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SBF National Business Survey 2026 – Sustainability Supplement: Six in ten businesses taking climate action, but skills and emissions measurement gaps remain

The Singapore Business Federation (SBF) released findings from its National Business Survey 2026 – Sustainability Supplement, which highlighted both progress and persistent challenges in Singapore’s corporate sustainability journey.

Businesses are making steady progress in their decarbonisation efforts, with six in ten businesses pursuing initiatives such as emissions reduction and sustainability training – driven largely by cost savings, compliance, and reputation. However, significant gaps remain. Most businesses have yet to establish robust emissions tracking systems, with 62% of those decarbonising not yet measuring their emissions, hindered by capability and manpower constraints. As sustainability requirements become more embedded across operations and value chains, demand for skills in energy management, sustainability reporting, and green procurement is expected to grow.

Mr Kok Ping Soon, Chief Executive Officer, SBF, said, “Singapore businesses are making encouraging progress in sustainability and decarbonisation, driven by commercial opportunities, regulatory requirements, and growing stakeholder expectations. Sustainability is increasingly becoming a business requirement across supply chains, while awareness of climate-related risks is also rising. However, the findings point to several persistent gaps. Many businesses have yet to establish robust emissions measurement systems, climate preparedness remains uneven, and sustainability capabilities and manpower continue to be constrained. Businesses are seeking practical support that helps them translate sustainability commitments into measurable business outcomes.”

This National Business Survey is conducted by SBF to understand sustainability readiness, challenges and business priorities as Singapore firms navigate an evolving sustainability landscape. The findings inform SBF’s advocacy efforts and engagement with the Government, helping shape policies to accelerate sustainability efforts within the business community. A summary of key findings can be found below:

KEY FINDINGS

1. Businesses are making steady progress in their decarbonisation journey, driven by business value and compliance needs.

Nearly two-thirds of businesses (61%) have either started or are actively undertaking decarbonisation efforts. Current initiatives remain focused on foundational steps, such as identifying emissions reduction opportunities (26%), providing sustainability training for employees (17%) and management (16%), and establishing emissions baselines (15%).

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Businesses are primarily motivated by practical business considerations. Cost savings (48%), regulatory compliance (48%), and enhancing corporate reputation (48%) are the strongest drivers of decarbonisation, while one-third (33%) cite customer requirements as a key factor. Businesses that have adopted decarbonisation measures are already seeing benefits. Almost half (49%) report improved ability to meet regulatory requirements, while 42% have realised cost savings. Others report reduced greenhouse gas emissions (39%) and increased customer interest (37%), demonstrating that sustainability efforts can deliver both operational and commercial value.

2. Sustainability is increasingly becoming a business requirement across supply chains.

Sustainability requirements are increasingly embedded across business value chains. Two in five businesses (40%) report receiving requests from customers for sustainability-related information. Large companies are more likely than SMEs to face such requests.

At the same time, businesses are extending sustainability expectations to their suppliers. More than four in five businesses (81%) require suppliers to meet sustainability-related standards. The most common requirements relate to good governance and ethical business practices (53%), fair labour practices and working conditions (52%), and health and safety standards (50%). These findings suggest that sustainability is no longer confined to individual firms but is becoming an increasingly important requirement throughout supply chains.

3. Climate risks are increasingly recognised, but preparedness remains uneven.

Half of businesses (50%) expect climate-related risks to affect their operations, with supply chain disruptions (64%), business operations in Singapore (53%), and overseas operations (43%) identified as the most significant areas of exposure. Businesses view climate-related policy changes, such as carbon taxes and shifts towards greener buildings and vehicles, as the most significant risk (41%), followed by acute physical events such as floods, droughts and extreme weather (38%), and changing customer preferences (31%). While awareness of climate-related risks is growing, a significant proportion of businesses remain uncertain about their exposure, highlighting the need for greater preparedness and access to practical climate-risk management resources.

Businesses need practical tools and support to strengthen climate resilience. Businesses recognise the value of climate-risk information, particularly for risk management and business continuity planning (61%), climate transition planning (47%), and investment decision-making (43%). However, adoption remains constrained by capability and capacity gaps. The main barriers include a lack of employees trained to interpret and use climate-risk information (57%) and limited time to assess and manage climate risks (45%).

4. Sustainability capability and workforce readiness remain the key constraints.

Despite growing momentum, many businesses face implementation challenges. The biggest obstacle is the lack of a clear or tangible business case for sustainability

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investments (34%), followed by insufficient staff capacity (29%), capability gaps (29%), and limited awareness of available decarbonisation solutions (24%). The findings suggest that while businesses recognise the importance of sustainability, many require greater clarity on the commercial returns, available solutions, and practical pathways to implementation.

Dedicated sustainability expertise remains limited. Only one in ten businesses (10%) have dedicated employees overseeing sustainability initiatives, with larger companies more likely than SMEs to have dedicated sustainability resources. Most businesses continue to manage sustainability responsibilities through employees who carry these duties in addition to their primary roles. Workforce planning for sustainability also remains limited. Only 12% of businesses intend to hire or reskill employees for sustainability-related roles over the next one to two years.

But demand for sustainability skills is growing, although talent shortages persist. The most sought-after capabilities are energy management and decarbonisation (33%), sustainability reporting (29%), and green procurement or supply chain management (25%). Demand is particularly strong among larger companies. Among businesses seeking to build sustainability capabilities, one-third (33%) face workforce development challenges. Key hurdles include high salary expectations (44%), a lack of relevant experience among candidates (39%), and difficulty attracting and retaining skilled talent (37%). Many businesses, particularly SMEs, are therefore opting to embed sustainability responsibilities into existing roles rather than creating dedicated sustainability positions.

5. Awareness, capability, and practical support are key to accelerating sustainability.

Strengthening awareness of available support schemes, improving access to digital reporting and disclosure tools, expanding workforce capability, and providing practical resources on climate transition and risk management will be critical to help more businesses accelerate decarbonisation and build long-term resilience in a low-carbon economy. Initiatives such as enhanced digital sustainability disclosure platforms and collaborative resources on climate-risk assessment and sectoral transition pathways can play an important role in supporting this next phase of business transformation.

Annex A: [SBF National Business Survey 2026 – Sustainability Supplement Report](#)

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For media queries, please contact:

Zeno Group *on behalf of Singapore Business Federation*

E: SBF@zenogroup.com

About Singapore Business Federation (新加坡工商联合总会)

Singapore Business Federation (SBF) is the apex business chamber with over 34,000 members across diverse industries. With a vision to advance Singapore towards a globally competitive and sustainable economy, SBF mobilises the business community to be future-ready and magnify transformation opportunities through policy advocacy, partnership platforms and capability programmes.

For more information, please visit: www.sbf.org.sg