

SPEECH BY MERVYN DAVIES
BRITISH CHAMBER OF COMMERCE SINGAPORE
ANNUAL BUSINESS AWARDS DINNER
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I'VE BEEN IN THE BANKING INDUSTRY FOR OVER 20 YEARS SPENDING A HUGE AMOUNT OF TIME IN ASIA, AFRICA AND THE MIDDLE EAST. ACROSS THE WORLD IT SEEMS, A COMMONLY HELD VIEW IS THAT BUSINESS IS DIVORCED FROM MAINSTREAM SOCIETY, WITH A NARROW FOCUS ON SHORT-TERM PROFIT AND INDIFFERENCE TO EVERYTHING ELSE.

THERE ARE HOWEVER SIGNS THAT COMPANIES, AS WELL AS GOVERNMENTS ARE INCREASINGLY RECOGNISING THE NEED TO BALANCE GROWTH WITH SUSTAINABILITY.

FOR THOSE OF YOU WHO DON'T KNOW MUCH ABOUT STANDARD CHARTERED BANK OUTSIDE OF SINGAPORE, I SHOULD MENTION THAT WE DO BUSINESS IN 56 COUNTRIES, PREDOMINANTLY IN ASIA, AFRICA AND THE MIDDLE EAST. NOT ALL OF THESE COUNTRIES ENJOY THE LEVEL OF ECONOMIC AND SOCIAL DEVELOPMENT THAT IS ENJOYED HERE IN SINGAPORE. AS A RESULT, THE ISSUE OF CORPORATE AND SOCIAL RESPONSIBILITY IS HUGELY IMPORTANT TO US AS A COMPANY. BUT IT HASN'T ALWAYS BEEN LIKE THIS.

JOKE

- KNOCK KNOCK.
- WHO'S THERE?
- PEOPLE WHO CARE ABOUT THE ENVIRONMENT.
- SECURITY!

NOT SO LONG AGO, AS THAT JOKE DEMONSTRATES, PEOPLE WHO EXPRESSED CONCERN FOR THE ENVIRONMENT WERE THEMSELVES SEEN

AS A DANGER TO CIVILISED SOCIETY! ISSUES SUCH AS DE-FORESTATION WERE ONLY DISCUSSED BY SCIENTISTS OR RADICAL CAMPAIGNERS (OR STING!). THIS HAS NOW CHANGED. INCREASINGLY WE ARE ALL BECOMING INVOLVED IN THINKING MORE ABOUT THESE TYPES OF SOCIAL ISSUES AND HOW THEY AFFECT OUR BUSINESSES. YOU ARE NOW IN THE MINORITY IF YOU ARE NOT AWARE OF THESE TYPES OF SUBJECTS.

OUR EXPERIENCES AT STANDARD CHARTERED ARE AN EXAMPLE OF THIS INCREASING AWARENESS. WHEN I BECAME CHIEF EXECUTIVE IN 2001 THE NOTION OF CORPORATE RESPONSIBILITY WAS VIRTUALLY UNHEARD OF. FOUR YEARS LATER, IT IS NOW FULLY EMBEDDED WITHIN OUR COMPANY:

- WE HAVE TWO GLOBAL COMMUNITY PROGRAMMES, “SEEING IS BELIEVING” AND “LIVING WITH HIV”. BOTH HAVE INCREDIBLE LEVELS OF STAFF PARTICIPATION AND ENGAGEMENT.
- WE HAVE PRODUCED OUR FIRST CORPORATE RESPONSIBILITY REPORT THIS YEAR, PROVIDING INFORMATION TO STAKEHOLDERS ON OUR POSITION.
- WE ARE ROLLING OUT A GLOBAL ENVIRONMENT PROGRAMME TO HELP MANAGE AND MINIMISE OUR IMPACT ON THE ENVIRONMENT.
- AND WE HAVE SET UP A BOARD LEVEL COMMITTEE FOR CORPORATE RESPONSIBILITY.

IT IS NOW AN INTRINSIC PART OF THE VALUES AND CULTURE OF THE BANK.

WE BELIEVE THAT THE LONG-TERM SUSTAINABILITY OF A RESPONSIBLE COMPANY AND THE COMMUNITIES IN WHICH IT DOES BUSINESS ARE CLOSELY LINKED. GOOD BUSINESS LEADERSHIP IS ALL ABOUT ENSURING THAT COMMUNITIES SHARE IN THE IMPROVING PROSPERITY OF YOUR COMPANY. LONG TERM ECONOMIC DEVELOPMENT WITHIN A COUNTRY IS THE KEY TO SUSTAINABLE POVERTY ALLEVIATION.

BRITISH GOVERNMENT AND BUSINESS - CLIMATE CHANGE

I AM PARTICULARLY ENCOURAGED BY THE LEADERSHIP THAT BRITISH INDUSTRY AND THE BRITISH GOVERNMENT HAVE SHOWN IN THE AREAS OF

SOCIAL RESPONSIBILITY. THROUGH BRITAIN'S PRESIDENCY OF THE EUROPEAN UNION AND THE G8, PRIME MINISTER BLAIR HAS PUSHED THE AGENDA OF POVERTY ALLEVIATION, ESPECIALLY IN AFRICA, AND CLIMATE CHANGE. I WANT TO TAKE A FEW MINUTES TO TALK ABOUT CLIMATE CHANGE.

JOKE

Q. IF YOU LIVE IN AN IGLOO, WHAT'S THE WORST THING ABOUT GLOBAL WARMING?

A. NO PRIVACY

THERE ARE A LOT OF JOKES ABOUT GLOBAL WARMING AND THE EFFECTS THAT RISING SEA LEVELS WILL HAVE ON THE WORLD. BUT IT IS A SERIOUS ISSUE THAT WE NEED TO UNDERSTAND AND ADDRESS.

AT THE G8 MEETING IN SCOTLAND IN AUGUST, A NEW LEVEL OF DIALOGUE ON THIS SUBJECT WAS STARTED INVOLVING G8 COUNTRIES, EMERGING ECONOMIES AND KEY INTERNATIONAL INSTITUTIONS. IT AIMED TO CREATE A FRAMEWORK BEYOND THE KYOTO AGREEMENT.

IT IS SIGNIFICANT AND HIGHLY ENCOURAGING THAT NON-G8 COUNTRIES SUCH AS INDIA AND CHINA WERE INVOLVED IN THE SUMMIT AS THEY ARE INCREASINGLY HAVING A LARGER IMPACT. EVERY FIVE DAYS IN CHINA, POWER STATIONS CAPABLE OF PRODUCING AN ADDITIONAL ONE GIGAWATT OF POWER ARE BEING OPENED. THIS IS NOT GOING TO SLOW DOWN ANY TIME SOON.

AHEAD OF THAT G8 MEETING, I, AND OTHER BUSINESS LEADERS FROM COMPANIES INCLUDING BP, SHELL AND HSBC JOINED TOGETHER TO FORM THE CORPORATE LEADERS GROUP. COLLECTIVELY, WE CALLED FOR A CLEAR LEAD IN TERMS OF POLICY, TARGETS AND PRIORITIES FROM THOSE WORLD LEADERS ASSEMBLED. WITHOUT SUCH CLARITY, THE PRIVATE SECTOR CANNOT INVEST WITH CONFIDENCE IN THE TECHNOLOGY AND

INFRASTRUCTURE NEEDED TO TACKLE THE ENORMOUS ISSUE OF CLIMATE CHANGE.

THIS WORK HAS BEEN HAILED AS AN EXAMPLE OF OPEN AND TRANSPARENT LOBBYING OF GOVERNMENT. IT HAS ALSO RESULTED IN THE UK GOVERNMENT UNDERSTANDING AND EMBRACING THE VALUE THAT LARGE BUSINESS CAN BRING TO THE TABLE ON SUCH IMPORTANT ISSUES.

ONE OF THE AREAS IN WHICH THE UK HAS LED IS IN ITS SUSTAINABLE DEVELOPMENT COMMISSION AND THE DEFINITION OF A NATIONAL STRATEGY. ONLY LAST WEEK, I SPOKE AT A SUSTAINABILITY DEVELOPMENT CONFERENCE IN MY HOME COUNTRY OF WALES. THE WELSH ASSEMBLY HAVE LED BY EXAMPLE IN THIS AREA DEVELOPING A FORMAL STATUTORY FRAMEWORK.

THERE ARE MANY EXAMPLES OF GOOD WORK BEING DONE BY BRITISH COMPANIES IN THIS AREA. I DON'T HAVE TIME TO TALK ABOUT THEM ALL BUT I JUST WANT TO MENTION A COUPLE.

THE SCOTTISH FOREST ALLIANCE IS ONE OF BP'S FLAGSHIP ENVIRONMENT PROGRAMMES IN SCOTLAND AND DEMONSTRATES THEIR COMMITMENT TO THE NATURAL ENVIRONMENT THROUGH THE REGENERATION AND EXPANSION OF NATIVE WOODLANDS. AS TREES OFFSET CARBON EMISSIONS, THIS PROJECT PROVIDES ONE SOLUTION TO CLIMATE CHANGE. TO DATE, 2.6M NEW TREES HAVE BEEN PLANTED OR REGENERATED.

IN 1998, ROLLS ROYCE, THE COMPANY OF YOUR PRESIDENT JONATHAN ASHERSON, SET CERTAIN ENVIRONMENTAL TARGETS. IN 2005 THEY HAD ACHIEVED ALL OF THESE TARGETS INCLUDING A 25% REDUCTION IN ANNUAL ENERGY CONSUMPTION AND A 32% REDUCTION IN GREEN HOUSE GAS EMISSIONS.

OF COURSE, THERE IS ALSO PROGRESS HERE IN SINGAPORE. FOR EXAMPLE, THE NEWater INITIATIVE HAS LED THE WAY IN THE REGION ON THE WHOLE ISSUE OF “RECYCLING” WATER.

WE ALL NEED TO CONTINUE TO FOCUS ON THESE EFFORTS. COLLECTIVELY, WE CAN MAKE A REAL DIFFERENCE, BOTH WITH OUR INTERNAL PRACTICES AS WELL AS THROUGH EXTERNAL LOBBYING.

COMMUNITY INITIATIVES – SCB VIEW

I WANT TO FINISH TONIGHT BY TALKING ABOUT MY EXPERIENCES OF COMMUNITY ACTIVITIES, PROBABLY THE MOST VISIBLE PARTS OF CORPORATE RESPONSIBILITY. NOW I KNOW THAT MANY OF YOU HERE TONIGHT WILL HAVE SIMILARLY SUCCESSFUL COMMUNITY PROGRAMMES. I DON'T WANT TO PREACH, BUT I DO WANT TO MENTION HOW SUCH INITIATIVES CAN BENEFIT YOUR STAKEHOLDER RELATIONSHIPS.

I MENTIONED OUR “SEEING IS BELIEVING” INITIATIVE EARLIER. THIS IS OUR GLOBAL FUNDRAISING PROGRAMME AIMING TO RESTORE SIGHT TO ONE MILLION PEOPLE WHO HAVE AVOIDABLE BLINDNESS. THIS PROJECT HAS BEEN A MASSIVE SUCCESS. I HAVE EXPERIENCED FOR MYSELF PEOPLE'S REACTION WHEN THEIR EYE PATCHES ARE REMOVED AND I AM THE FIRST PERSON THAT THEY HAVE SEEN IN TWENTY YEARS!

I BELIEVE THE SUCCESS OF THE INITIATIVE CAN BE ATTRIBUTED TO SEVERAL FACTORS:

(i) FIRST, THE PROJECT IS A PARTNERSHIP WITH SIGHTSAVERS INTERNATIONAL AND OTHER LEADING CHARITIES. THIS IS PARTNERSHIP IN ITS TRUEST SENSE. HIGH LEVELS OF EMPLOYEE INVOLVEMENT, SHARED RESOURCES AND JOINT DECISION MAKING. OUR COMPLEMENTING STRENGTHS HAVE HELPED TO ACHIEVE RESULTS.

(ii) SECOND, WE HAVE HAD A SHARED AGENDA. BY SUPPORTING THE INTERNATIONAL VISION2020 GOAL TO ELIMINATE PREVENTABLE BLINDNESS WE HAVE CONTRIBUTED TO THE AIMS OF THE WORLD HEALTH ORGANISATION AND GOVERNMENTS AROUND THE WORLD. THIS SHARED AGENDA MAKES IT EASIER TO GET OTHERS ON SIDE AND TO GET THINGS DONE.

(iii) THIRD, IT'S BASED ON ENGAGEMENT – IN RAISING THE MONEY, WE'VE INVOLVED OUR REGULATORS, CUSTOMERS, SUPPLIERS AND THE PUBLIC IN GENERAL. I KNOW THAT MANY OF YOU HERE TONIGHT HAVE BEEN INVOLVED IN SOME WAY, WHETHER IT'S DHL SINGAPORE INITIATING THE DHL GROUP'S SPONSORSHIP OF THE PROGRAMME OR THE CORPORATE BANKING CUSTOMER GOLF EVENT WHERE OVER SGD100K WAS RAISED. MANY OF YOUR COMPANIES ARE INVOLVED IN THE "CORPORATE DISTANCE CHALLENGE" FOR THE STANDARD CHARTERED SINGAPORE MARATHON IN A COUPLE OF WEEKS. FOR EXAMPLE, SEAGATE EMPLOYEES HAVE COMMITTED TO RUN A COMBINED DISTANCE OF OVER 7000 KMS (*EQUIVALENT OF 167 MARATHONS*). GOOD LUCK TO ALL OF THOSE WHO ARE RUNNING!

OUR "LIVING WITH HIV" INITIATIVE, AIMED AT RAISING AWARENESS AND UNDERSTANDING OF HIV AND AIDS BOTH WITHIN THE BANK AND IN THE EXTERNAL COMMUNITY HAS BEEN A HUGE SUCCESS AROUND THE WORLD. HERE IN SINGAPORE, WHERE THE PROGRAMME HAS REACHED 8000 YOUTHS, THE HEALTH MINISTER, MR KHAW BOON WAN, HAS CITED STANDARD CHARTERED AS A ROLE MODEL. WE ARE NOW WORKING WITH THE HEALTH MINISTRY TO ADAPT THE PROGRAMME FOR THEIR STAFF AND ARE HAPPY TO ROLE IT OUT TO ANY OF YOUR COMPANIES. PLEASE ASK IF YOU ARE INTERESTED.

SO BY ENGAGING OTHERS, WE HAVE ACHIEVED MORE THROUGH OUR COMMUNITY INITIATIVES THAN IF THE EFFORTS WERE SIMPLY CONFINED

TO OUR EXTERNAL AFFAIRS DEPARTMENT. THIS TYPE OF APPROACH CAN BE APPLIED TO ANY ASPECT OF CORPORATE RESPONSIBILITY

INITIATIVES CAN ALSO IMPROVE YOUR RELATIONSHIPS WITH YOUR STAFF - FROM THE HIGH LEVELS OF STAFF VOLUNTEERING AND THE PASSION AND ENERGY THEY SHOW, I KNOW THAT COMMUNITY ACTIVITY IS A KEY MOTIVATOR FOR THEM. 50% OF OUR GRADUATES CITE OUR APPROACH TO CORPORATE RESPONSIBILITY AS A REASON FOR CHOOSING STANDARD CHARTERED ABOVE OUR COMPETITORS. BEING A SOCIALLY RESPONSIBLE COMPANY IS AN IMPORTANT RECRUITMENT DIFFERENTIATOR FOR US.

BY ENGAGING STAKEHOLDERS AND FORMING MEANINGFUL PARTNERSHIPS WITH SHARED AGENDAS, OUR COMMUNITY INITIATIVES HAVE BEEN A BIGGER SUCCESS THAN THEY OTHERWISE WOULD HAVE BEEN.

CLOSE

SO TO SUMMARISE, BRITISH BUSINESSES AND THE BRITISH GOVERNMENT ARE TAKING A LEAD IN THE ISSUES OF SOCIAL RESPONSIBILITY. HOWEVER, THERE IS MUCH MORE TO DO ON THIS AND WE NEED TO BUILD ON THE MOMENTUM CREATED SO FAR. IF EVERYONE IN THIS ROOM PLAYS THEIR PART, TOGETHER WE CAN MAKE A DIFFERENCE.

THANK YOU