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## **STEWARDSHIP FOR SINGAPORE INVESTORS: A MATTER OF PRINCIPLES**

SINGAPORE, 2 November 2016 - The notion of stewardship has never been more relevant to business than it is today, particularly in the face of pressure to deliver short-term results and maintain regulatory compliance. In the investment landscape, increasingly there is revived conversation and emphasis on the concepts and practices of stewardship.

Today marks the launch of the “Singapore Stewardship Principles (SSP) for Responsible Investors”, an industry-led initiative to encourage responsible investment and to promote good stewardship practices among the investor community. The SSP is drafted and launched by a Singapore Stewardship Principles Working Group which comprises industry players and organisations representing various relevant constituencies in the Singapore investment community, and supported by the Monetary Authority of Singapore (MAS) and the Singapore Exchange (SGX).

Stewardship, or the safeguarding of an organisation for the future, encourages responsible investor behaviour to ensure long-term benefits for all stakeholders as well as the society at large.

Building on this stewardship mindset, the SSP aims to enable investors to be active and responsible shareholders, by articulating the core actions associated with investor stewardship. The SSP provides a view on the activities and functions that stewards should carry out, and how these principles relate to the boards and management of investee companies. The principles are not intended to be rigid rules to be enforced or prescriptive measures to be adhered to, nor are they intended to constitute a code. They are intended as broad principles, with suggested ways that they could be applied. Articulating the stewardship activities, and its level of commitment to these Stewardship Principles, are left to each individual investor to adopt, on a wholly voluntary basis.

The SSP is intended to bring together and to sustain a community of responsible and engaged investors who practise stewardship as a value-based approach to investment.

Mr Ong Boon Hwee, CEO of Stewardship Asia Centre, which chairs the Singapore Stewardship Principles (SSP) Steering Committee, said, “Singapore’s investment environment is thriving, and known to be transparent. Companies are doing well where compliance is concerned. Investors as shareholders and owners generally adhere to good governance practices. Notwithstanding that, there is scope to be proactive in reinforcing the positive mindset of stewardship, towards

mutual sharing and encouraging good practice amongst investors. The SSP is intended to improve upon this healthy environment by encouraging investors and companies to voluntarily pursue the spirit of stewardship together with good governance, with the objective of sustaining their responsible good performance over the long term.”

Support for the SSP reflects an alignment of belief that stewardship is important. Supporting the SSP represents a commitment to uphold the concept and practice of stewardship, and to be part of the on-going effort towards promoting and reinforcing stewardship amongst the investor community in Singapore. Companies that wish to apply the SSP do so in the spirit that their thinking and practices are aligned with stewardship orientation. The SSP’s approach emphasizes that the spirit of the practices is as important as the actions themselves.

At the time of the SSP’s announcement, more than 30 fund managers and investment organisations have shared their support for the principles. This is an encouraging sign as it shows that the SSP resonates well with their values and practices, and would have a catalytic effect as the SSP reaches out to the investment community in Singapore.

Temasek said: “We welcome the announcement of the ‘Singapore Stewardship Principles for Responsible Investors’. It is a timely initiative by the industry to articulate guiding principles for stewardship and corporate governance that are relevant to Singapore, encourage a deeper level of conversation among industry participants and will continue to move the practices of stewardship and corporate governance in a positive direction.”

Michael Lim, the Executive Director of Investment Management Association of Singapore, which counts among its membership the majority of leading institutional investors in the country, commented: “As the representative body of investment managers in Singapore, IMAS strongly supports the adoption of the Singapore Stewardship Principles (SSP) by all our members. The application of responsible stewardship is important to all successful long-term investment processes. We believe that when investment managers and investee companies work together to deliver greater value, everyone will eventually benefit from the sustainable profitability.”

David Gerald, President and Chief Executive of Securities Investors Association Singapore, said: “The investing community should be pleased with the advent of this Singapore Stewardship Principles. Now there are settled principles for investors to follow. It ensures responsibility in encouraging higher corporate governance standards and a better overall capital market.”

David Smith, Head of Corporate Governance, Aberdeen Asset Management Asia Limited, said: “Stewardship is central to Aberdeen’s investing process; we strongly believe it is our duty to be

stewards of our clients' capital, and to be stewards of the companies in which we invest on their behalf, over the long-term. To that end, we warmly welcome this initiative, and hope that it serves to further enhance the quality of corporate governance and engagement in Singapore."

Kevin Hardy, Managing Director, Country Head of Singapore and Head of Beta Strategies, Asia Pacific, BlackRock said: "BlackRock welcomes and is pleased to support the IMAS Singapore Stewardship Principles which aim to protect and enhance the value of clients' assets. As a firm focusing on long term investments, we believe that such principles encourage business and management practices that support sustainable financial performance in the long run. Effective stewardship also provides specialist insight on environmental, social and governance (ESG) considerations which are becoming increasingly important to all investment strategies."

The full version of the "Singapore Stewardship Principles for Responsible Investors" is available on the website of Stewardship Asia Centre: [www.stewardshipasia.com.sg](http://www.stewardshipasia.com.sg)

### **About the Singapore Stewardship Principles Working Group**

The Singapore Stewardship Principles Working Group is an industry-led effort, supported by the Monetary Authority of Singapore and the Singapore Exchange, and comprising the following organisations:

- Association of Chartered Certified Accountants
- Asia Pacific Real Estate Association
- CFA Singapore
- CPA Australia
- Hermes Equity Ownership Services Ltd
- Investment Management Association of Singapore
- Institute of Singapore Chartered Accountants
- Securities Investors Association (Singapore)
- Singapore Institute of Directors
- Singapore Venture Capital and Private Equity Association
- Stewardship Asia Centre

Quotes:

"Stewardship is central to Aberdeen's investing process; we strongly believe it is our duty to be stewards of our clients' capital, and to be stewards of the companies in which we invest on their behalf, over the long-term. To that end, we warmly welcome this initiative, and hope that it serves to further enhance the quality of corporate governance and engagement in Singapore." - **David Smith, Head of Corporate Governance, Aberdeen Asset Management Asia Limited.**

"Asia Pacific Real Estate Association (APREA) - a leading pan-Asia association for global institutional investors, SWFs and fund managers in Asia real estate with seven regional chapters across Asia and headquartered in Singapore, is very proud to support and endorse the Singapore Stewardship Principles. Our members, many of whom are leaders in their own right, collectively represent more than \$1 trillion of assets under management. The SSP adopts the best practices that are globally relevant and consistent, further reinforcing the spirit of good governance and responsible stewardship in an increasingly complex investment environment." - **Andy Tan-ChyeGuan, Chairman of APREA Singapore Chapter.**

"ACCA has for many years had a keen interest in a wide view of governance and how it could and should work; taking into consideration that there is a strong interconnectedness between business and an extensive group of stakeholders such as investors and shareholders. We believe that while principles and enforcements play a very important role, the nurturing of desirable and responsible behaviours amongst all stakeholders within the complex ecosystem of governance is paramount. ACCA therefore supports and welcomes the SSP, a set of principles to guide behaviour, as it helps to strengthen governance by setting the right tone in the investor community as well as providing guidance to investors; complementing the guidance already offered to directors and others by the corporate governance principles." - **Joseph Alfred, Head of Policy & Technical, Association of Chartered Certified Accountants Singapore.**

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“The CFA community is convinced that good stewardship should be an essential component of a fair and efficient market, as it would improve governance – and performance – of investee companies, ultimately increasing overall confidence in the business. We are heartened to see that markets around the world are starting to embrace this. Since the UK first introduced a set of stewardship principles in 2010, markets in Asia have progressively taken similar actions starting with Japan followed by Malaysia, Hong Kong, and most recently Taiwan. It is timely that Singapore, a leading financial centre and investment hub, is now launching the SSP. These principles should pave the way to bring about a change in culture toward stewardship.” - **Jan Richards, President of CFA Singapore, a member society of CFA Institute (the global association of investment professionals that sets the standard for professional excellence and champions ethical behavior in investment markets)**

“Hermes continues to support the development and implementation of stewardship guidelines globally. Over time, such guidance will make an important contribution to the development of stewardship activities of institutional investors around the world, which is a key factor in enhancing the corporate governance of companies they invest in. We believe that better governed companies produce superior and more sustainable returns for investors and benefit all stakeholders.” - **Dr Hans-Christoph Hirt, Co-Head of EOS, Hermes Investment Management**

"As the national accountancy body, the Institute of Singapore Chartered Accountants (ISCA) is pleased to support the Singapore Stewardship Principles (SSP), which is an industry-led effort to encourage responsible investment and promote good stewardship practices amongst investors. With SSP, we should expect more active engagement between investors and investee companies. As stewards of companies, accountants have a critical role to play in being the conduit between the investee companies and investors to communicate how sustainable business value is created in an environment of good governance.” - **David Leow, Member of Institute of Singapore Chartered Accountants (ISCA).**

“As the representative body of investment managers in Singapore, IMAS strongly supports the adoption of the Singapore Stewardship Principles (SSP) by all our members. The application of responsible stewardship is important to all successful long-term investment processes. We believe that when investment managers and investee companies work together to deliver greater value, everyone will eventually benefit from the sustainable profitability.” - **Michael Lim, Executive Director, Investment Management Association of Singapore.**

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“SGX is pleased to support the launch of the Singapore Stewardship Principles for active and responsible investing. The Principles are yet another contribution to the collective effort of the entire industry to raise corporate governance standards. These standards are vital for the long-term success of the Singapore securities market as a viable and trusted fund-raising and investment venue.” - **Loh Boon Chye, Chief Executive Officer of Singapore Exchange.**

“We are pleased with the launch of the SSP. SID has long advocated for such a set of principles that plugs a gap in the corporate eco-system by recognising that institutional shareholders can play an important role in upholding and improving the standards of corporate governance in their investee companies. Responsible stewardship provides needed balance in the interplay between the roles of the board, shareholders and the company in advancing the quality of governance as a whole.” - **Joyce Koh, Executive Director, Singapore Institute of Directors.**

“Trust is a core tenet of venture capital and private equity relationships; with fund investors as well as managers of portfolio companies. The practice of responsible stewardship reinforces that trust and further strengthens Singapore’s reputation as a leading hub for the management of venture capital and private equity.” - **Doris Yee, Director, Singapore Venture Capital and Private Equity Association.**

“Singapore’s investment environment is thriving, and known to be transparent. Companies are doing well where compliance is concerned. Investors as shareholders and owners generally adhere to good governance practices. Notwithstanding that, there is scope to be proactive in reinforcing the positive mindset of stewardship, towards mutual sharing and encouraging good practice amongst investors. The SSP is intended to improve upon this healthy environment by encouraging investors and companies to voluntarily pursue the spirit of stewardship together with good governance, with the objective of sustaining their responsible good performance over the long term.” – **Ong Boon Hwee, CEO of Stewardship Asia Centre and Chair of SSP Steering Committee.**

“We welcome the announcement of the ‘Singapore Stewardship Principles for Responsible Investors’. It is a timely initiative by the industry to articulate guiding principles for stewardship and corporate governance that are relevant to Singapore, encourage a deeper level of conversation among industry participants and will continue to move the practices of stewardship and corporate governance in a positive direction.” - **Temasek**

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