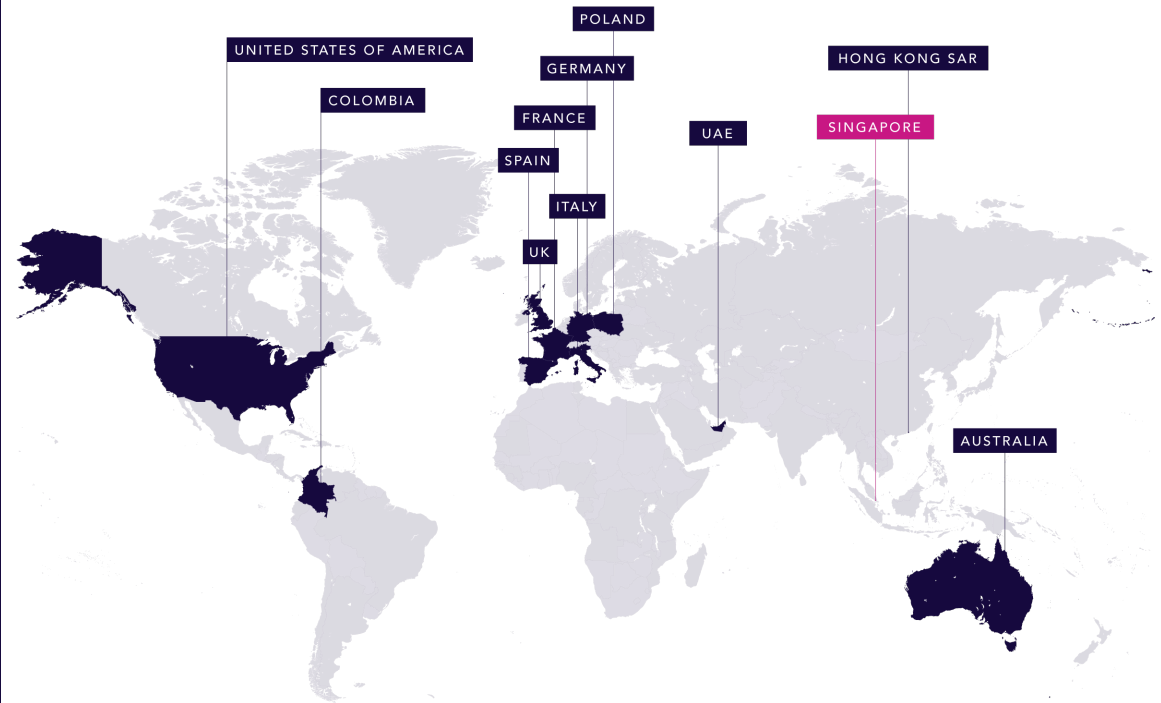
Sample of **n=1,010** from **Singapore**

## 12,080

Sample of **n=12,080** across **12 countries and territories**.

This research is part of a global study, and this report presents the findings from Singapore. Participants were sourced from global panel provider PureProfile, with questionnaires translated and completed in-language in Colombia, France, Germany, Hong Kong SAR, Italy, Poland, Spain and United Arab Emirates (UAE). Fieldwork was conducted from late July to early August 2023.

Quotas were set by age, gender and location to ensure a nationally representative sample of citizens aged 18+, and the final results were weighted by the actual age and gender proportions within each country or territory. For the 'global' results, each country is given equal weighting.



## Other methodological notes to keep in mind

1. Survey questions and sample sizes are shown at the bottom of each page. Unless otherwise specified, questions were asked of all participants.
2. Results may not always total 100% due to rounding or questions allowing multiple-responses.
3. Where possible, results are compared to the 2022 and 2021 survey results for each country as well as the 'global total' i.e. for all 12 countries and territories included in the 2022 and 2021 studies.
4. Down ↓ and up ↑ arrows show where results are statistically significantly lower / higher than the previous year (95% confidence level).

*Part 2.*

# Summary of key insights



# Summary of key insights

**In 2023, we observed higher community expectations for companies to be involved in ESG issues in Singapore. Simply pursuing profits is no longer sufficient to meet these heightened standards.**

- **ESG issues are gaining more attention and involvement.** Results show an increased awareness of the terms “ESG” (75% aware, up 2% since last year) and “NetZero” (65%, up significantly from 60% in 2022). Interest in ESG topics has grown, with 64% rating their interest at 7 or more out of 10, up 6% since 2022.
- **The community would like corporates to take action on ESG issues.** In 2023, 76% agreed that it was important for companies to act on ESG issues. However, paradoxically, 46% of respondents also agreed that companies should focus on their core business rather than trying to exert a broader influence on social and environmental issues.
- **We are seeing improvements in performance ratings for both large and small companies in terms of ESG.** Government and not for profit organisations also saw slight increases in ESG performance rating in 2023. Healthcare, education and training, and banking & financial services continue to receive the highest ESG performance ratings.
- **Community expectations of corporates have shifted.** While traditionally seen as being primary responsible for driving economic growth, our findings show that the community do not want this to come at the expense of environmental, social and ethical obligations. The majority believe these should be integrated into standard business practices, without additional costs to consumers.
- **Local companies dominated the Top Performing Brands in ESG in 2023.** DBS, FairPrice Group, Temasek, SIA, Singtel and Sheng Siong made it to the Top 10 where their corporate, social and environmental initiatives were highlighted.

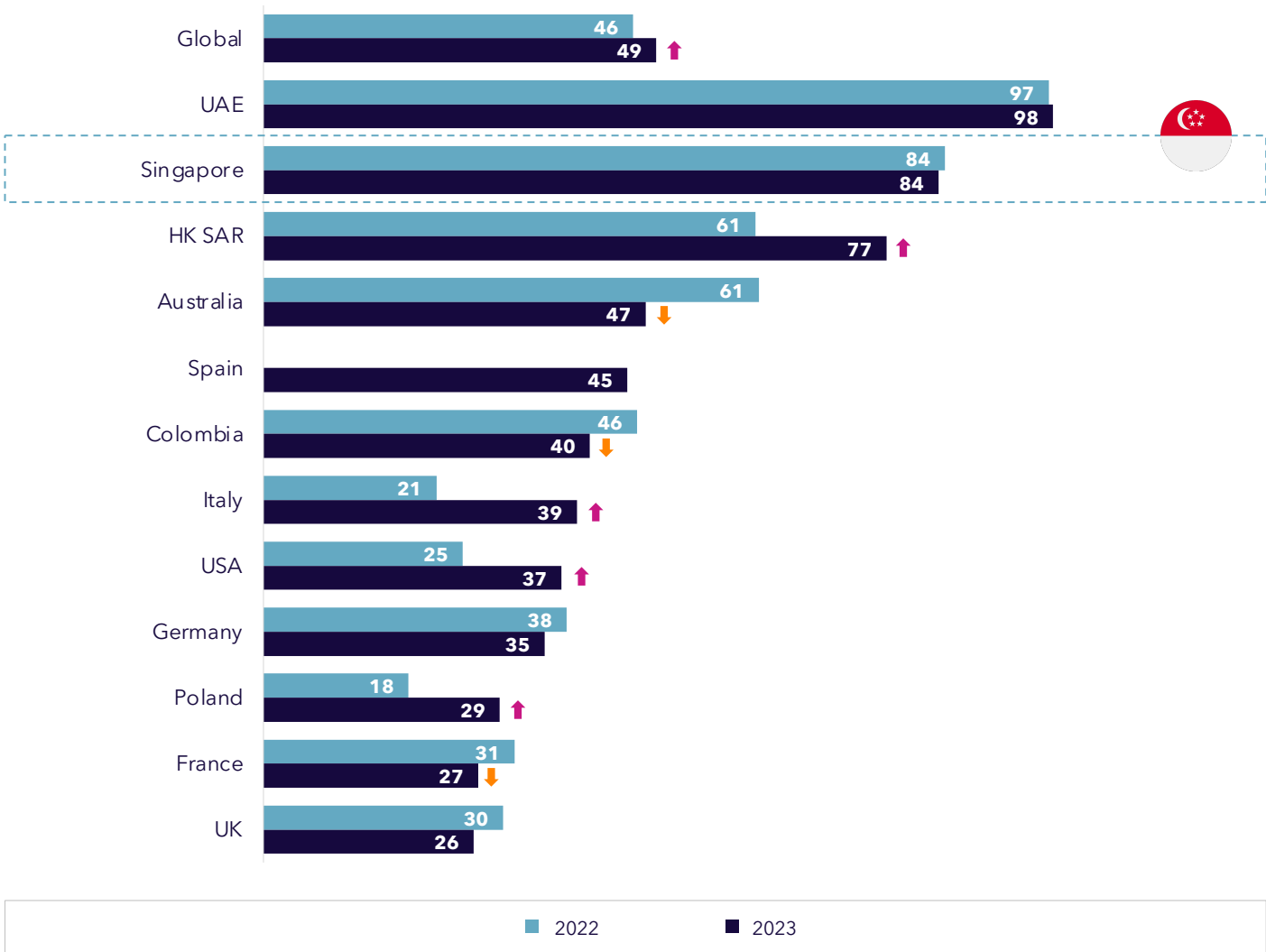
*Part 3.*

# Key findings



### Perceived direction country/territory is heading

(% WHO SAY IT'S ON THE RIGHT TRACK)



*Key finding 1.*

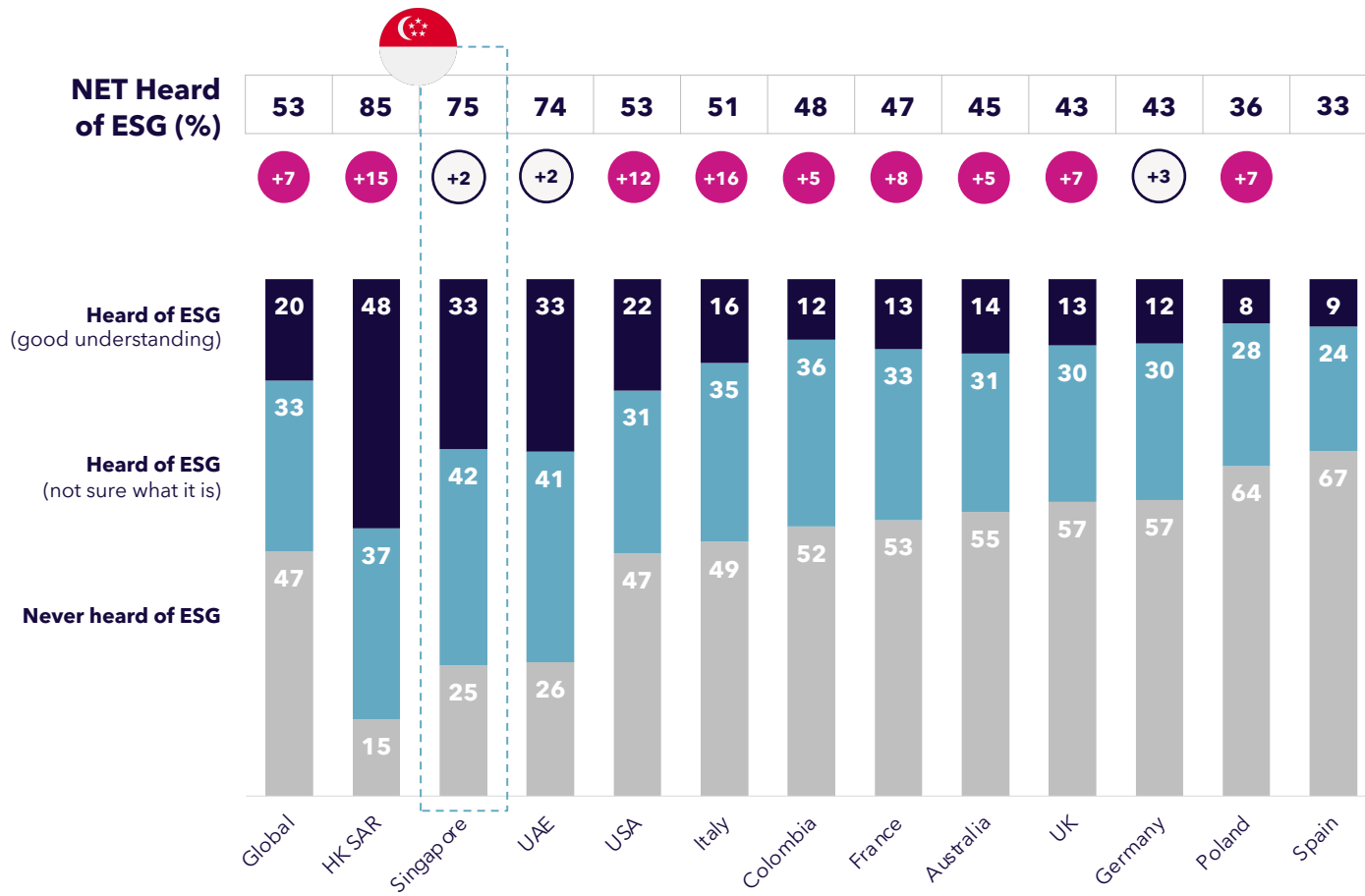
**Many Singaporean respondents continue to hold an optimistic view that Singapore is heading in the right direction.**

	Right track (%)	Wrong direction (%)
	84	16

Q1. Overall, do you think that things in Singapore are heading on the right track or in the wrong direction?



### Unprompted awareness of ESG by country or territory (%)



Heard of ESG (good understanding)
  Heard of ESG (not sure what it is)
  Never heard of ESG

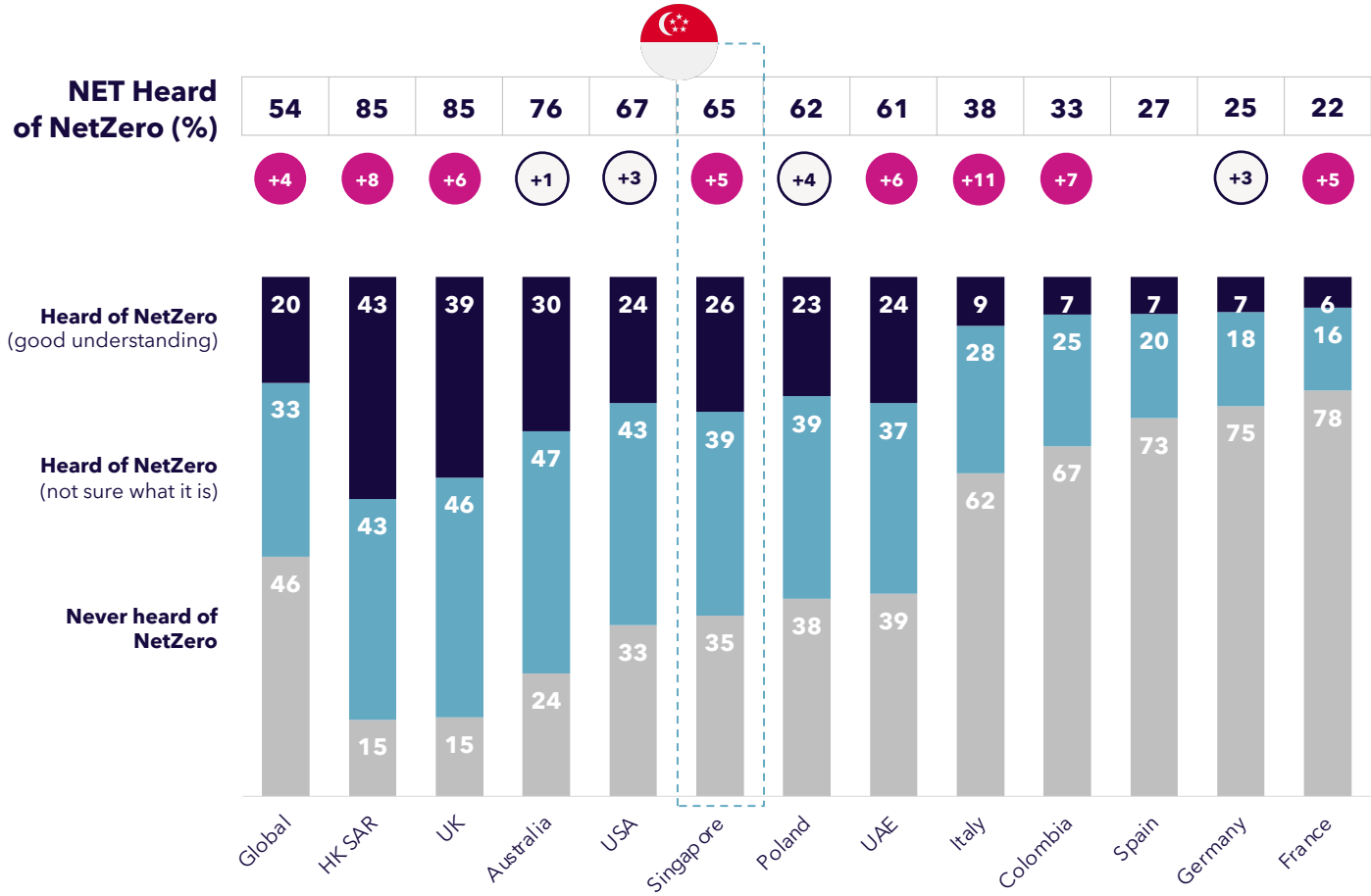
+15
-15
 Significantly higher/lower than 2022 (number in circle = change in percentage points)
 +2
 No significant change since 2022 (number in circle = change in percentage points)

*Key finding 2.*

**Overall recall of the term ESG has remained consistent with last year, with 75% of respondents being aware of it.**

Q3. Before today, had you heard of the term "ESG" which stands for "Environmental, Social and Governance (ESG)"?

### Unprompted awareness of NetZero by country or territory (%)



Heard of NetZero (good understanding)
  Heard of NetZero (not sure what it is)
  Never heard of NetZero

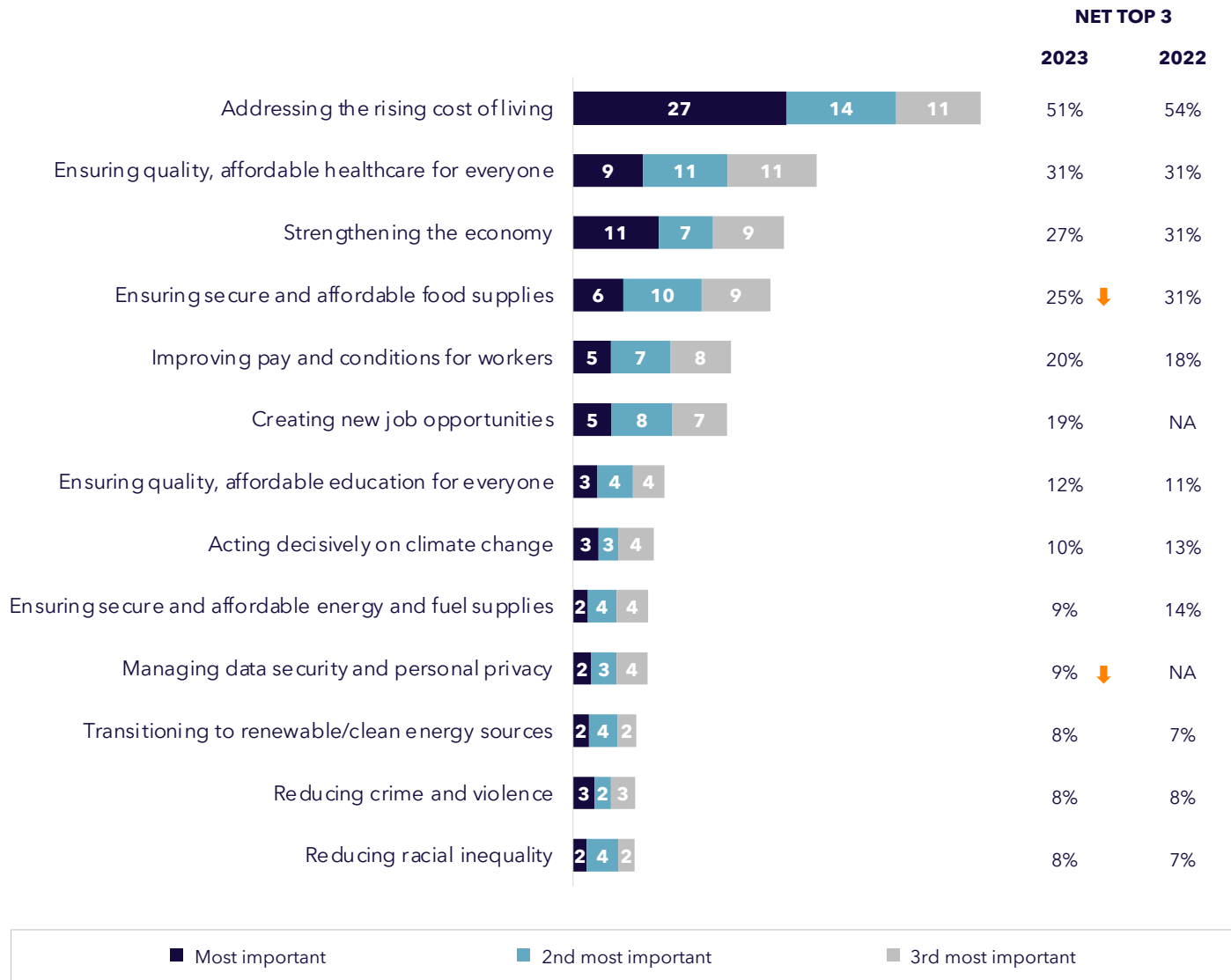
+15
-15 Significantly higher/lower than 2022 (number in circle = change in percentage points)
 +2 No significant change since 2022 (number in circle = change in percentage points)

*Key finding 3.*

**Notably, awareness of the term NetZero is significantly higher this year (65% up from 60% in 2022).**

Q24. Before today, had you heard of the term "Net Zero"?

### Most important issues for Singapore's future (%)



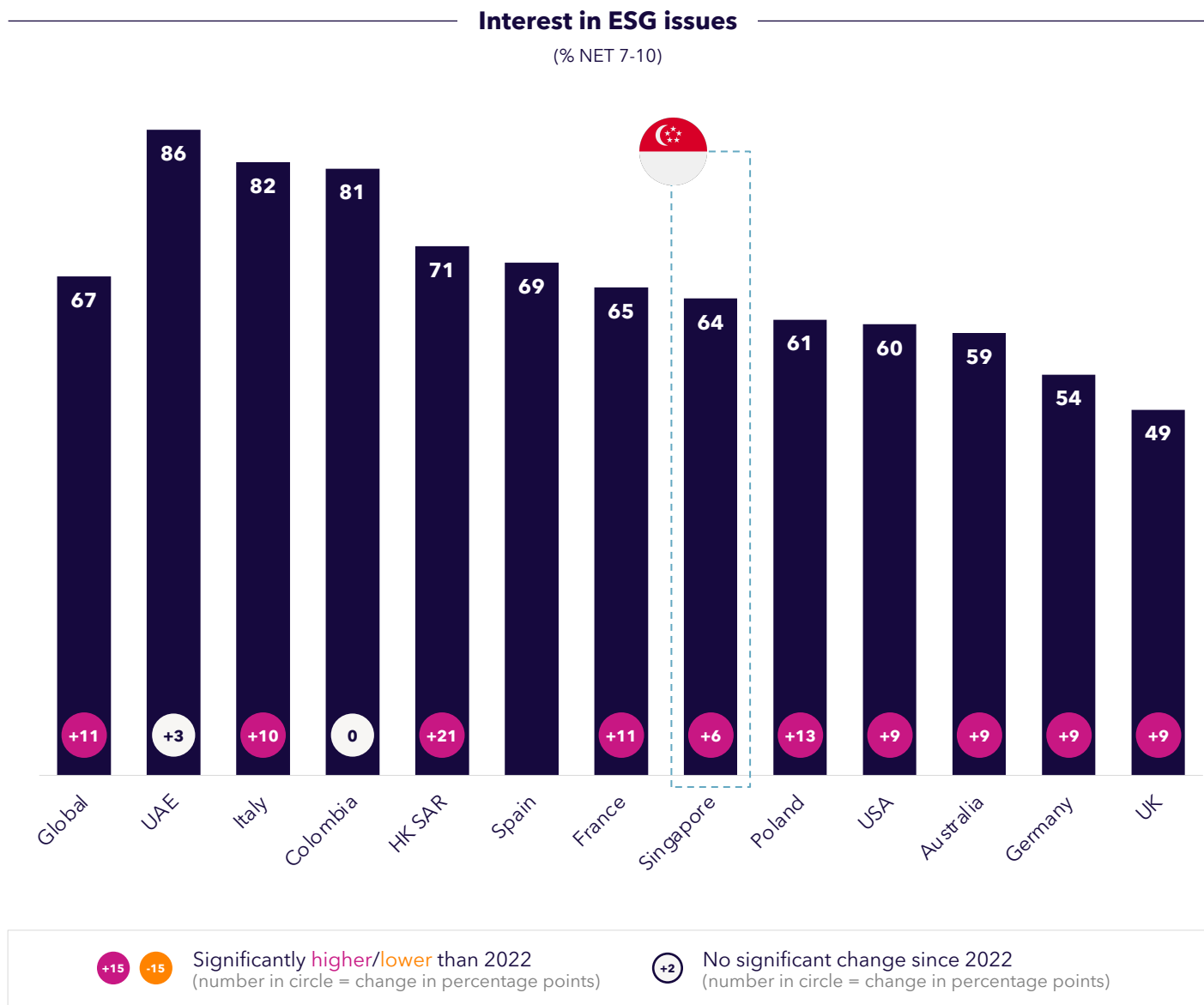
Key finding 4.

**At the national level, community priorities include tackling cost-of-living challenges, providing accessible, high-quality healthcare, and strengthening the economy.**

Q20. From the following list (of 26 issues), please select the three things you personally feel are most important for Singapore's future. Rank them from 1 to 3 where 1 is the most important thing and 3 is the third most important thing. *Only top 13 issues shown in chart*

Key finding 5.

**Interest in ESG issues has surged in Singapore, with two-thirds of respondents now showing a higher level of interest.**



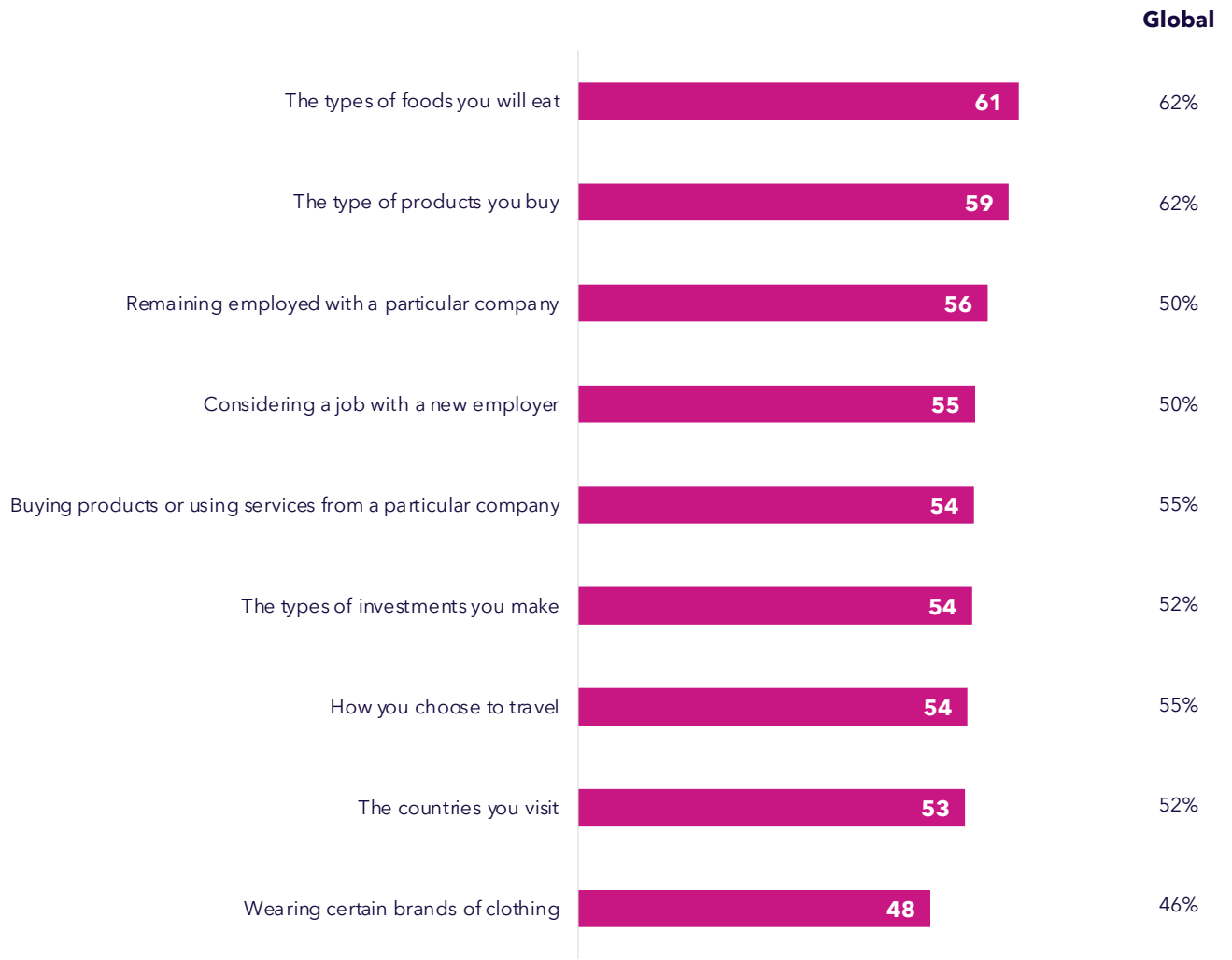
Q4. How interested are you in Environmental, Social and Governance (ESG) issues, if at all?  
 \* See [page 34](#) for a full definition

Key finding 6.

**ESG concerns are shaping decisions in various aspects of life in Singapore, including dietary preferences, product purchases and choice of employer.**

**Importance of ESG issues on decision making in Singapore**

(% NET 7-10)



Q30. How important are ESG issues to you personally when it comes to making decisions about the following?  
 0=not at all important, 10=extremely important

Key finding 7.

Three-quarters of the respondents in Singapore think that it is pertinent for companies to take action on ESG issues.

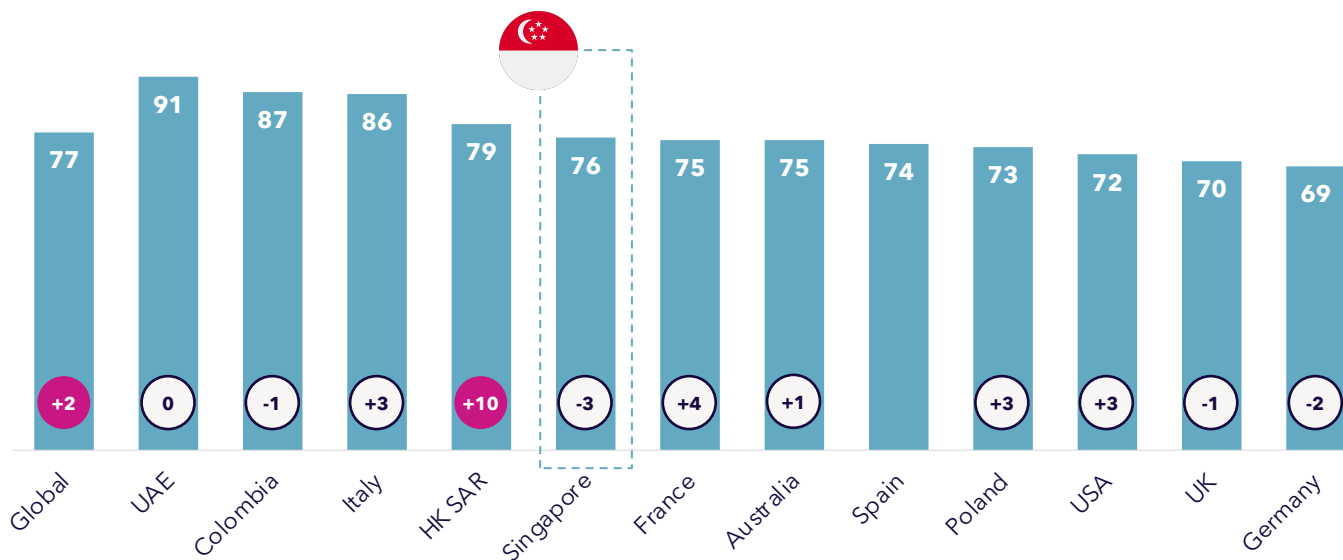
### Importance of companies taking action on ESG issues

(% NET 7-10)



76%

in Singapore think it is important for companies to take action on ESG issues - **down by 3% since 2022**



Significantly higher/lower than 2022 (number in circle = change in percentage points)



No significant change since 2022 (number in circle = change in percentage points)

Q23 - How important do you think it is for companies to take action on environmental, social and governance issues?  
0=not at all important, 10=extremely important

**Consumer expectations of companies when it comes to ESG**

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)



**70% agree**

Companies **should speak out on issues that are important** to their employees and customers

(5% disagree, 25% are neutral)

*Key finding 8.*

**The majority of respondents concur that companies should speak out on issues important to their employees and customers.**



Q15. To what extent do you agree or disagree with the following statement?  
 "Companies should speak out on issues that are important to their employees and customers"

Key finding 9.

Interestingly, respondents are divided on whether companies should prioritise their core business or seek to have broader influence on social and environmental issues.

Consumer expectations of companies when it comes to ESG

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)



46% agree

Companies **should focus on their core business** rather than trying to have broader influence on social and environmental issues

(18% disagree, 36% are neutral)



Q15. To what extent do you agree or disagree with the following statement?  
 "Companies should focus on their core business rather than trying to have broader influence on social and environmental issues"



Key finding 10.

Most respondents believe companies can be profitable while also excelling in ESG performance, although fewer are willing to pay extra for stronger ESG practices.

Consumer expectations of companies when it comes to ESG

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)

3.



64% agree -7

Companies **can be profitable** while also performing well on ESG

(7% disagree, 30% are neutral)

4.



63% agree -8

Companies **should not pass on the cost for better ESG performance** to their customers

(7% disagree, 31% are neutral)

5.



40% agree -6

I'd be **prepared to pay more for products or services** from companies with stronger ESG performance

(20% disagree, 40% are neutral)



Significantly higher/lower than 2022 (number in circle = change in percentage points)



No significant change since 2022 (number in circle = change in percentage points)



# So, what are people's perceptions of good and bad ESG performance?

*What is expected from corporates?*

**The community values companies that run profitable businesses, create employment opportunities, and generate returns for shareholders. However, the methods they employ to achieve these goals are equally significant.**

The community desires companies to consider their societal and environmental impacts when making decisions. Simply prioritising profit is no longer sufficient to meet these expectations. This reflects a shift towards adopting a more holistic 'systems thinking' approach, which recognises the interconnectedness of all elements within a system.

*Key finding 11.*

## The top ESG performers consider their environmental impacts from the outset, have ESG genuinely embedded in multiple points of their operations and have active engagements with community events.

Survey participants were asked to describe what specific actions companies they see as performing well on ESG are doing.

Qualitative analysis of the verbatim comments reveals there is a consistent theme of 'action'.

By far the most frequently mentioned initiatives were things that limit negative environmental impacts. Other key themes included supporting and enabling others, showing good ESG practices in multiple points of the organisations practices and genuinely trying.

### What actions characterise companies who are seen to do a **good job on ESG?**



#### Reducing Plastic Usage

Many companies are actively addressing the issue of plastic waste by charging for plastic bags, promoting the use of reusable bags, and exploring sustainable packaging options.



#### Renewable Energy Adoption

Companies are committing to using renewable energy sources to power their operations. This demonstrates a shift toward more sustainable energy practices.



#### Carbon Emission Reduction

Companies are actively working to reduce their carbon footprint. This includes initiatives like paperless transactions, energy-efficient buildings, and the production of electric cars with zero carbon emissions.



#### ESG Integration

Many companies are integrating Environmental, Social, and Governance considerations into their business strategies, lending decisions, and investment choices. This reflects a growing focus on responsible and sustainable business practices.



#### Community Engagement

Companies are engaging with their communities and supporting social causes, such as employee welfare, diversity and inclusion, and charitable activities. They are also involved in initiatives to reduce food waste and promote local sustainability.

Q29A\_2. What is it that they are doing well specifically?

*Key finding 12.*

## Companies seen as not performing well are those causing harm to the environment, treating employees or customers poorly, or lacking commitment to ESG.

Survey participants were asked to describe what specific actions companies with bad ESG performance are doing.

The environmental lens reigns supreme in the minds of the community when assessing ESG performance, and many can name companies that have mismanaged their environmental impacts or are a drain on natural resources.

Poor performers are also called out for a lack of care or concern for their employees and customers, through poor workplace culture or prioritising excessive profit over the wellbeing of customers or the community. This is when people see the financial performance of a company prioritised over environmental, social and ethical obligations.

### What actions characterise companies who are seen to do a **bad job on ESG?**



#### Environmental Concerns

Many companies are criticised for their environmental practices, including issues like plastic usage, carbon emissions, and unsustainable sourcing of materials. Some continue to rely on fossil fuels, contributing to pollution and climate change.



#### Waste Management

Excessive waste production, including single-use plastics and unnecessary packaging, is a common concern across various industries. Companies are urged to adopt more sustainable practices, such as reducing waste and promoting recycling.



#### Labour and Social Issues

Several companies are accused of unethical labour practices, including low wages, poor working conditions, and exploitation of workers. Social issues such as privacy breaches, misinformation, and unethical business conduct also affected public perception.



#### Cost and Price Concerns

Some customers feel that companies are more focused on profits and not doing enough to make their products or services affordable. The perception of high prices, coupled with perceived lack of quality in some cases, affected customer satisfaction.



#### ESG Commitment and Transparency

Many companies are seen as lacking commitment to ESG initiatives and transparency in reporting their efforts. Customers and investors wanted more concrete actions and data on environmental sustainability, social responsibility, and governance practices.

## Performance of various groups in Singapore when it comes to ESG

(% NET 7-10)



+15 -15 Significantly higher/lower than 2022 (number in circle = change in percentage points)
 
+2 No significant change since 2022 (number in circle = change in percentage points)

Q6. Overall, how would you rate the performance of the following groups when it comes to acting responsibly on Environmental, Social and Governance (ESG) issues? 0=very poor, 10=excellent

*Key finding 13.*

**Overall ESG ratings of both large and small companies have increased significantly over the last year.**

Key finding 14.

ESG performance ratings across all industries have held steady this year, with the healthcare, education & training, as well as banking & financial services garnering the highest ESG performance ratings.

### Ratings of industry ESG performance in Singapore

(% NET 7-10)

		2022	2021
Healthcare	58	59	60
Education & training	58	57	56
Banking & financial services	56	53	55
Supermarkets / grocery stores	55	51	NA
Technology & telecommunications	54	51	54
Hospitality (e.g. restaurants, hotels)	52	51	NA
Transportation (excl. airlines or automotive)	51	NA	NA
Energy and utilities	51	52	51
Airlines	50	49	45
Tourism (excl. airlines)	50	NA	NA
Pharmaceutical	50	50	50
Agriculture	50	47	45
Online marketplaces & e-commerce	48	44	NA
The media	48	48	NA
Manufacturing (excl. food and drink)	47	43	41
Social media platforms	46	45	NA
Automotive	46	42	36
Real estate & property	46	43	NA
Food & drink manufacturing (excl. alcohol)	46	47	45
Construction & infrastructure	46	42	37
Cosmetics & personal care	43	41	37
Fashion	43	40	NA
Chemical industry	42	41	34
Mining & resources	40 ↑	35	28
Gaming	39	36	NA
Alcohol	37	35	NA

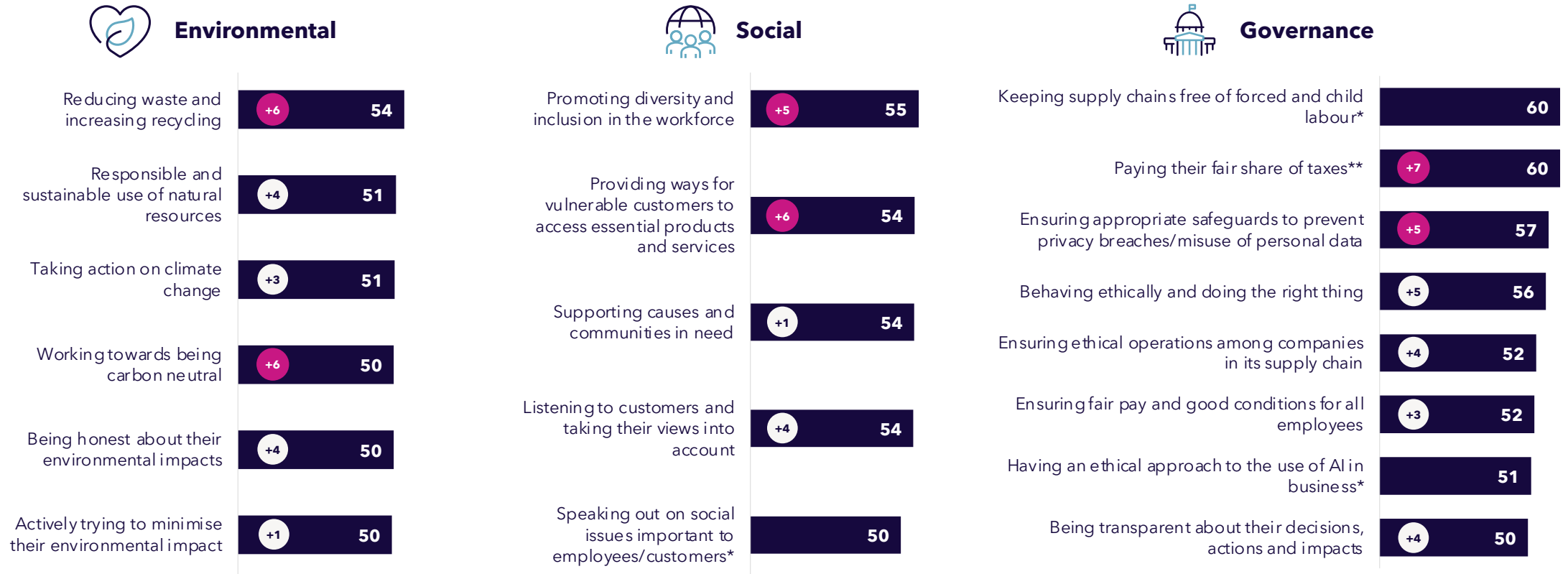
↑↓ Arrows indicate results that were either significantly higher/lower than 2022

Q11. How would you rate the performance of the following industries operating in Singapore when it comes to acting responsibly on Environmental, Social and Governance (ESG) issues

# Ratings of all granular ESG actions have increased in 2023

## Ratings on company performance on various ESG aspects in Singapore

(% NET 7-10)



Significantly higher/lower than 2022  
(number in circle = change in percentage points)



No significant change since 2022  
(number in circle = change in percentage points)

\*Not asked in 2022

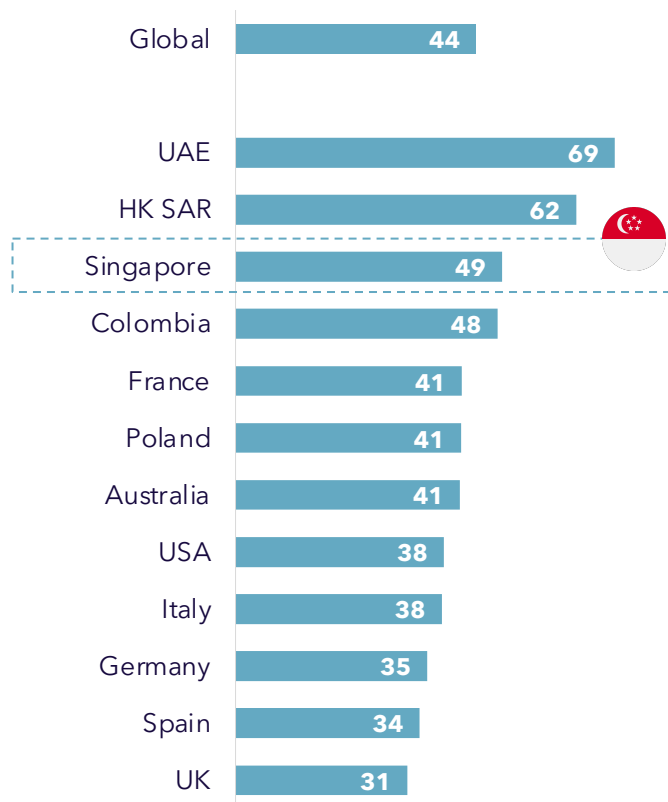
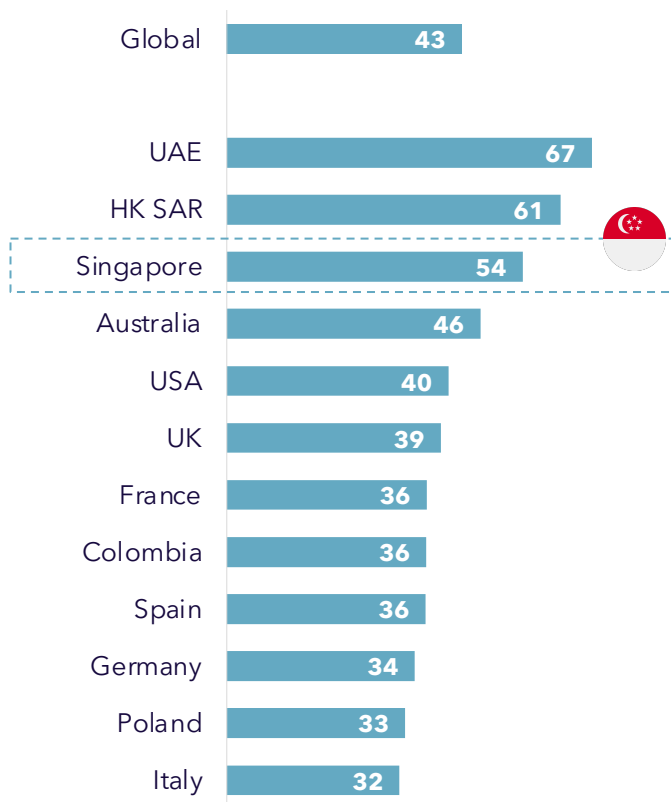
Q13. In general, how would you rate the performance of companies in Singapore on the following things? 0=very poor, 10=excellent

## Views on company behaviours in general - NET Agreement

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)

*'Companies are generally behaving ethically and doing the right thing'*

*'Companies are using their power and influence to create positive change'*



*Key finding 16.*

**Around half of the respondents in Singapore believe that companies are currently behaving ethically and doing the right thing (54% agreed), or that they are using their power and influence to create positive change (49%).**





# What does the community think about *ESG communications from companies?*

**In 2022, our research brought to light 'The Great Disconnect' occurring in ESG corporate communications. We observed the community's desire for companies to share their ESG efforts, yet they showed passivity in consuming this information. More significantly, there was a lack of trust.**

In this year's study, we continue to witness this Disconnect. Trust remains a major concern in ESG communications, with over half of respondents expressing distrust in what organisations communicate about their ESG performance. Additionally, two-thirds believe that greenwashing is a significant issue among companies in their country or territory.

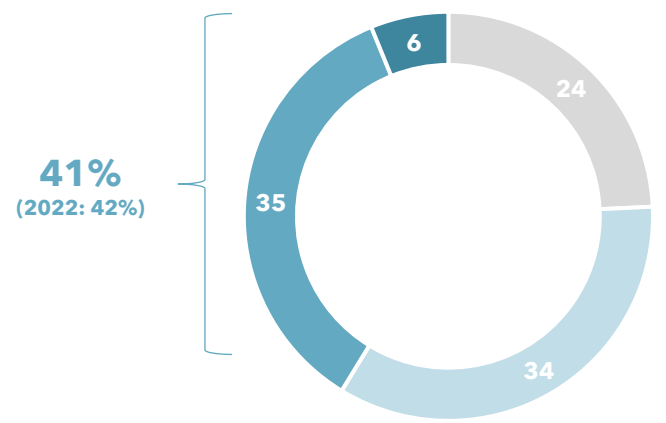
**Part 1 of 'The Great Disconnect'**  
**- Communications expectations and frequency of looking for ESG information**



**67% agree ↓**  
 (2022: 76%)

Companies **should communicate the results of their ESG efforts** more clearly for consumers and investors

**But...**



**Just 41%** are actively looking for information on companies' ESG activities and performance.



↑↓ Arrows indicate results that were either significantly higher/lower than 2022

Q15. To what extent do you agree or disagree with the following statements?  
 Q26. How often, if ever, do you look for information or do research on a company's ESG activities or performance?

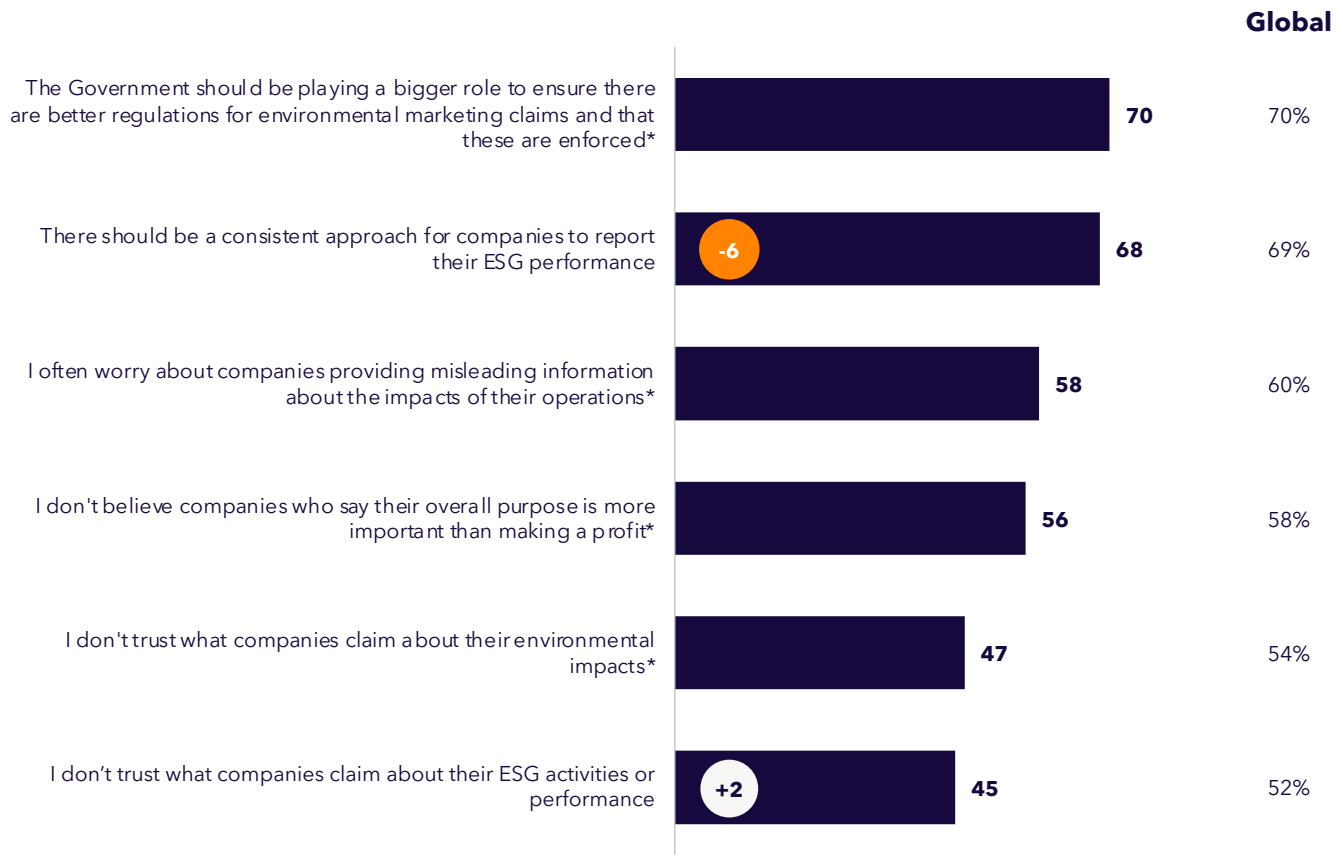
*Key finding 17.*

**Respondents expect companies to act on ESG issues.**

**Additionally, they value clear communication about these efforts. However, they may not actively seek out this information themselves.**

**Part 2 of 'The Great Disconnect'**  
**- Attitudes towards company claims and reporting in Singapore**

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)



+15 -15 Significantly higher/lower than 2022 (number in circle = change in percentage points)
 
+2 No significant change since 2022 (number in circle = change in percentage points)

*Key finding 18.*

**Distrust in what corporates claim about their ESG activities is deeply embedded and there is a strong interest in the government playing a bigger role in regulating environmental marketing claims.**

Q15. To what extent do you agree or disagree with the following statements?

\*Not asked in 2022

Key finding 19.

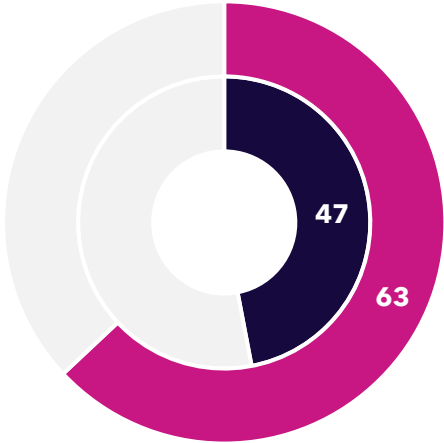
**Around half of the respondents in Singapore have heard of the term 'greenwashing', and slightly over half consider it a genuine concern once they understand its definition.**

*"Greenwashing" is when a company provides misleading or false information to consumers or investors about how environmentally friendly, sustainable or ethical its products and/or operations are.*

Awareness of the term 'greenwashing' and perceived scale of the problem (%)

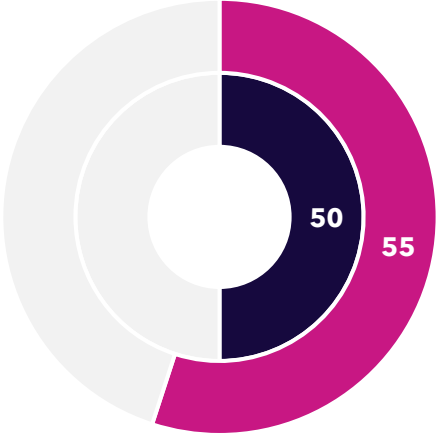
1.

Global



2.

Singapore



■ NET heard of Greenwashing

■ How much of a problem is it? (% NET 7-10)

Q33. And before today, had you heard of the term "Greenwashing?"

Q34. How much of a problem do you think Greenwashing is among companies in Singapore, if at all?



# Our qualitative research shows that *employees are a major audience* for ESG actions

Employees can swiftly discern any disparities between words and actions. Additionally, they are a highly trusted source of information regarding their employer's overall performance.

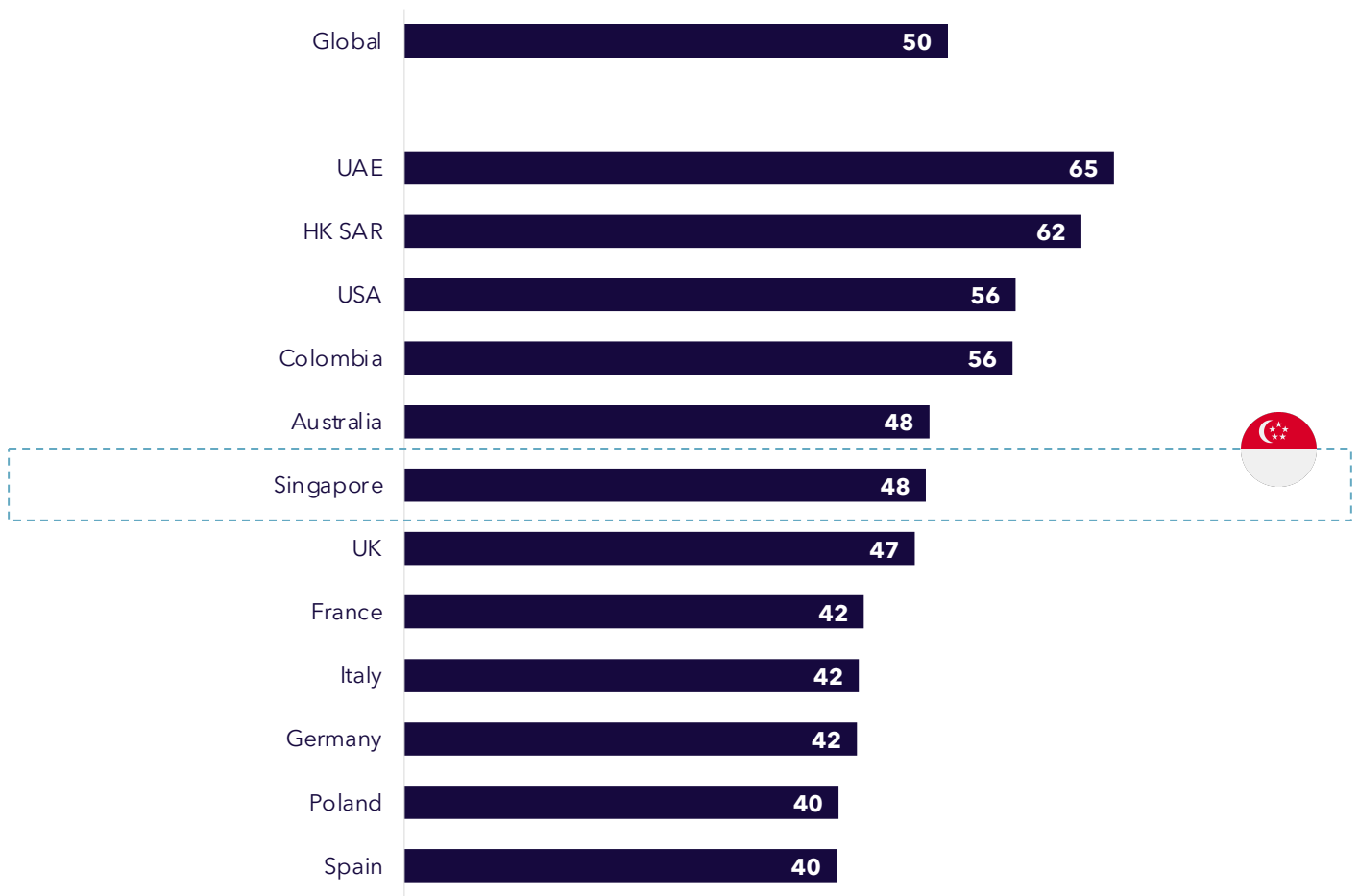
In this study we drilled down into employee sentiment to understand how they think their employer is performing in this area and how important ESG issues are when seeking a new job.

*Key finding 20.*

**Among respondents who are employed, just under half believe that their employer is genuinely trying to do the right thing when it comes to ESG.**

**My employer is genuinely trying to do the right thing when it comes to ESG**

(% 'STRONGLY' OR 'SOMEWHAT' AGREE)



Q15. To what extent do you agree or disagree with the following statements. Base: Those who are employed, Global n=7,969; Singapore n=762

## Importance of specific ESG factors when choosing a new employer

(% NET 7-10)



*Key finding 21.*

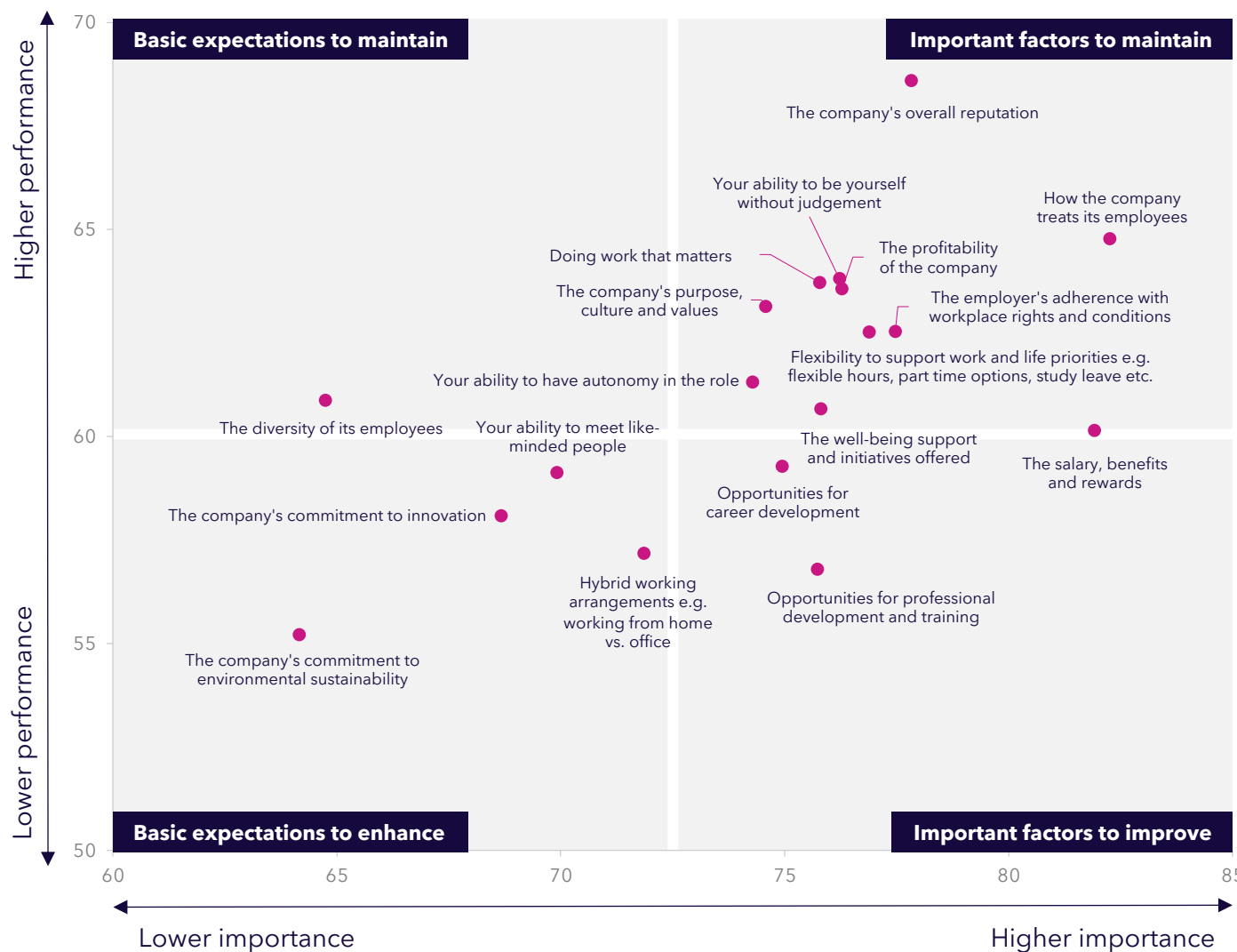
**Employees prioritise factors such as employee welfare, compensation, benefits, and the company's overall reputation.**

Q31. If you were considering a potential new employer, how important would the following things be for you personally?

Key finding 22.

There are some key gaps between what employees are looking for and how they'd rate their current employer, particularly concerning remuneration, career advancement and professional development.

Performance (% NET 7-10) vs. importance (% NET 7-10)



Q31. If you were considering a potential new employer, how important would the following things be for you personally? Base: All participants, n=1,010  
 Q32. How would you rate your current employer on those same aspects? Base: Those who are employed, n=762



*Part 4.*

# So, what next?



So, what next?

# Key Take Outs



## 1. Promote Sustainability:

Companies should actively promote sustainability in their operations, including reducing waste, adopting eco-friendly practices, and minimising their carbon footprint.

## 2. Support Local Employment:

Companies should prioritise hiring locals over foreign talent for job vacancies, contributing to job opportunities for Singaporeans.

## 3. Fair Wages and Benefits:

Ensuring fair wages, better benefits, and good working conditions for employees can boost motivation and support against inflation.

## 4. Environmental Responsibility:

Take the lead in environmental initiatives, such as reducing plastic waste, adopting renewable energy sources, and minimising packaging.

## 5. Transparency and Accountability:

Be transparent about ESG efforts, share progress with the public, and set clear goals for sustainability and social responsibility.

## 6. Influence and Leadership:

Use their influence and resources to lead by example and drive positive change in society, inspiring other companies to follow suit.

## 7. Financial Support for ESG:

Allocate resources and funding to support ESG initiatives and contribute to environmental and social causes.

## 8. Partnerships and Collaboration:

Collaborate with government agencies, NGOs, and other companies to collectively address environmental and social challenges, creating a more significant impact.

## 9. Public Awareness and Education:

Use their platforms and resources to raise public awareness about important social and environmental issues and educate the community.

## 10. Community Engagement:

Engage with the local community through CSR initiatives, job creation, and support for social causes, especially for vulnerable groups.

## Appendix

# How we defined ESG in this study

**The issue of terminology in a study like this is fraught with difficulty and we're aware that the term ESG has particular connotations in different countries.**

We investigated the use of different terms in focus groups in 2022 but found similar issues or limitations with other phrases. For example, many felt the term sustainability referred primarily to actions that protect the environment.

On balance, most liked the use of ESG as a framework for companies to use to hold themselves to account on the issues that matter most to the community.

**After asking participants whether they had heard of the term ESG, which we said stands for 'Environmental, Social and Governance', they were shown the text below.**

As you may already know, the term "ESG" refers to standards, policies and behaviours that organisations have in relation to **Environmental, Social** and **Governance** issues.

Some examples of these issues include:



### Environmental

Action on climate change, use of natural resources, waste management, pollution, toxin free environments and the preservation of habitats and living creatures.



### Social

Human rights, working conditions, health and safety, social equality, diversity and inclusion, contributing to the local community, speaking out on social or political issues.



### Governance

Ethical standards, transparent reporting, responsible policies and procedures, board diversity, data protection and privacy, risk management etc.

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