

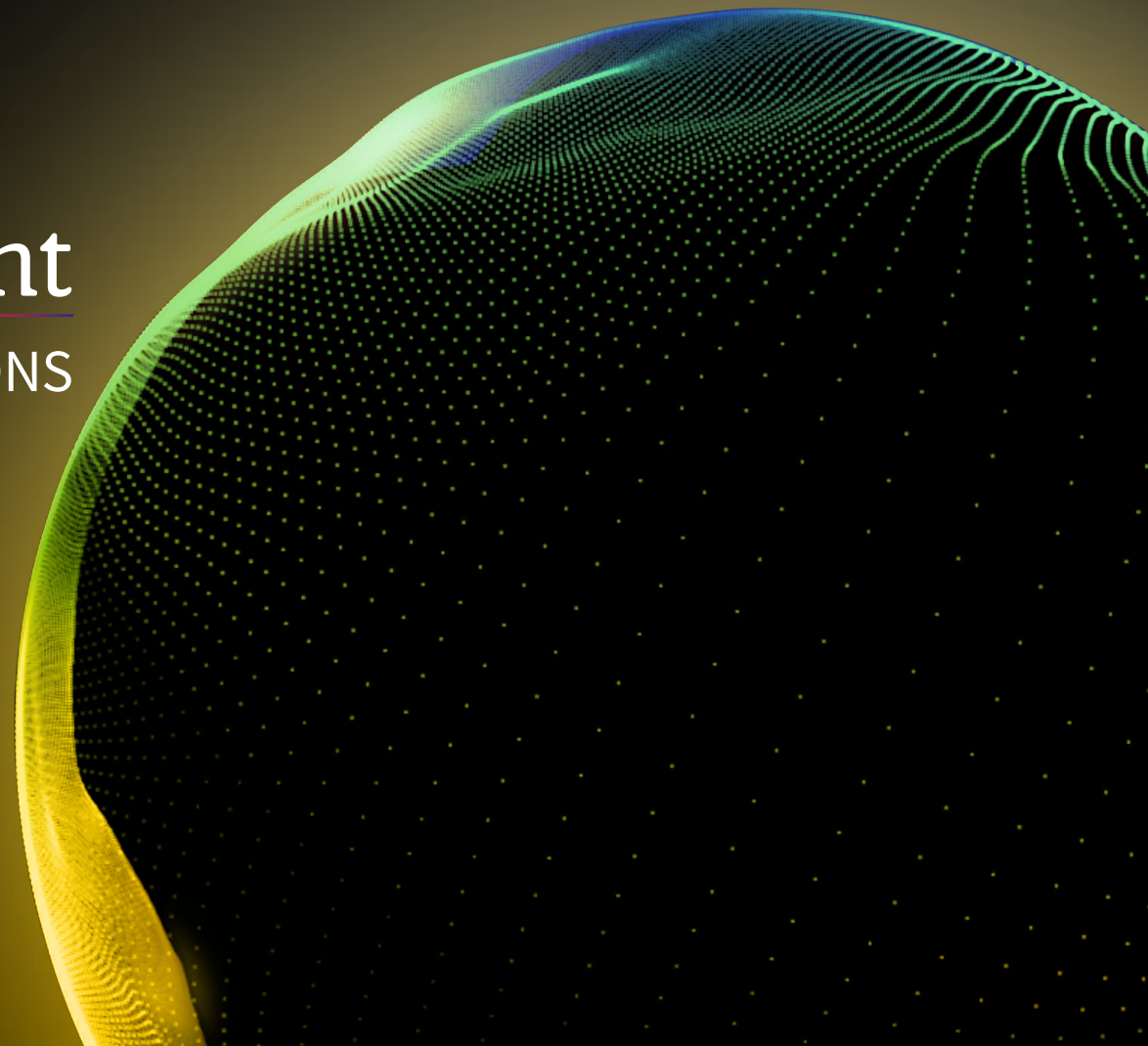


✦ A Positive Change Company

Empowerment through engagement

SPARKING INCLUSIVE CONVERSATIONS

2024 Stakeholder Engagement Research Report



Empowerment through engagement

Effective stakeholder engagement is an art, requiring patient brushstrokes of authentic communication, a steady accumulation of trust, and genuine empowerment.

In collaboration with



Supported by



Contents

An abstract graphic on the left side of the page. It features a curved, multi-colored band that transitions from yellow to red to orange. Above this band, there are several curved lines of green dots that appear to be part of a larger, partially visible circular pattern. The background is black.

The rise of stakeholder engagement

“

Stakeholder engagement is about building and nurturing two-way relationships with anyone who has a stake in your organisation. Communications is the umbrella term covering all forms of messaging, both internal and external. Public relations is the strategic architect of your organisation’s external image. When these three elements work together seamlessly, the result is a consistent, positive reputation that attracts customers, bolsters employee morale, improves investor confidence, and builds lasting relationships with material stakeholders.

”

Uantchern Loh CEO, Black Sun Global (Asia Pacific)

“

Effective stakeholder engagement is now more crucial than ever. Customers, suppliers, employees, investors, communities, and regulators demand greater transparency, accountability, and ethical conduct from companies. Boards must be plugged into the changing expectations of stakeholders and engage them in the corporate journey. This research highlights the growing need for organisations to genuinely consider stakeholder interests in their decision-making processes. By doing so, businesses can build stronger, more resilient relationships and drive sustainable success.

”

Terence Quek CEO, Singapore Institute of Directors

A collaboration between Black Sun Global (Asia Pacific) and the Singapore Institute of Directors, this report examines the stakeholder engagement practices of companies in Singapore. We hope the observations in this report will establish the foundation for further research on how companies can improve their stakeholder engagement practices. This initiative is supported by Securities Investors Association (Singapore) and the Singapore Exchange.

Stakeholder interests take centre stage

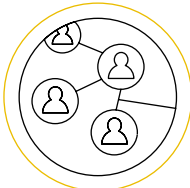
An integral part of corporate governance

The G20/OECD Principles of Corporate Governance 2023 describe stakeholder engagement as the closeness between a company’s management, board, shareholders, and stakeholders. A review of the codes of corporate governance of Singapore, Malaysia, Hong Kong, the Philippines, and the UK indicates the presence of similar stakeholder engagement provisions in every one of them. These include:



Communication

The importance of maintaining regular and timely communications with stakeholders is highlighted. Consistency in engagement helps build trust and understanding, ensuring that all stakeholders are well-informed and aligned with the company’s goals and strategies.



Engagement channels

Establishing effective channels for stakeholders is essential. Companies are urged to create diverse and accessible mechanisms for engagement. This includes both traditional channels and modern platforms to reach a broader audience.



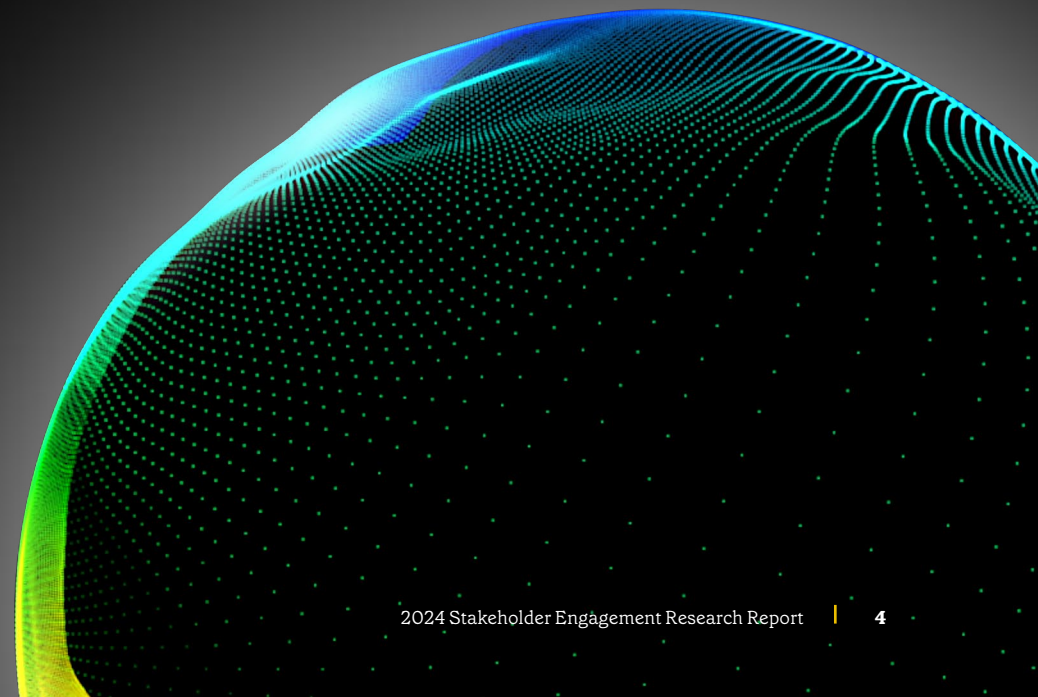
Transparency

Regulatory authorities mandate comprehensive disclosure requirements to ensure transparency, protect investors and uphold the integrity of the financial market. Transparency and accountability are fundamental principles in stakeholder engagement and integral in building trust. Companies are encouraged to be open and accountable in their interactions, allowing stakeholders to make informed decisions and assessments about the company’s performance.

Growing complexity and interconnectedness of issues

Societal expectations and values are evolving, with a growing emphasis on environmental, social, and governance (ESG) factors. Stakeholders are increasingly expecting organisations to demonstrate a commitment to sustainability reporting, social responsibility, and ethical practices. This has led to a greater focus on stakeholder engagement as a means of understanding and addressing these expectations.

As stakeholder expectations and priorities evolve at an unprecedented pace, companies must adapt accordingly. Companies must look at stakeholder engagement as a strategic imperative, not just a compliance exercise in sustainability or corporate reporting. Trust and support from material stakeholders are essential for navigating the complexities of today's business environment. Without sincere and effective communication, companies risk becoming isolated from those whose support is vital to their success.



A convergence of engagement methods

How can companies ensure they are engaging sincerely and effectively? They need a clear and consistent way to address stakeholder concerns effectively, align business practices with stakeholder values, and demonstrate the positive impact they are striving for.

This integrated approach fosters a virtuous cycle:



Effective stakeholder engagement is an art, requiring patient brushstrokes of authentic communication, a steady accumulation of trust and genuine empowerment. Ignoring stakeholder demands is no longer an option for companies; their consideration must permeate every level of decision-making. By fostering open dialogue and committing to meaningful long-term relationships, companies can build a resilient and supportive stakeholder ecosystem, ensuring they remain relevant in an increasingly stakeholder-conscious world.



Understanding our research methodology

Approach

We adopted a principles-based approach focused on impact, guided by the following references:

- AA1000 AccountAbility Principles
- AA1000 Stakeholder Engagement Standard
- Singapore Code of Corporate Governance 2018, namely Principle 12: Engagement with Shareholders and Principle 13: Engagement with Stakeholders

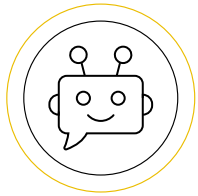
Our approach is anchored in the Black Sun Global BEAMS+ principles, crafted to navigate the dynamic landscapes of stakeholder interactions. Comprising six dimensions, the BEAMS+ principles enable us to qualitatively assess and identify stakeholder engagement practices. To address the growing importance of digital engagement, we have added a component dedicated to assessing the quality of a company's digital presence.

<p>Balance</p> <ul style="list-style-type: none"> – This pillar emphasises the importance of managing relationships with different stakeholders. – Achieving balance requires companies to recognise and prioritise the diverse perspectives and expectations of stakeholders.
<p>Effectiveness</p> <ul style="list-style-type: none"> – This pillar emphasises the importance of effective and transparent communication between companies and its stakeholders. – Assessing effectiveness involves evaluating the tangible and intangible outcomes as well as the breadth and depth of engagement.
<p>Accountability</p> <ul style="list-style-type: none"> – This pillar centres on the integrity demonstrated by the companies in their interactions with stakeholders. – Authentic organisations demonstrate accountability by actively addressing stakeholder feedback and taking proactive steps to address issues and improve performance.
<p>Materiality</p> <ul style="list-style-type: none"> – This pillar focuses on the identification and prioritisation of matters that are significant to both the company and its stakeholders. – By understanding what matters most to stakeholders, companies can prioritise their engagement efforts strategically and effectively.
<p>Strategy</p> <ul style="list-style-type: none"> – This pillar focuses on the development of strategic frameworks for identifying, prioritising and addressing stakeholder needs and interest. – Effective stakeholder engagement strategies integrate stakeholder perspectives into decision-making.
<p>Digital Presence</p> <ul style="list-style-type: none"> – This pillar encompasses the company’s effectiveness in leveraging digital channels to foster meaningful dialogue and engagement with its stakeholders.



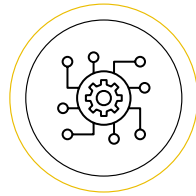
AI: A powerful tool for stakeholder engagement

Artificial Intelligence (AI) has been taking the world by storm and is a potential game-changer for society, including the way we live and work and interact. It is not surprising that AI is increasingly taking on a significant component of stakeholder engagement.



AI-powered chatbots

Companies are turning to generative AI chatbots to interact with stakeholders in real-time. For instance, these chatbots are equipped to handle general inquiries from customers, freeing up employees to handle higher-priority and more complex cases. This leads to more manageable workloads, reduced waiting times, and an overall improvement in customer experience.



Data optimisation

Machine learning is being used to analyse stakeholder interests and concerns. By leveraging advanced algorithms, companies can process large volumes of data and transform this into actionable insights about stakeholder sentiment.



Training and development

Companies can use conversational AI to guide employees through their internal knowledge base and provide tailored learning recommendations based on their responses. This ensures training programmes resonate with employees and provide a dynamic learning journey for all employees.

There is no doubt that AI can improve how we communicate and engage. However, there is a need to adopt a balanced approach that combines both the accuracy and efficiency of AI with the connection and personal touch of humans to truly engage with stakeholders. To have a deeper understanding of how companies are using AI in digital communications, please refer to the [Black Sun Digital Index](#), which is an analysis of the digital communications of global companies, the FTSE100, and the Singapore STI30.

Scope

A total of

100

audit questions were applied to

80

listed companies in the following categories:

SGTI 2023

Top 20 Large Cap

(Companies with market capitalisation of S\$1 billion and above)

SGTI 2023

Top 20 Mid Cap

(Companies with market capitalisation of S\$300 million to less than S\$1 billion)

SGTI 2023

Top 20 Small Cap

(Companies with market capitalisation of less than S\$300 million)

SGTI 2023

Bottom 20

(Companies that scored the lowest in SGTI 2023)

Coverage

- **Annual reports, sustainability reports and corporate governance reports:** These provide detailed insights into the companies' stakeholder engagement efforts.
- **Websites and microsites:** These serve as digital hubs that provide accessible content on stakeholder interactions and related policies.
- **Social media platforms:** These digital platforms enable companies to engage with stakeholders in real-time and allow for immediate feedback.
- **Surveys:** We gathered over 200 responses from aspiring and current board members, and investors to hear their views on stakeholder engagement.

Stakeholders

We have focused on stakeholders across industries and market cap sizes that collectively contribute to the success and sustainability of the company.



Investors



Suppliers



Employees



Community



Customers

* Singapore Governance and Transparency Index (SGTI) is the leading index for assessing corporate governance practices of Singapore-listed companies.



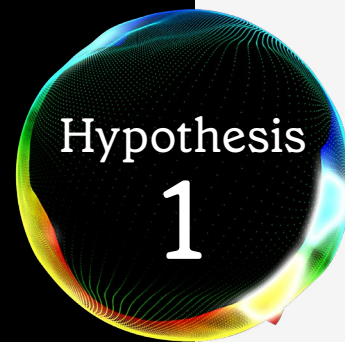
Unpacking our findings

We developed a set of hypotheses, based on our own experience with clients throughout the APAC region, on the quality and impact of stakeholder engagement efforts across large, mid, and small cap companies. The hypotheses focus on four themes: Corporate Governance, Communication, Stakeholders, and Industry.

In this section, we unpack whether each hypothesis is supported, not supported, or inconclusive based on our findings, while highlighting key learning and statistics.



Corporate Governance



Companies comprehensively demonstrate the link between corporate governance and stakeholder engagement

Stakeholder engagement is a key component of corporate governance, highlighting the crucial role of leadership in driving effective engagement. It is important to communicate how governance permeates a company's stakeholder engagement practices, ensuring that stakeholders' needs are integrated into decision-making processes.

Our findings

- While companies may recognise the importance of stakeholders in their communications, this is not borne out in the corporate policies and processes. Many of the companies in our sample neglect to detail how their leadership handles stakeholder engagement plans and decisions.
- The roles and responsibilities of board members related to stakeholder engagement are not disclosed. Despite attempts to include dedicated content on corporate governance on their websites, there is often little to no information on how the board manages stakeholder relationships.
- There is a notable correlation between companies exhibiting poor stakeholder engagement efforts – evidenced by poorly maintained communication channels and a lack of feedback mechanisms – and those who do not provide detailed insights into leadership’s role in managing stakeholders, which is crucial for building trust and accountability.

Key statistics

Survey respondents identified **strategy and governance as the top two priorities** in stakeholder engagement.

10%

of the companies analysed provided case studies or proof points demonstrating how the board considered major stakeholder decisions throughout the year.

What this means

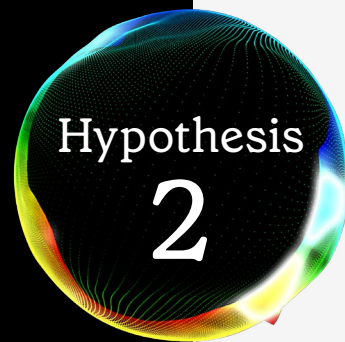
Hypothesis not supported

Companies acknowledge the need to link corporate governance and stakeholder engagement but are not yet effectively creating it.

- Governance of the stakeholder engagement process is as important as the act of stakeholder engagement itself and should be a topic of discussion in its own right.
- While we have found little evidence of the link between stakeholder engagement and governance, it does not necessarily mean that the link is absent. Companies are encouraged to make a conscious effort to communicate how its governance mechanisms work in overseeing its stakeholder engagement practices.
- Evidence of ‘governance in action’ is useful in building trust and demonstrating how stakeholder feedback has been considered in strategic decision-making.



Communication



Companies are communicating with their stakeholders in the most effective manner

Ideally, companies should be acutely aware of the need for effective stakeholder engagement in order to implement comprehensive communication practices that foster trust and enhance reputation.

Our findings

- While more apparent across large cap and mid cap companies, most companies have acknowledged the needs and expectations of their stakeholder groups, providing examples of engagement efforts throughout the year.
- To communicate effectively with their stakeholders, companies must first understand the needs and concerns of their stakeholders. Therefore, conducting a Materiality Assessment is a fundamental and vital step. However, only 44% of companies surveyed conduct a Materiality Assessment regularly and report on its frequency.
- While it is encouraging that companies are committed to promoting integrity and fairness across all stakeholder groups, there is a notable omission of potential risks such as supply chain disruptions and data privacy breaches. Failure to acknowledge and disclose these risks could undermine this commitment and affect stakeholder relationships.
- Companies are not proactive in stakeholder engagement and generally stick to templates and tick-the-box exercises in their reports. There is little evidence of companies going beyond compliance, for example in elaborating on initiatives such as in innovation, sustainability, data privacy, and artificial intelligence.
- Small companies are slow to leverage and maximise digital capabilities for stakeholder engagement. In comparison to their larger counterparts, they do not leverage social media as effectively and there are also opportunities to improve their website content and user experience.

Key statistics

Survey respondents identified **Communication, Transparency, and Relationships/Engagement as the top three keywords** associated with stakeholder engagement.

More than

90%

of respondents indicated that companies should allocate additional resources toward engaging stakeholders.

What this means

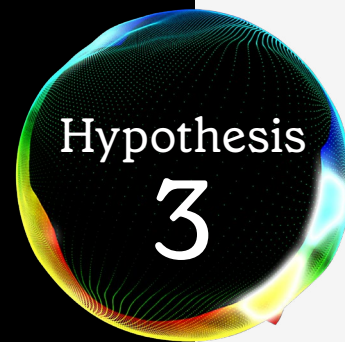
Hypothesis not supported

Most companies are at the start of their stakeholder engagement journey but there is much work to do.

- Inadequate management of stakeholder concerns and relationships may strain the relationship and trust built up between companies and stakeholders. Companies need to present a balanced narrative to stakeholders, maintaining authenticity in their engagement efforts and responsiveness to feedback.
- Active communication, open dialogue, and addressing the distinct concerns of both internal and external stakeholders are imperative.



Stakeholders



Companies balance the needs and interests of different stakeholder groups in decision-making

Principle 13 of the Code of Corporate Governance underscores the importance of inclusivity. Companies should consider and balance the needs and interests of material stakeholders. This holistic approach ensures that decisions incorporate diverse perspectives and align with the company's best interests.

Our Findings

- While most companies include a dedicated section on investor relations on their website, large cap companies tend to involve investors in long-term planning and addressing their needs more than mid cap and small cap companies. This could be due to big companies having greater market influence and facing greater investor scrutiny. A similar gap between large cap and small cap companies is evident in supplier engagement efforts, where larger companies take more initiative to engage suppliers in environmental, social, and labour practices.
- Notably, our analysis reveals a trend of companies across all categories prioritising the community over other stakeholder groups – with increasing focus placed on community efforts and well-being alongside business goals in company reports. This shift may be reflective of the maturing sustainability efforts, as companies recognise that their efforts towards community support translate into long-term business success. Additionally, this trend could be influenced by sustainability reporting guidelines that emphasise the importance of community engagement.
- On the flip side, despite being ranked as the second and third most important stakeholders in our survey, customers and employees were the least engaged with across all companies. This may be attributed to several factors. Short-term financial pressures often compel companies to prioritise immediate financial goals over long-term thinking and stakeholder engagement. Additionally, resource constraints such as limited budgets and manpower can impede efforts to fully engage with customers and employees.

Key Statistics

Large cap companies outperformed small cap companies in investor engagement, scoring **55%** compared to only 19% for small cap companies¹.

Mid and small cap companies scored **32%** or less when it comes to investor and supplier engagement efforts, compared to 56% or less for large companies.

Survey respondents **ranked investors as the most important stakeholder for organisations**, followed by customers and employees.

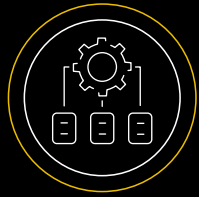
What This Means

Inconclusive

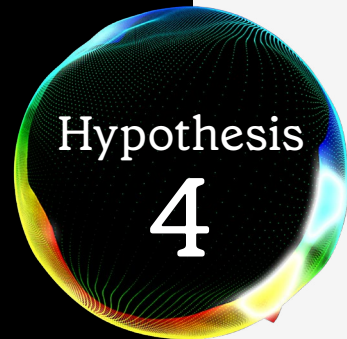
Our analysis reveals that certain stakeholder groups receive more attention than others. This prioritisation reflects the strategic focus of companies in maintaining critical relationships that directly impact business success.

- There is a lack of clarity on who the material stakeholders are for each company. Additionally, the definition of material stakeholders varies widely across industries and companies.
- The importance and influence of stakeholders can change over time due to a constantly changing business environment. Companies must be adaptable and shift their focus to different stakeholder groups as these dynamics unfold.

¹ This scoring was based on responses to questions specifically directed at evaluating engagement efforts directed toward investors.



Industry



What constitutes good stakeholder engagement practices can vary across industries

There is no one-size-fits-all approach to stakeholder engagement, companies must tailor their engagement strategies to address the specific concerns and expectations relevant to their industry.

Our findings

- Through our analysis, we managed to identify notable findings for each of the top three industries that are the most represented in our sample.
- **Industrial:** Interestingly, industrial companies achieved the highest employee engagement score, outperforming those in the real estate and financial sectors. This emphasis on employee engagement may stem from health and safety being a key concern in business operations as compared to the real estate and financial sectors.
- **Real Estate:** When engaging customers, companies in the real estate industry conducted more customer engagement surveys as compared to the other two industries. This could be due to real estate being more B2C focused, for example, as compared to the industrial industry. Customer needs need to be addressed effectively so that necessary changes can be made to business operations.
- **Finance:** Financial companies did more in engaging customers in the areas of data privacy and security, compared to the real estate and industrial industry. This could be due to factors such as even higher levels of sensitivity of customer information in the financial industry, and the higher stakes involved in the event of a data breach. It could also be due to the heavily regulated nature of the industry.

Key statistics

58%

industrial companies achieved the highest employee engagement score, outperforming those in the real estate and financial sectors¹.

67%

financial companies engaged customers in data privacy and security, surpassing both the real estate and industrial sectors².

What this means

Hypothesis supported

Different industries have varying stakeholder priorities depending on market and industry dynamics, which leads to different engagement practices.

- Companies should continuously monitor best practices and trends within their industry, learning from both successes and challenges faced by their peers. Staying informed enables companies to adapt and refine their engagement strategies to better meet stakeholder expectations.
- Regardless of industry or market size, companies must enhance their communication strategies to effectively engage with material stakeholder groups. This involves transparent, consistent, and tailored communication efforts that address the unique concerns of each stakeholder.
- Companies should adopt a holistic approach to stakeholder engagement, ensuring that the needs of all material stakeholder groups are considered and addressed in their strategies. Regularly reviewing and updating these engagement strategies is crucial to reflect changing expectations and emerging industry trends.

¹ This scoring was based on responses to questions specifically directed at evaluating engagement efforts directed towards investors and suppliers respectively.

² This scoring was based on responses to questions that specifically addressed employee engagement efforts across different industries.



Embracing the art of stakeholder engagement

Stakeholder engagement is pivotal to building trust and creating an environment that fosters innovation, sustainability, and enduring relationships for long-term success. The landscape of stakeholder engagement is dynamic, driven by changing expectations, technological advancements, and emerging societal trends.

The appropriate channels, formats, and platforms for engagement are constantly evolving to adapt to these changes. Moreover, regulatory demands across jurisdictions continue to shift, influencing the boundaries within which companies operate and engage with stakeholders.

Inspired by our BEAMS+ principles, we have curated a list of insightful tips in the art of stakeholder engagement, along with an overview of best practice examples¹ that place stakeholder needs at the forefront of long-term strategy and decision-making.

¹ Black Sun, working in collaboration with SID, has identified a series of best practice examples that are shared in this report. It is important to maintain transparency by acknowledging that some of these examples belong to Black Sun clients.

Our BEAMS+ recommendations



Balance

Questions to consider:

- Does the company have a documented process for identifying and prioritising stakeholders?
- Does the companies disclose the needs and expectations of their stakeholders?

Top tips:

- Create a narrative that caters equally to material stakeholder groups and engage them on your corporate journey
- Contextualise your engagement efforts by explaining how you identify and prioritise your stakeholders

Singapore Technologies Engineering Ltd Sustainability Report 2022

ST Engineering articulated engagement efforts for a wide range of stakeholder groups – including government agencies.



Growing Together

In 2022, we have successfully initiated strategic engagement programs with several local SMEs in Singapore. These suppliers were selected for their good performance and track record with ST Engineering. To support their growth, we assisted them in linking up to industry partners and expanding the scope of their capabilities where relevant. After discussions on requirements and prototyping, we were able to leverage and build up their existing capabilities to support our requirements and new projects across the Group. These collaborations not only facilitated the growth of the SMEs but also had the added benefit of improving our supply chain resiliency by localising a significant package of work.

We Enrich Lives through Education

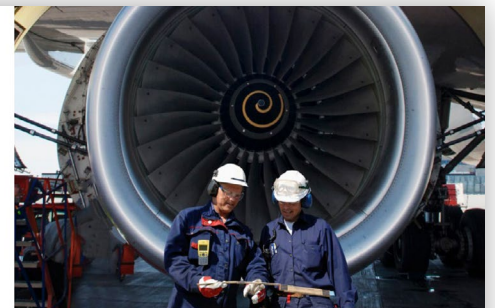
We believe that education can help to create a brighter, better world and provide opportunities to nurture talent and build up a thriving pipeline for sustainable, long-term growth.

Apart from investing in local capabilities through talent development programmes, we also work with partners and collaborators to provide resources and create diverse learning pathways across industries and demographics.

In 2022, we provided over

1,200

STEM internships



Growing Local Talent Pipeline and Workforce

We invest in local capabilities for the economy and businesses to grow sustainably. In our U.S. offices, besides giving out the Pensacola Mayor's Scholarship annually to develop Northwest Florida aircraft talent, we also nurture qualified aircraft maintenance technicians through our training programme with United Parcel Express.

Singapore-Industry Scholarship

2022 marks our 11th year offering the Singapore-Industry Scholarship, the only multi-industry scholarship programme in partnership with the Singapore government. The scholarship aims to grow and nurture future industry leaders, particularly in the technology, defence and engineering businesses. This year, we gave out scholarship awards to eight new recipients, having awarded a total of 118 scholarships to date.

Nurturing Talent in Pensacola, U.S.

In our U.S. offices, besides giving out the Pensacola Mayor's Scholarship annually to develop talent for the aviation sector, we also nurture qualified aircraft maintenance technicians through our training programme with United Parcel Express.

Hong Leong Asia Ltd Sustainability Report 2023

On top of articulating community engagement efforts, Hong Leong Asia included a comprehensive table which states community targets now and in the future. One such target includes for all sites to establish and implement stakeholder engagement plans by 2025.



Effectiveness

Questions to consider:

- Are your stakeholders kept informed about relevant company developments or initiatives?
- Have you conducted a review of your stakeholder engagement processes?

Top tips:

- Set long-term quantitative goals tailored to each stakeholder group that aligns with your strategic priorities
- Highlight examples of stakeholder engagement in action throughout the year

EMPOWERING OUR PEOPLE & COMMUNITIES

MATERIAL ISSUES	KEY PERFORMANCE INDICATORS	2023 PERFORMANCE	2025 TARGET
Diversity, Equity, Inclusion and Talent Management	Hours of training per employee per year (in-person and/or virtual, on the job training etc.) to be aligned with career development plans	66 hours / employee	✔ ≥40 hours / employee annually
	Implement a diversity, equity and inclusion policy	Internal review	✔ 100% implemented
	Update and implement clear succession planning development framework	Frameworks being finalised by Group HR	✔ 100% implemented
	Redesign internship and develop management trainee programmes to align to talent management programmes	Frameworks being finalised by Group HR	✔ 100% implemented
Community Engagement	Percentage of employee participation in volunteering or community engagement activities (Building Materials)	18%	✔ ≥30%
	Volunteering hours for community engagement activities (Powertrain Solutions)	10,084 hours / year	✔ ≥6,000 hours / year
	Complaints from local communities at all operational sites	Zero incident	✔ Zero incident
	All sites to establish and implement stakeholder engagement plans	100%	✔ 100%
	Initiatives towards Sustainable Cities and Communities and/or Sustainable Construction initiatives	CSR collaboration with Waterways Watch Society, MY Clean Beach, Stridy & SK Tasek	✔ Initiation & implementation of projects, partnerships, collaborations or R&D

🔴 To improve 🟡 On track 🟢 Target achieved



Accountability

Questions to consider:

- Is there evidence of continuous improvement in stakeholder engagement practices based on feedback and lessons learned?
- Is there evidence of independent oversight or review of stakeholder engagement practices?

Top tips:

- Translate commitment into action for all stakeholders – it can be as simple as articulating how feedback from a specific stakeholder was acted upon
- Establish mechanisms for continuous review and enhancement of your engagement strategies

Katrina Group Ltd Annual Report 2023

Throughout the report, Katrina Group did not only mention that they welcome feedback from stakeholders, but also substantiated it with a description of how feedback is being used.

Proactively gather customer feedback for improvements and develop strategies

We strongly encourage our customers to provide their feedback via various touchpoints such as email, social media and online delivery platforms. Customer feedback is analysed to gather valuable insights into current and future customer requirements. Insights gathered are then discussed during management meetings to drive product and service improvements, enhance operational level and provide inputs for strategies.

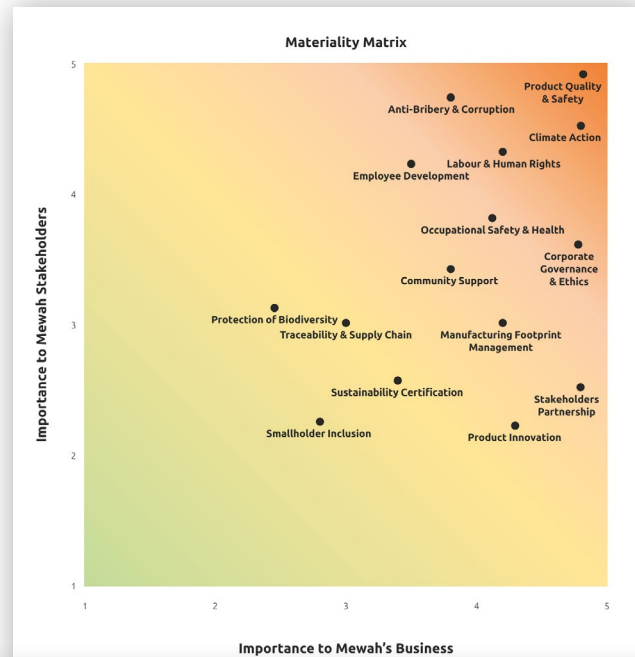
During the Reporting Period, we successfully maintained a negative customer review rate of less than 1% (FY2022: less than 1%).

Our employees are not covered by collective bargaining agreements but are given the right to exercise freedom of association. Employees are given a minimum of one month's notice prior to any implementation of significant operational changes that could substantially affect them.

We are committed to talent retention to accelerate our success. A periodic employee engagement survey is conducted to determine the level of employee satisfaction and gather feedback. Employees' inputs are taken into consideration for the formulation of human resource practices and programmes such as Corporate Social Responsibility or Workplace Health Promotion activities.

Mewah International Inc Sustainability Report 2022

Mewah gave a visual representation of its materiality assessment process, as well as a comprehensive mapping of its material matters.



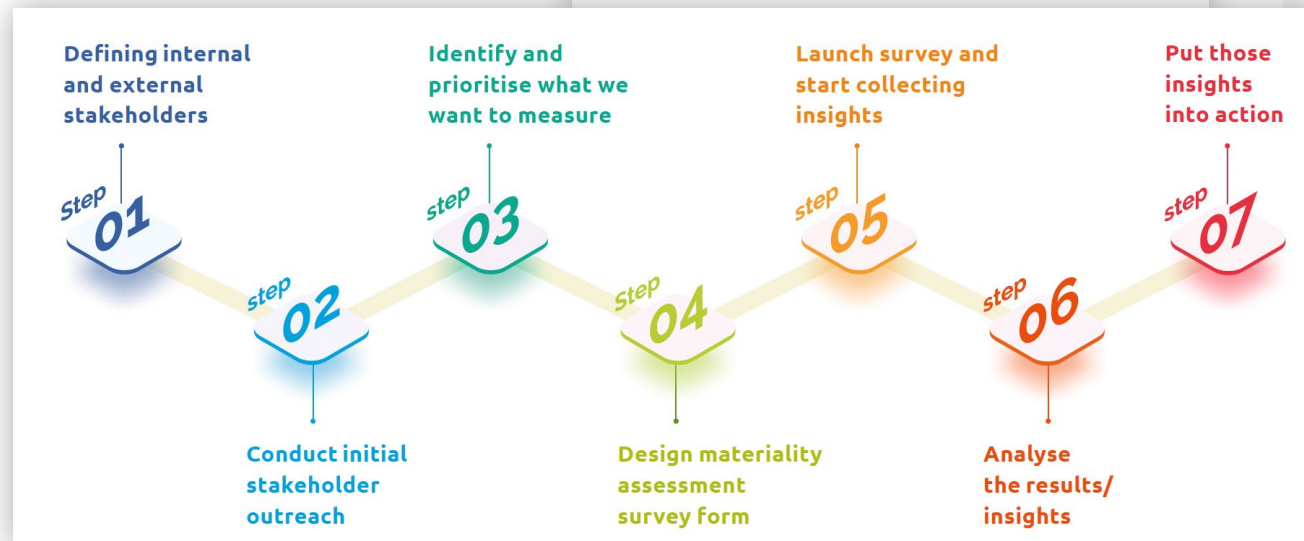
Materiality

Questions to consider:

- Is there a materiality matrix?
- Is the identification and prioritisation of material issues aligned with your risk management approach?

Top tips:

- Prioritise key issues based on stakeholder input
- Use your materiality assessment as a valuable diagnostic tool to understand the needs of material stakeholders and what they want to be engaged on





Strategy

Questions to consider:

- Do you have a stakeholder engagement strategy in place?
- Have you aligned your stakeholder engagement strategy with international frameworks and standards?

Top tips:

- Involve stakeholders to integrate long-term considerations into strategic planning
- Ensure that you communicate your long-term vision and goals to stakeholders

Client engagement

As part of our client engagement strategy, we **integrate climate mitigation and adaptation** considerations into our sector strategies and account planning process. We embed our ambition and commitment to net zero in our client engagement, while recognising limitations and challenges different sectors face in their business operations. This allows us to group clients into archetypes, based on their level of maturity in their sustainability journey, and offer financing solutions and advice tailored to their needs.

How we help our clients:

- **Financing solutions** to support their pipeline of investment measures, including the establishment of sustainable finance frameworks;
- **Advisory** on mitigation of their emissions across their value chain; and
- **Sharing insights** on key industry ESG considerations, including climate-related risks and opportunities for their sector.

We have engaged our most carbon-intensive clients on net zero planning. These conversations help us to understand where our clients are on their net zero journey and how DBS could partner with them in their decarbonisation efforts.

We identified and actively engaged at least the top 10 emitters from each of our priority sectors



Does the client have any transition plans?

Yes

No

Is their decarbonisation/ transition plan 1.5°C aligned?

Which reference scenario does the client use (if any)?

What are the reasons for not having a transition plan?

What are the challenges faced by the client?

How can DBS help?

How can DBS help?

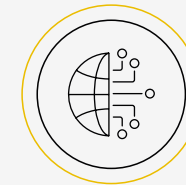
Almost 90% of the top emitting clients that we have engaged have a net zero plan

DBS Group Holdings Ltd Sustainability Report 2023

DBS has a step-by-step analysis on how they engage clients and help create their net zero plan.

Keppel Ltd

When addressing suppliers, Keppel utilised its website to provide a comprehensive update on how suppliers are being identified and managed, as well as links to relevant targets and policies.



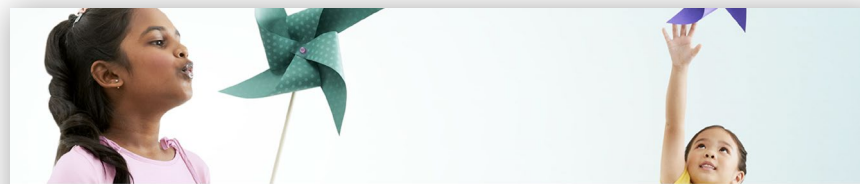
Digital Presence

Questions to consider:

- Does your website incorporate a narrative or storytelling elements?
- Do you have relevant social media platforms?

Top tips:

- Utilise analytics to track visitor behaviour and make data-driven improvements for your corporate website
- Ensure your website is responsive and performs well across all devices
- Understand your audience and engage them on relevant social media platforms. Remember not to overwhelm your stakeholders with too much information or excessive posts
- Avoid disregarding comments and messages from your stakeholders on social media even if the feedback is negative in nature; instead, engage with them actively to show you value their input



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Our focus areas

Keppel has a two-pronged sustainability strategy of running our business sustainably, and making sustainability our business by providing solutions that contribute to a sustainable future. We undertake a robust process to identify and prioritise our material environmental, social and governance issues.

- Climate Action & Environmental Management
- Corporate Governance & Risk Management
- Supply Chain Management**
- Human Capital Management

Our targets

- Screen 100% of new suppliers in accordance with ESG criteria.
- To have 100% of qualified suppliers endorse the Keppel Supplier Code of Conduct.
- To have 100% of technology suppliers governed by the Keppel Technology Vendor Risk Management Policy.

Find out more

- Keppel Supplier Code of Conduct

Identification of significant suppliers

Significant suppliers are suppliers that have significant business relevance to Keppel, or have substantial risks of negative ESG impacts, or a combination of both. Keppel assesses the significance of suppliers based on various factors including cumulative order value and volume, single order value and volume, as well as business criteria such as component criticality and substitutability of products or services. Identifying significant suppliers enables us to better focus our efforts on improving ESG practices and performance in our supply chain.

Screening new suppliers

All suppliers are qualified in accordance with our requisition and purchasing policies, and screened based on business relevance as well as ESG criteria including business conduct, human rights, health and safety, labour practices and environmental management. In assessing sustainability risks, we review potential suppliers' industry reputation, track record, financial performance, security practices, and certifications, with a preference for suppliers with certifications for ISO 9001 Quality Management System, ISO 14001 Environmental Management System, OHSAS 18001 Occupational Health & Safety assessment series or ISO 45001 Occupational Health and Safety Management System or the equivalent.

As part of the supplier selection procedure, all new suppliers that provide Keppel with products and services valued at \$200,000 or more per contract or over cumulative purchase orders in the prior calendar year are expected to sign and abide by the Keppel Supplier Code of Conduct, which is publicly available online.

Supplier assessment and development

The assessment of supplier risks and due diligence measures undertaken by Keppel are ongoing processes which take place throughout the lifecycle of the buyer-supplier relationship. This includes desk assessment, on-site internal audits as well as external audits as part of the ISO 14001 assessment framework. We have engaged a third-party supply chain risk management platform to facilitate the screening of new and existing suppliers and conduct supplier desk assessments.

This example belongs to a Black Sun client.

A roadmap for continuous improvement

Our BEAMS+ principles and our accompanying research dataset provide a strong foundation for analysing the quality of stakeholder engagement. However, continuous improvement is key. To ensure our research remains relevant and effective in the ever-evolving landscape of stakeholder engagement, we will be refining and expanding our research progressively:

● Broadening the scope

Expanding the sample size to encompass a wider range of companies across various industries and sizes is crucial. This will provide a more robust and nuanced comparison between companies.

● Embracing a dynamic landscape

Stakeholder engagement is a dynamic field. It is important for us to stay ahead of the curve by researching and incorporating emerging trends and understanding the evolving needs of stakeholder groups.

● Refining questions

The initial set of questions used in this research provide a valuable starting point. Further research is needed to refine and expand these questions to delve deeper into specific stakeholder engagement topics to yield more comprehensive and actionable insights.

Appendix

List of Companies

Advanced Holdings Ltd.
Annica Holdings Limited
Aoxin Q & M Dental Grp Limited
Aspen (Group) Holdings Limited
Atlantic Navigation Holdings (Singapore) Limited
Azeus Systems Holdings Ltd.
Beverly JCG Ltd.
CapitaLand Investment Limited
Casa Holdings Limited
Centurion Corporation Limited
Chemical Industries (Far East) Limited.
China International Holdings Limited
China Mining International Ltd
City Developments Limited
Civmec Limited
ComfortDelGro Corporation Limited
DBS Group Holdings Ltd
Del Monte Pacific Limited
EuroSports Global Limited
Far East Orchard Limited
Frasers Property Limited
G.H.Y Culture & Media Holding Co., Limited
Geo Energy Resources Limited
Global Investments Limited
GP Industries Limited
Great Eastern Holdings Limited
Hong Fok Corporation Limited

Hong Leong Asia Ltd.
Hor Kew Corporation Limited
Hotel Royal Limited
HRnetGroup Limited
Hyphens Pharma International Limited
iFAST Corporation Limited
Japfa Ltd.
Jardine Cycle & Carriage Limited
Joyas International Hldgs Ltd
Katrina Group Ltd
Keppel Ltd.
LHN Limited
LifeBrandz Ltd.
Mary Chia Holdings Limited
Mercurius Cap Investment Ltd
Mewah International Inc.
Micro-Mechanics (Holdings) Ltd.
Mun Siong Engineering Limited
Nanofilm Technologies International Limited
Oio Holdings Limited
Olive Tree Estates Limited
Ossia International Limited
Oversea-Chinese Banking Corporation Limited
Pan-United Corporation Ltd.
Pavillon Holdings Ltd.
QAF Limited
Qian Hu Corporation Limited

Raffles Infrastructure Holdings Limited
RE&S Holdings Limited
Renaissance United Limited
Rex International Holding Limited
SATS Ltd.
SBS Transit Ltd
Sembcorp Industries Ltd
SIA Engineering Company Limited
SIIC Environment Holdings Ltd.
Silverlake Axis Ltd.
Sing Investments & Finance Limited
Singapore Airlines Limited
Singapore Exchange Limited
Singapore Post Limited
Singapore Technologies Engineering Ltd
Singapore Telecommunications Limited
Singapura Finance Ltd
SMI Vantage Limited
Teho International Inc Ltd.
The Trendlines Group Ltd.
Tuan Sing Holdings Limited
United Overseas Bank Limited
United Overseas Insurance Limited
VICOM Ltd
Wilmar International Limited
Yeo Hiap Seng Ltd

An ongoing journey of engagement

On the topic of stakeholder engagement... we want to engage with you!

Whether you are a budding communication and stakeholder engagement specialist, you want to partner in our ongoing research programme, or are a corporate looking for guidance in the field of corporate reporting, sustainability, digital communications, or campaignable content – please get in touch with us to continue the conversation.

At Black Sun Global, we help brands transform their stakeholder relations, fuel innovation, and drive more sustainable business practices. For over 30 years, we've been at the forefront of driving change for companies through creative communications and technological innovation. Today, we have a global footprint of more than 150 diverse specialists across four countries and three continents – experts who are not only exceptional at what they do, but are deeply passionate about driving positive change in the world.

Get in touch to understand how we can help you shape stakeholder engagement through impactful communications.



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