



2026 Sustainability SUPPLEMENT

National Business Survey





RESPONDENT PROFILE

The survey was carried out from **24 April to 29 May 2026** and drew responses from **410 businesses** across all key industries .

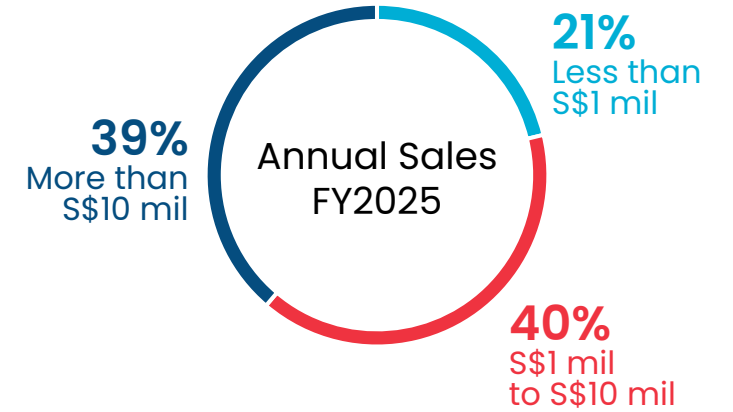
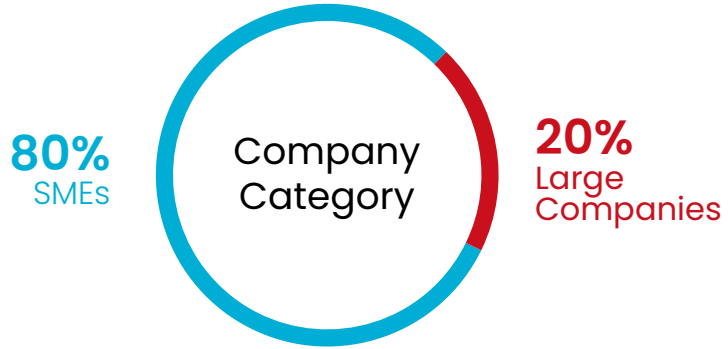
The sample included both SMEs (80%) and large companies (20%) and largely mirrors SBF’s membership base.

	SBF Database	Q1 2026
Wholesale Trade	21%	22%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	11%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	16%	15%
Professional Services	10%	9%
IT & Related Services	6%	7%
Construction and Civil Engineering	9%	12%
Banking & Insurance	3%	3%
Logistics & Transportation	6%	7%
Administrative and Support Service Activities	4%	4%
Retail Trade	3%	2%
Hotels, Restaurants & Accommodations	2%	1%
Real Estate Activities	2%	1%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	1%
TOTAL	100%	100%

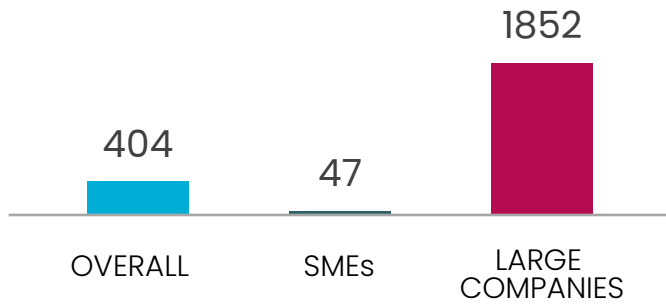
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)



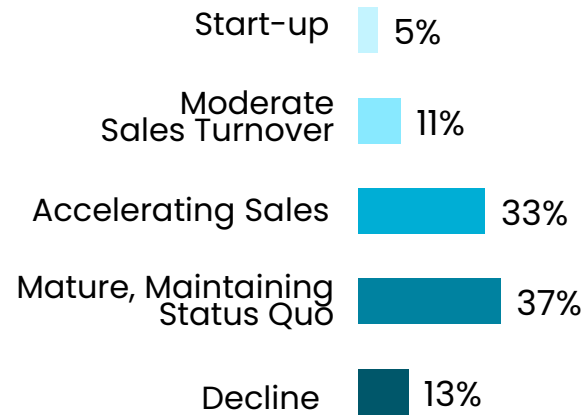
COMPANY PROFILE



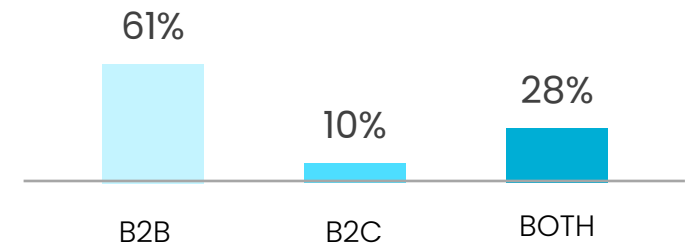
Avg. Employee Size



Stage of Development



Main Mode of Business





EXECUTIVE SUMMARY (1/3)

- ◆ 61% of businesses have either started or are actively practising decarbonisation. The most common decarbonisation efforts currently undertaken include identifying initiatives to reduce emissions footprints (26%) and providing sustainability training for employees (17%) and management (16%).
- ◆ The top drivers for businesses to pursue decarbonisation are cost savings (48%), regulatory compliance (48%), enhancing corporate reputation (48%) and meeting client's requirements (33%).
- ◆ The key benefits of decarbonisation include improved ability to meet regulatory compliance requirements (49%), cost savings (42%), reduced greenhouse gas emissions (39%) and increased customer interest (37%).
- ◆ Key challenges that businesses face in pursuing decarbonisation include the absence of clear or tangible business value (34%), lack of staff capacity (29%), lack of staff capability (29%) and lack of awareness of available decarbonisation solutions (24%). Financial support (52%) and digital tool for emission baselining, disclosure and reporting (42%) are the forms of support required.
- ◆ 62% of businesses do not track emissions. For businesses that track emissions, tracking is primarily focused on Scope 1 – direct emissions from company's operations (22%) and Scope 2 – indirect emissions from purchased electricity, heat, steam or cooling (22%).



EXECUTIVE SUMMARY (2/3)

- ◆ Half of businesses (50%) expect climate risks to affect their operations, with the most significant areas of exposure being disruptions to supply chains (64%), impact on business operations in Singapore (53%) and impact on overseas operations (43%).
- ◆ The key climate-related risks impacting businesses include climate-related policy changes (e.g. carbon tax, shift to green buildings and green vehicles) (41%), acute physical events (e.g. floods, droughts and extreme weather) (38%) and shifts in customer preferences and reduced demand for sustainable products or services (31%).
- ◆ The most valued applications of the climate risk information database include informing risk management and business continuity planning (61%), supporting corporate climate transition planning (47%), guiding investment or financial decisions related to climate exposure (43%) and facilitating climate-related reporting (34%).
- ◆ However, only 15% of businesses are keen to adopt a climate risk information database. The main barriers to adopting a climate risk information database are the lack of employees with the skills to use the database (57%) and lack of time to assess and manage climate risks (45%).



EXECUTIVE SUMMARY (3/3)

- ◆ 2 in 5 businesses (40%) receive requests from customers for sustainability-related information, with 11% indicating they require support to meet sustainability-related reporting requirements.
- ◆ 81% of businesses require suppliers to meet sustainability requirements. Key sustainability requirements include good governance and ethical business practices (53%), fair labour practices and working conditions (52%) and health and safety standards (50%).
- ◆ 10% of businesses have dedicated employee(s) overseeing sustainability initiatives. Large companies (20%) are more likely to have dedicated sustainability employees than SMEs (8%). Additionally, only 12% of businesses plan to hire or reskill employees for sustainability-related roles in the next 1 to 2 years.
- ◆ Approximately one-third of businesses (33%) face challenges in hiring or reskilling employees for sustainability roles. The key challenges include high salary expectations (44%), lack of relevant experience or knowledge among job-seeking candidates (39%), and difficulty retaining or competing for skilled workers (37%).
- ◆ The top sustainability skills required by businesses are energy management or decarbonisation (33%), sustainability reporting (29%) and green procurement or supply chain management (25%). Large companies report stronger demand than SMEs for energy management and decarbonisation skills (53% compared to 28%) as well as sustainability reporting skills (46% compared to 25%).



 SECTION 1

DECARBONISATION & EMISSIONS TRACKING

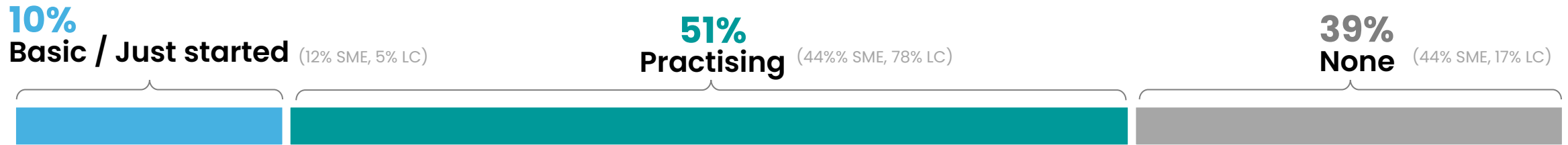




61% of businesses report current decarbonisation efforts, though actions are mainly focused on initial steps such as identifying reduction initiatives and sustainability training

Large companies are more advanced in their decarbonisation journey, with 78% currently practising decarbonisation efforts compared to 44% of SMEs. Large companies also demonstrate higher adoption of emission reduction initiatives, sustainability training and long-term emission reduction strategies.

◆ Level of Decarbonisation



◆ CURRENT DECARBONISATION EFFORTS: ◆

26% ◆
Identified emission footprint reduction initiatives
(19% SME, 54% LC)

17% ◆
Implemented sustainability training for employees
(12% SME, 36% LC)

16% ◆
Implemented sustainability training for management
(11% SME, 37% LC)

15% ◆
Have identified our emission baseline
(11% SME, 28% LC)

14% ◆
Have a reduction target and long-term emission strategy
(9% SME, 35% LC)

10% ◆
Have a reduction target without long-term strategy
(8% SME, 17% LC)

4% ◆
Have acquired "green" financing to support decarbonisation
(2% SME, 9% LC)

30% (36% SME, 9% LC)
Not a priority to implement

8% (8% SME, 9% LC)
Do not know how to implement



Cost savings, compliance, and reputation gains are the top drivers of decarbonisation

Interest in **decarbonisation** is closely tied to **business value** and **risk management**, with businesses more likely to act when it is linked to tangible returns on cost and reputation.

For large companies, decarbonisation is driven mainly by reputation and compliance considerations, while the strongest motivation for SMEs is cost savings.

✦ Key Motivations for Engaging in Decarbonisation

48% ✦

Cost savings

(52% SME, 39% LC)

48% ✦

Regulatory compliance

(45% SME, 52% LC)

48% ✦

Enhance corporate reputation

(40% SME, 64% LC)

33% ✦

Client's requirements

(30% SME, 41% LC)

17% ✦

Revenue growth

(16% SME, 18% LC)

8% ✦

Employee satisfaction and retention

(6% SME, 13% LC)



Businesses engaging in decarbonisation are seeing the greatest value in reducing compliance risks and achieving cost savings.

Emissions reductions and increased customer interests are the next set of key benefits observed, highlighting that decarbonisation efforts can strengthen both environmental outcomes and business competitiveness.

◆ Key Benefits of Decarbonisation



49%

Improved ability to meet **regulatory compliance**

(41% SME, 64% LC)



42%

Cost savings

(45% SME, 34% LC)



39%

Reduced greenhouse gas emissions

(34% SME, 49% LC)



37%

Increased **customer interest**

(30% SME, 49% LC)



16%

Improved **employee satisfaction**

(12% SME, 25% LC)



8%

Increased sales or ability to charge a higher price

(10% SME, 5% LC)

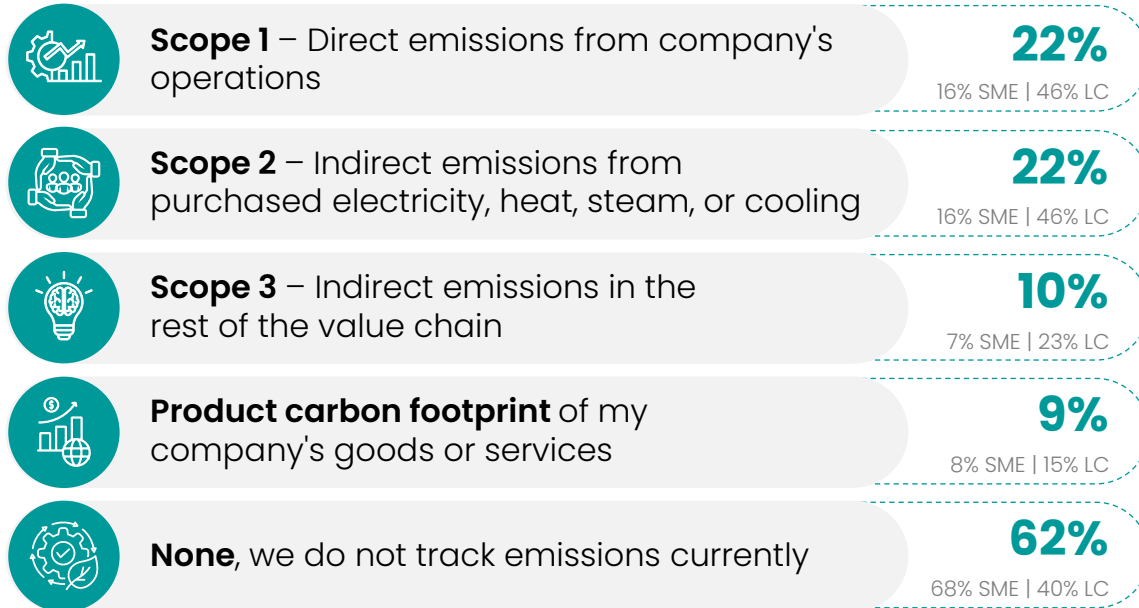
14% indicated "No benefits so far"



62% of businesses do not currently track emissions, signalling that decarbonisation efforts may not yet be supported by robust measurement systems

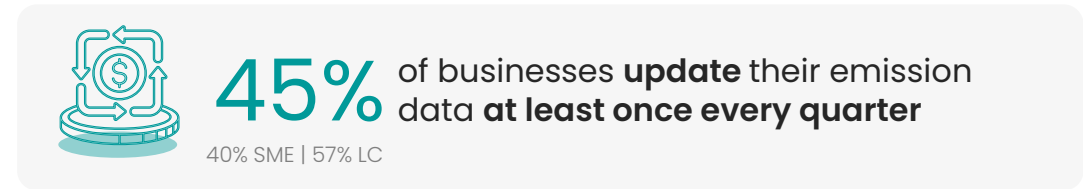
Businesses that track emissions are mainly focused on direct emissions and indirect emissions from purchased energy, suggesting that emissions measurement remains focused on more immediate and easier-to-measure sources. Most businesses have yet to move into more comprehensive measurement of value chain emissions or overall carbon footprint of product or services.

Types of Emissions Measured & Estimated:

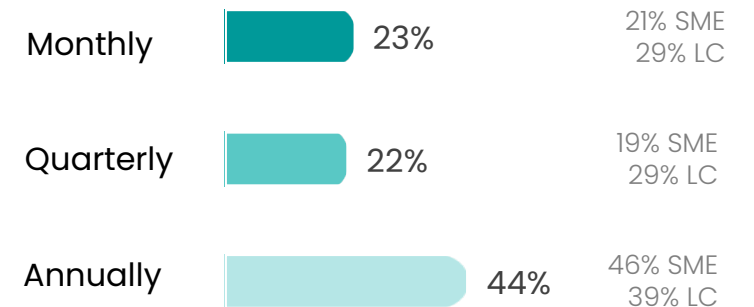


Frequency of Emissions Data Update:

Among businesses tracking their emissions...



Frequency of Update:



11% indicated "Others"

✦ Lack of clear business value is the top barrier to decarbonisation

Internal capacity, capability and knowledge gaps are also key operational challenges, suggesting that decarbonisation support must address both strategic confidence and practical implementation needs.

✦ Key Challenges to Decarbonisation

✦ **34%** No clear / tangible business value

(33% SME, 40% LC)

✦ **29%** Lack of staff capacity

(31% SME, 22% LC)

✦ **29%** Lack of staff capability

(31% SME, 17% LC)

✦ **24%** Lack of knowledge on what decarbonisation solutions are available

(25% SME, 20% LC)

✦ **23%** Too costly

(23% SME, 25% LC)

✦ **23%** Business value is clear but **no urgent need** to address right now

(22% SME, 23% LC)

✦ **20%** Lack of easy-to-use technology solutions

(17% SME, 32% LC)

✦ **18%** Lack of data availability

(18% SME, 19% LC)



Financial support and emissions-tracking tools are the top support needs for decarbonisation

Businesses prioritise financial support and digital tools, signalling businesses are looking for solutions that make decarbonisation more affordable, measurable, and easier to implement.

✦ Key Support Needed to Drive Decarbonisation

52% (52% SME, 54% LC)

Financial support

42% (41% SME, 43% LC)

Digital tool for emission baselining, disclosure & reporting

33% (32% SME, 35% LC)

Skills and capability building

32% (31% SME, 36% LC)

Centralised database providing free/affordable access to all relevant information

24% (22% SME, 30% LC)

Collaboration between Government, businesses and stakeholders to adopt sustainable technologies and initiatives

22% (22% SME, 19% LC)

Advisory support on decarbonisation strategy and implementation plan

20% (21% SME, 19% LC)

Green financing lower cost of sustainable and carbon-reducing projects

18% (16% SME, 25% LC)

Recognition and credit for businesses that achieve significant carbon reduction

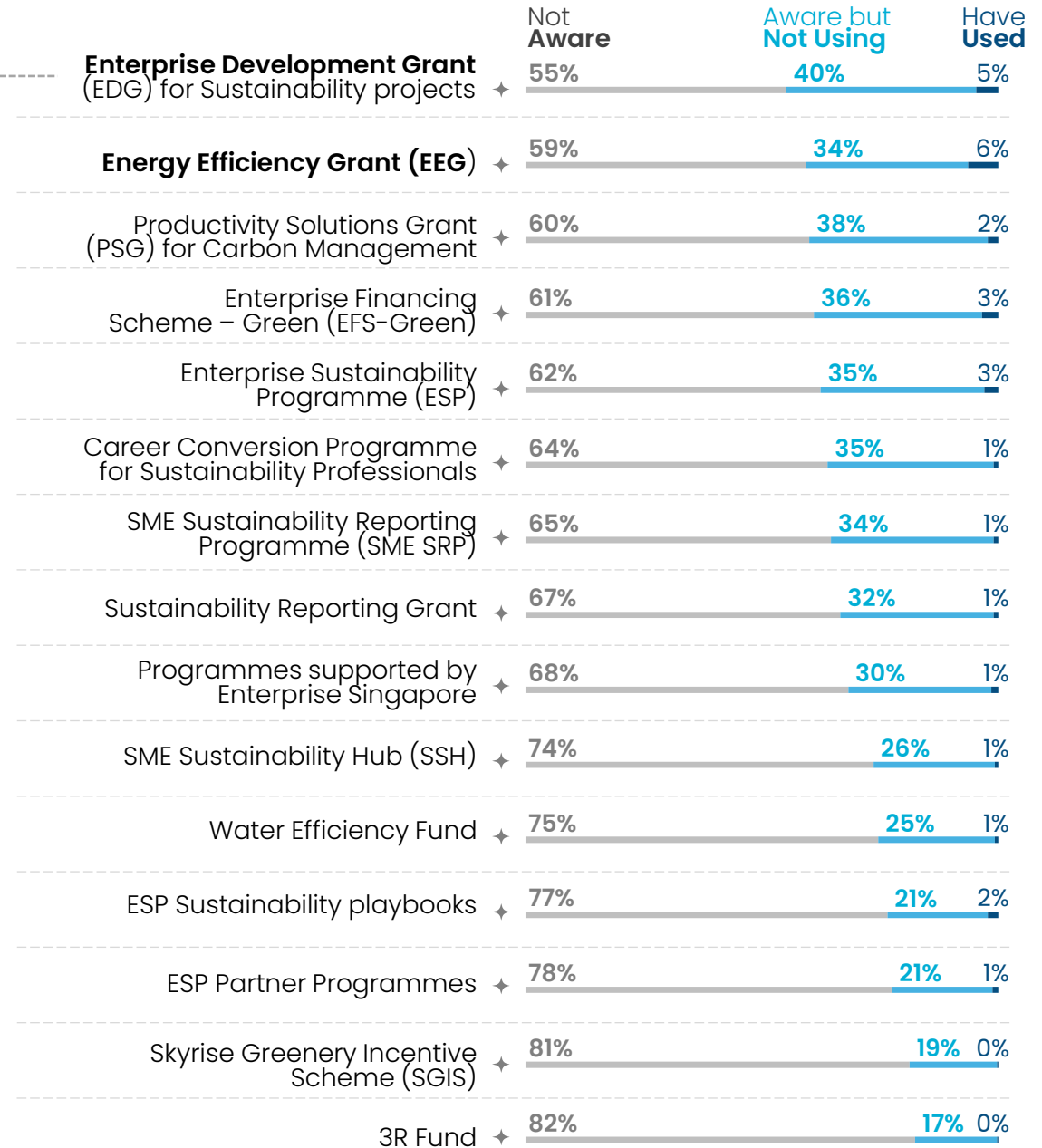


Awareness and usage of sustainability support measures remain limited despite the range of support available

Awareness and usage of sustainability support measures remain limited, even for better-known schemes such as EDG and EEG. This suggests a need for **clearer communications** on relevant schemes, alongside **practical advisory support** to help businesses navigate applications and compliance requirements

✦ Awareness & Adoption of Sustainability Measures

 **32%**
Of businesses are completely unaware of any **sustainability initiatives**





NetZeroHub.SG has yet to gain broad visibility among businesses

83% of businesses are not aware of NetZeroHub.SG, while only 4% have used it, suggesting that stronger outreach is needed before the platform can play a more impactful role in supporting businesses in their sustainability journey.

✦ Awareness & Usage of NetZeroHub.SG

83%
Not Aware
SMEs : 84% LC.: 77%



4%
Have Used
SMEs : 3% LC.: 7%

Of which:

65%
To access sustainability knowledge and resources

55%

To utilize the Singapore Emission Factors Registry (SEFR) database

12%
To search for sustainability solutions

13%
Aware but Not Used
SMEs : 12% LC.: 16%

 SECTION 2

MANAGING CLIMATE-RELATED RISKS

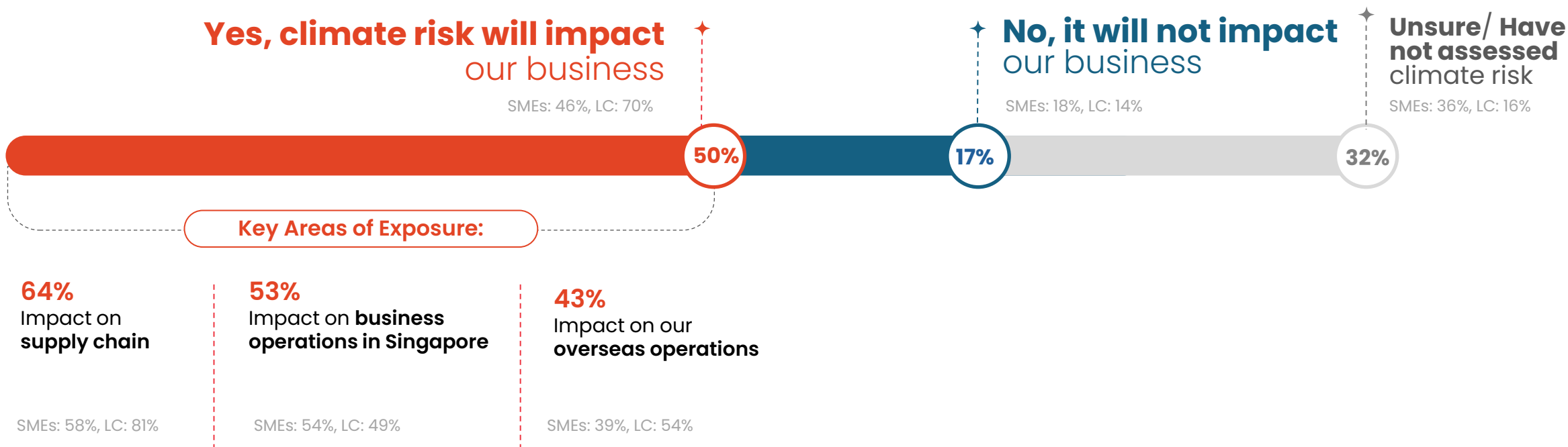




Half of businesses (50%) believe climate risk will impact them, with supply chain disruptions as the key vulnerability

Large companies are more alert to climate risk, with 70% expecting it to affect their business. By comparison, around one in three SMEs (36%) are unsure or have yet to assess their risk exposure, underscoring a gap in preparedness.

✦ Exposure to Climate Risk

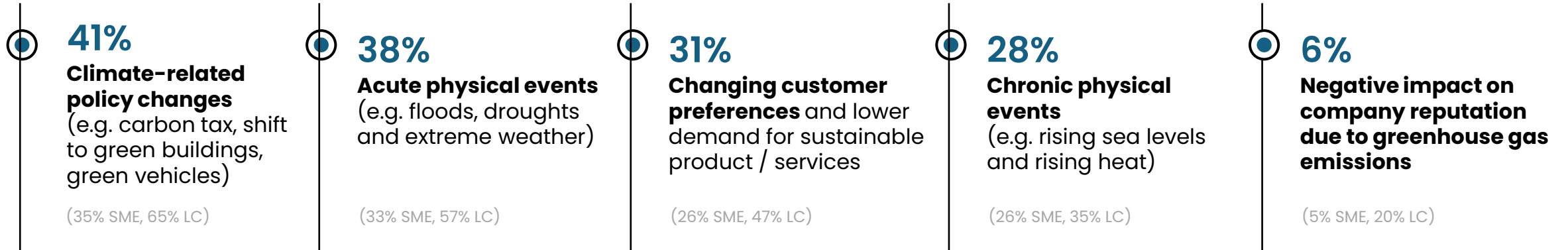




Changes in climate policies and acute physical events are seen as the biggest disruptions for businesses looking to manage climate-related risks

Large companies report stronger vulnerabilities on policy changes, impact of acute physical events, and changing customer preferences, highlighting importance of managing both environmental and market forces.

✦ Key Climate-Related Risks Impacting Businesses

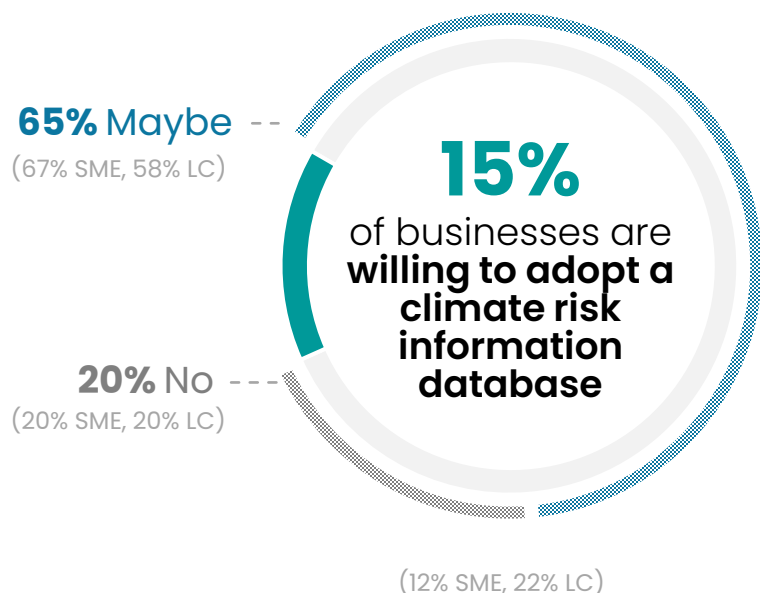




15% of businesses are keen to adopt a climate risk information database, with supporting risk management and business continuity planning seen as its strongest benefit.

Beyond risk management, the database is also seen as useful for transition planning (47%) and guiding financial decisions related to climate exposure (43%). However, most businesses remain undecided about adoption, with 65% indicating “maybe” and 22% uncertain whether the database would be useful, highlighting a need to better demonstrate the database’s practical value and relevance to build adoption confidence.

Willingness to Adopt a Climate Risk Information Database



Key Potential Usage Areas of the Database

- 61% Inform risk management and business continuity planning (58% SME, 73% LC)
- 47% Support corporate climate transition planning (44% SME, 59% LC)
- 43% Guide investment or financial decisions related to climate exposure (43% SME, 41% LC)
- 34% Support climate reporting (e.g. ISSB) (30% SME, 48% LC)

22% indicated ‘None, we do not think the database will be useful.’



Capability and capacity gaps are the key barriers limiting adoption of a climate risk information database to strengthen climate risk resilience.

Businesses are most concerned about having trained employees (57%) and sufficient time (45%) to use the information database, while some large companies see less need due to existing internal resources (17%).

✦ Key Barriers to Adopting the Database to Track Climate Risk Information



57%

Lack of **employees who are trained to use the database**

(58% SME, 51% LC)



45%

Lack of **time to look into climate risks**

(40% SME, 46% LC)



8%

We already have **existing resources**

(6% SME, 17% LC)



4%

There is already a **similar free product available**

(4% SME, 5% LC)

 SECTION 3

SUSTAINABILITY & WORKFORCE READINESS





40% of businesses face customer requests to report on sustainability practices

Reporting requests are more common among large companies at 58%, compared with 35% among SMEs. 11% of businesses require support to meet sustainability-related reporting requirements.

Ability to Meet Customer Requests for Sustainability-Related Information

40% (35% SME, 58% LC)

Yes, we are facing such customer requests

(65% SME, 42% LC) **60%**

No, we are not facing such customer requests



16%
Can and want to meet the requests

(12% SME, 30% LC)



11%
Want to but need help to meet the requests

(11% SME, 14% LC)



12%
Meeting these requests are not a priority for our company currently

(12% SME, 15% LC)





Majority of businesses are embedding sustainability into supplier standards, led by expectations around ethical governance, labour and safety practices

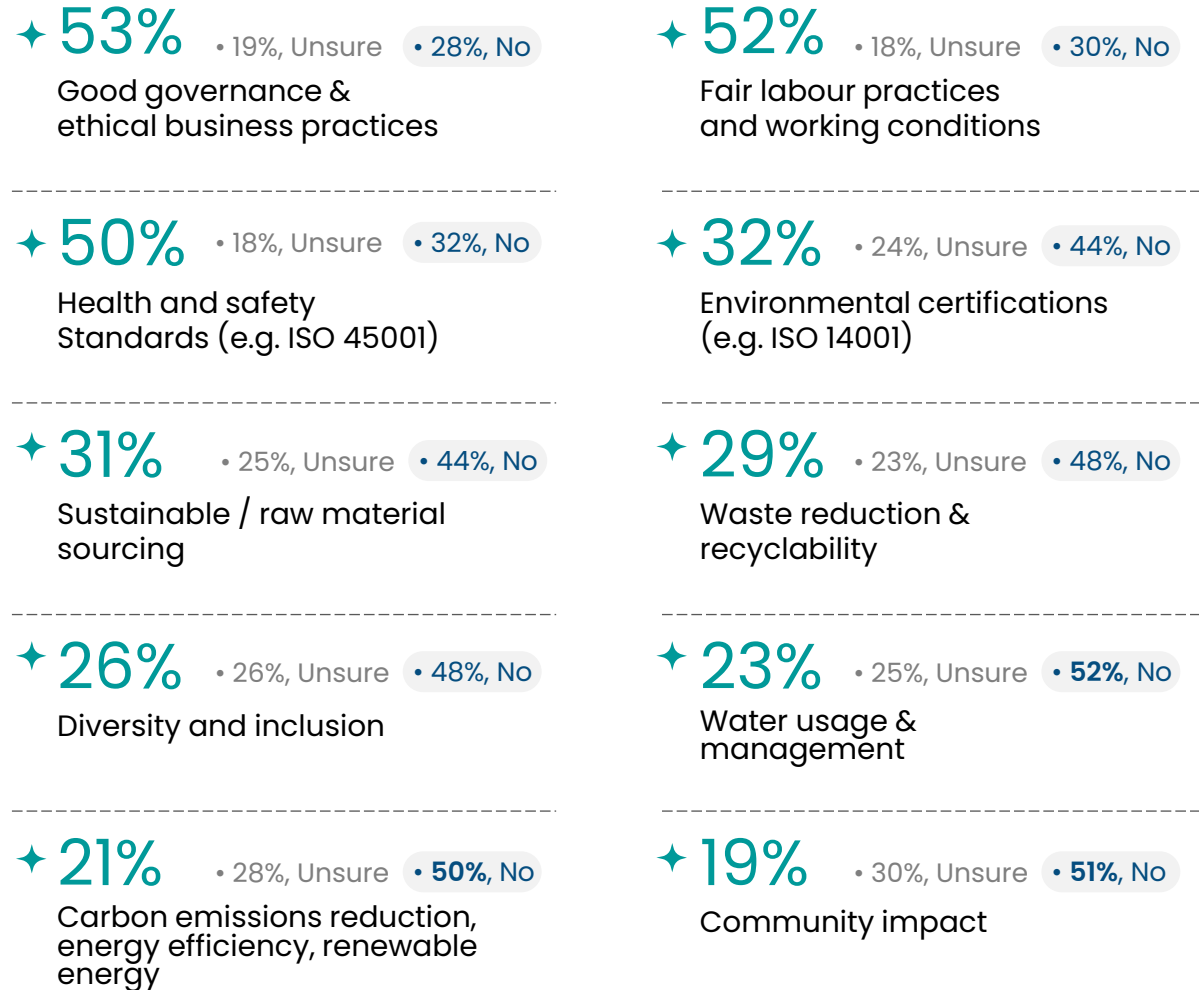
Supplier sustainability requirements are widely adopted, but remain focused on **baseline compliance areas**

81% of businesses require suppliers to meet sustainability standards, with stronger emphasis on ethical labour and safety practices. Fewer businesses extend requirements to community and climate-related areas such as water usage, emissions, and community impact.

 **81%**

Of businesses require their **suppliers to be sustainable in some ways**

Key Areas of Sustainability Requirements on Suppliers



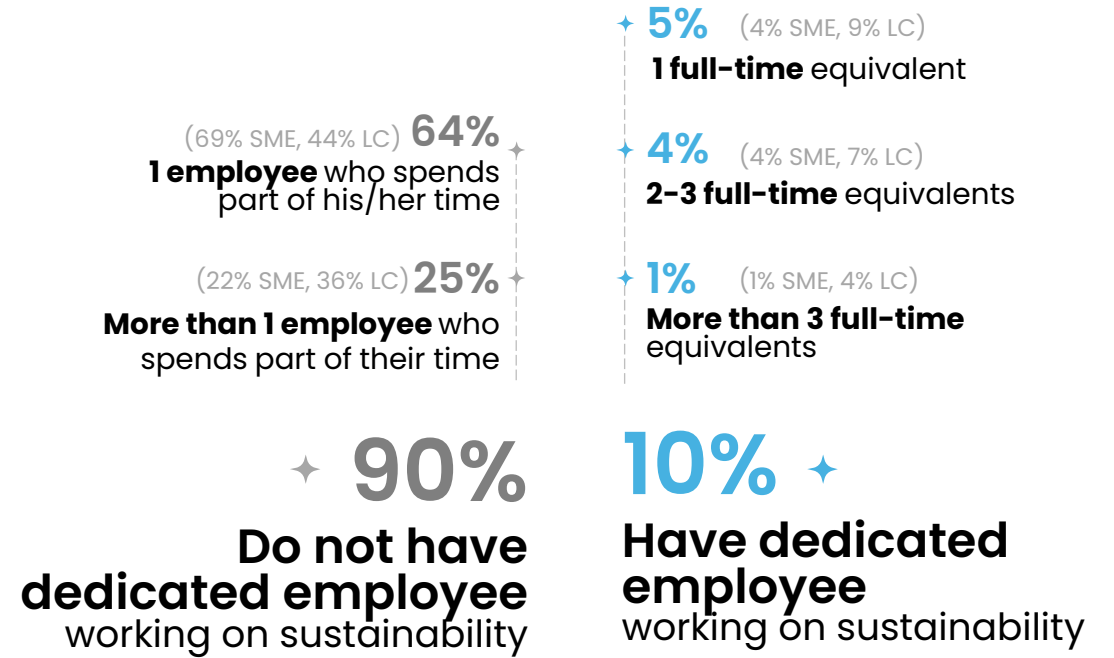


1 in 10 businesses have set up dedicated roles for managing sustainability matters

90% of businesses have not allocated any **dedicated staff** to work on **sustainability matters**, with most relying on employees who manage these responsibilities alongside other duties.

Large companies are more likely to have dedicated sustainability manpower, with 20% assigning dedicated staff to this responsibility compared with 8% of SMEs.

Allocation of Manpower on Sustainability Matters





Businesses are prioritising practical sustainability skills in energy management, decarbonisation and sustainability reporting to strengthen workforce capability

Skills in energy management, sustainability reporting and green procurement are **most in demand**, pointing to a need for workforce development that supports practical implementation.

Demand for energy management (53%) and sustainability reporting (46%) is especially high among large companies to support compliance on reporting, decarbonisation, and operational sustainability requirements.

✦ Key Sustainability Skills Most Relevant to Businesses



14% reported "I do not know"



Sustainability manpower planning and development remains limited in the near term

Only 12% of businesses plan to build their sustainability workforce over the next 1–2 years. In contrast, 59% of businesses have no near-term plans for workforce development in sustainability roles, primarily because they do not perceive a need (40%), or believe their existing manpower is sufficient (19%).

✦ Outlook on Hiring or Reskilling for Sustainability Roles in the Next 1–2 Years

12% (12% SME, 14% LC)

✦ **plan to hire or reskill** workers to perform sustainability role

40% (43% SME, 28% LC)

✦ **Do not plan to hire or reskill** workers as we do not need sustainability roles

19% (16% SME, 31% LC)

✦ **Do not plan to hire or reskill** workers as there is enough manpower for sustainability roles

29% (30% SME, 27% LC)

✦ **Unsure / Do not know**

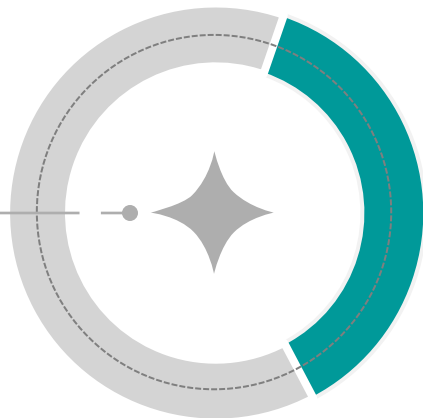


Businesses face talent and training constraints in building sustainability workforce capability

Among businesses hiring or reskilling employees for sustainability roles, 33% face challenges. The key challenges include high salary expectations (44%), lack of relevant experience or knowledge among job-seeking candidates (39%), and difficulty retaining or competing for skilled workers (37%).

◆ Key Workforce Development Challenges for Sustainability Roles

Among businesses hiring or reskilling for sustainability roles:



33%
of have **faced challenges hiring or reskilling employees for sustainability-related roles**

Among businesses facing challenges with hiring or reskilling workers for sustainability roles...

- ◆ **44%** High salary expectations
- ◆ **39%** Jobseekers lack relevant experience / knowledge
- ◆ **37%** Difficulty retaining or competing for skilled workers
- ◆ **30%** Training courses are too expensive
- ◆ **27%** Limited training courses available
- ◆ **21%** Training courses take up too much time

Thank You.

Survey conducted by:

Research & Publishing
Advocacy & Policy Division
Singapore Business Federation

If you have any enquiry, kindly contact:

research@sbf.org.sg .





Supporting Trade Associations and Chambers (TACs)

