

Ms Elaine Tan, Chief Executive Officer, WWF-Singapore
Distinguished guests,
Ladies and gentlemen,

1. A very good afternoon to everyone. It is my pleasure to be here today to join you at the Sustainable Palm Oil Leaders' Summit, to kick-start the discussions on the sourcing and use of 100 per cent sustainable palm oil.

Singapore Alliance for Sustainable Palm Oil

2. I would like to first commend WWF Singapore and its founding members - Unilever, Danone, Ayam Brand, IKEA and Wildlife Reserves Singapore - on the formation of the Singapore Alliance for Sustainable Palm Oil (SASPO). This is a laudable initiative which aims to provide a platform for companies to embark on a journey towards producing, trading and using only certified sustainable palm oil. Such palm oil is produced with the long-term benefits for the environment and the industry in mind. The cultivation of sustainable palm oil will not cause deforestation, disruption to the natural habitats of native animals, excessive carbon emissions or widespread haze pollution, just to name a few of its benefits.

3. The formation of this Alliance is testament to the fact that NGOs and the private sector in our part of the world can work together towards transforming the palm oil industry into a responsible one. Such a paradigm shift would be a major milestone in the development of this industry and will enhance its reputation very considerably. My Ministry fully supports this initiative. As a government, we are all for the growth and success of the palm oil industry, but want to steer the industry away from practices that are harmful to the environment and to adopt sustainable practices instead. We believe that it is not only possible but indeed essential that the industry move in this direction in order to secure its own future. Therefore, I believe that our goals are very much aligned to SASPO's key objectives. We both look forward to the day when sustainable palm oil is the norm rather than the exception. At that point, we will both be glad that we have worked ourselves out of a job!

The Roles of Governments

4. So, how do we get there? It will not be easy but it is possible if all stakeholders play their part. There is clearly a key role that the governments can play.

5. In this regard, we appreciate the active response by Indonesia this year to tighten and step up actions against the occurrence of land and forest fires that cause haze. These actions include the setting up of the Peatland Restoration Agency and the deployment of more resources for fire-fighting, both of which contributed to an improvement of the hotspot situation in Indonesia this year. There were just over a hundred hotspots in 2016 as compared to many thousands in 2015. There were also more enforcement actions taken against companies and individuals which were found to have started these fires. Sustained efforts in this regard and effective regional co-operation will smoothen the path

towards the shared vision of a haze-free environment throughout all ASEAN member states by 2020.

6. In Singapore, we have enacted the Transboundary Haze Pollution Act (THPA) to complement the enforcement efforts of other regional countries. Through the THPA – which was designed to comply with international law – we can also hold errant companies accountable for the negative impact on our environment and the health of Singaporeans by their irresponsible actions.

7. The THPA provides a suite of investigation tools and evidentiary provisions that facilitate the prosecution of entities that contribute to transboundary haze pollution in Singapore as well as persons holding positions of responsibility in these entities regardless of where they are domiciled. Through the THPA, we signal to companies practising unsustainable production of palm oil and other products, that their actions will be met with stern consequences by us.

Private Sector's Efforts towards Sustainability

8. While Governments can do their part with legislation and enforcement, there is also a need for the economic incentives of such errant practices to be addressed. This is where responsible companies play a key role by ensuring that sustainable practices do not just stop with them, but also percolate through their entire supply chain. The efforts of companies that take proactive steps to incorporate sustainability into their operations are to be highly commended, especially those like Unilever that have shown commitment to ensure that 100 per cent of their palm oil is sourced sustainably.

9. Apart from Unilever, other consumer groups like Nestle, Mars and Kellogg, also stood firm on their belief in the use of sustainable palm oil and suspended business with IOI in April 2016 after a decision by the Roundtable on Sustainable Palm Oil (RSPO) to suspend certification for the company's palm oil. The suspension was due to IOI's failure to prevent its subsidiaries from being involved in deforestation in Indonesia in 2015. Such a firm stand shows that these consumer product companies have chosen to walk the talk and set an example for others to emulate.

10. Supermarket chains can also do their part in ensuring that what they sell to the public comes from a sustainable supply chain. Just last month, NTUC FairPrice announced that they will be carrying two new cooking oil products that have been certified by its supplier to be from RSPO certified sources. I hope that this will encourage other supermarket chains to also make additional efforts to promote sustainable consumerism.

Role of the Financial Sector

11. The financial sector also plays a pivotal role by raising the bar for sustainable financing and investment practices. There is growing recognition that adopting environmental, social and corporate governance (ESG) practices positively affect long-term, risk adjusted returns. High ESG ratings, more often than not, correlates with lower capital costs. It is a sustainable way to run businesses, and acts as a hedge against reputational and environmental risks. Banks and investment institutions will therefore be acting in their clients' interests by incentivising wider adoption of ESG practices.

12. Last year, the Association of Banks in Singapore (ABS) issued its Guidelines on Responsible Financing. The guidelines specify that banks in Singapore are required to disclose their commitment to responsible financing, publish their policy framework, and implement governance systems by 2017. The ABS is also actively engaging the industry to raise awareness of and build capacity in sustainable financing.

13. On the capital market front, the Singapore Stock Exchange (SGX) has introduced a "comply or explain" sustainability reporting requirement. SGX expects the new rules and guide on sustainability reporting to apply to companies from the financial year ending on or after 31 December 2017, with reports published from 2018.

14. These efforts by the private sector are hugely important to help shift the industry towards sustainable business practices and steadily phase out the demand for unsustainable agro-forestry products.

Civil Society's Efforts in Demanding for Sustainable Products

15. Apart from companies and financial institutions doing their part to ensure a sustainable supply chain, consumers too can play a big role in ensuring that sustainable palm oil eventually becomes the only viable supply of palm oil. Consumers wield buying power and will be an irresistible force when they band together in a movement to only buy products made from sustainable sources. Civil society also plays a critical role in demanding transparency and accountability of companies in their supply chain, so that consumers and investors can have the information needed to make the right choices.

16. I am heartened to know that the movement towards sustainability here has gained momentum recently, with local NGOs taking a stand against unsustainable agriculture. NGOs such as WWF, the People's Movement to Stop Haze (PM.Haze) and the Singapore Institute of International Affairs (SIIA) have taken the lead by jointly organising the "We Breathe What We Buy" campaign, which reached out to over 20 million people globally. The campaign was aimed at raising awareness of the link between the slash and burn practices and haze pollution in our cities, and enlist public support for a switch to sustainable palm oil. Such ground-up initiatives demonstrate the potential of a collective consumer voice, led by civil society.

17. The Singapore Environment Council (SEC) and Consumers Association of Singapore (CASE) have also been working with leading supermarkets, pharmacies and retailers to ensure their products are sustainably sourced. This is achieved through the

Singapore Green Labelling Scheme (SGLS) administered by SEC. As part of its continuous efforts to help the public identify environmentally friendly products and enhance eco-consumerism, SEC in February this year launched a new certification category for palm oil-based products under the SGLS to create greater transparency in the complex supply chain of palm oil products and provide consumers with a seal of endorsement on ethical sourcing. SEC will be taking this further to roll out another upcoming new category for pulp and paper products which will include in its criteria the requirement for good peatland management and fire prevention standards. When ready, the enhanced SGLS will be a more holistic certification standard that allows consumers to make informed choices about their product purchases. I encourage companies which have not participated in the SGLS to be part of the certification and lock in your journey towards sustainability.

Conclusion

18. Let me conclude. The transition towards 100 per cent sustainably sourced palm oil requires us to adopt a multi-faceted approach where all stakeholders – consumers, investors, palm oil growers, palm oil users and palm oil traders – move ahead together towards the common goal. We cannot expect abrupt changes overnight, but ultimately, we can get there if every one of us willingly and steadfastly plays our part. We make a start by simply recognising that the occurrence of deforestation and haze pollution is man-made and commercially driven, and therefore we can put an end to it if we want to.

19. In closing, I would like to again congratulate WWF and the founding members on the SASPO on your brilliant initiative. We strongly encourage other companies out there who are not yet part of SASPO to join it as soon as possible. I wish you a constructive and lively discussion ahead. Thank you.

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