

SUPPORTING BUSINESSES IN THE TRANSITION TO A LOW-CARBON AND SUSTAINABLE FUTURE

Supporting our businesses in their sustainability journey

The global transition to a low-carbon and sustainable future will require businesses in Singapore to transform. Businesses will need to be more aware of their carbon footprint, adapt to meet rising investor and consumer demands on green products and services, and implement decarbonisation and energy efficiency solutions. The Government will step up its support of businesses in these areas, in the following ways.

Enhancement of the Energy Efficiency Grant (EEG)

2 The Energy Efficiency Grant (EEG) aims to support businesses in their sustainability journey by co-funding investments in energy-efficient equipment. It was first launched in 2022 for businesses in the food services, food manufacturing and retail sectors. Since its launch, almost 2,000 companies have tapped on EEG.

3 We are enhancing EEG to include more sectors and provide additional support for companies with more ambitious plans to reduce their emissions (see Budget Annex C-2 for more information).

Expansion of the Enterprise Financing Scheme (Green)

4 To support Singapore enterprises embarking on and accelerating their sustainability journey, Enterprise Singapore (EnterpriseSG) will extend the Enterprise Financing Scheme-Green (EFS-Green) by two years until 31 March 2026.

5 EnterpriseSG launched the EFS-Green in October 2021 to enable better access to green financing for Singapore companies that develop green technologies and solutions, enabling them to develop capabilities and capture growth opportunities in the green economy. It provides risk-sharing of 70% to support lending by partner financial institutions to qualified Singapore enterprises. For more details, please refer to <https://www.enterprisesg.gov.sg/financial-support/enterprise-financing-scheme---green>.

6 In addition, the scheme will be expanded beyond supporting the development of green solutions, to include adopting green solutions which are classified as 'Green' or 'Amber' under Monetary Authority of Singapore's newly-launched Singapore-Asia Taxonomy for Sustainable Finance ("Singapore-Asia Taxonomy").¹ As the Singapore-

¹ The existing qualifying criteria and parameters for solution developers for EFS-Green remain unchanged. More details on the Singapore-Asia Taxonomy are available at <https://www.mas.gov.sg/news/media-releases/2023/mas-launches-worlds-first-multi-sector-transition-taxonomy>.

Asia Taxonomy provides clear science-based criteria and thresholds, it ensures that companies taking up the EFS-Green obtain financing to adopt credible technologies and solutions that meaningfully enable them to reduce their carbon footprint, which in turn accelerates Singapore's green transition.

New Sustainability Reporting Grant and Programme

7 Climate-related disclosures is a communication tool to help companies be more transparent about the risks and opportunities faced based on its environmental impact. More investors are using climate-related disclosures to understand companies' environmental strategies and make their investment decisions.

8 In view of the increasing demand for companies to publish climate-related disclosures, including upcoming regulations to mandate climate-related disclosures for some Singapore-incorporated companies, EDB and EnterpriseSG will launch a Sustainability Reporting Grant. This grant will provide funding support for large companies with annual revenue \$100 million and above, to cover a portion of their costs in producing their first sustainability report in Singapore. This will help companies kickstart their sustainability strategy and sustainability performance reporting journey. The disclosures are to be consistent with the International Sustainability Standards Board's (ISSB) standards². The grant defrays up to 30% of qualifying costs, capped at the lower of S\$150,000 per company or 30 per cent of the qualifying costs in the preparation of their first sustainability report.

9 While sustainability reporting is currently not mandatory for Small and Medium Sized Enterprises (SMEs), it is fast becoming a critical capability given the increasing requirement by large corporates and MNCs to assess their suppliers' sustainability performance.

10 To enable SMEs to do sustainability reporting, EnterpriseSG will partner appointed sustainability service providers to launch a programme to help SMEs develop their first sustainability reports. The programme, targeted to be launched in late 2024, will be available for three years. EnterpriseSG will defray 70% of eligible costs for SMEs participating in the first year of the programme, and 50% of costs for the next two years.

Enhancements to Resource Efficiency Grant for Emissions (REG(E))

11 Today, the Resource Efficiency Grant for Emissions (REG(E)) provides support for industrial facilities to undertake projects that improve their energy efficiency and reduce carbon emissions. This allows companies to stay relevant in a low-carbon future.

² The ISSB launched IFRS 1 and IFRS 2 as the global sustainability disclosure standards. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face, whereas IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. More details on the two standards are available at <https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/>.

12 EDB is enhancing the REG(E) by lowering the carbon abatement threshold from 500 tonnes per annum to 250 tonnes per annum. The REG(E) will also be extended beyond March 2024. These enhancements will allow industrial facilities to tap on REG(E) for more projects that improve their energy efficiency and carbon emissions reduction .

Supporting our workers to upskill and reskill for the green transition

13 A successful shift to a low-carbon and sustainable economy will require a workforce equipped to ride the green transition. We are supporting our workers to upskill and reskill to seize job opportunities in green growth areas and companies on their sustainability journey.

14 In 2023, we set up the Green Skills Committee (GSC), a joint effort between government, industry, training providers, union and trade associations and chambers (TACS) to develop skills and training programmes for the low-carbon economy. For a start, we focused on (i) Sustainability Reporting and Assurance, and (ii) Energy.

15 To give students and workers opportunity to gain exposure to sustainability reporting, EnterpriseSG will partner sustainability service providers to offer internships and attachments for students and mid-career working professionals to grow their skills in this area. This will be done through practical training on sustainability reporting projects. The programme will contribute to building the local talent pipeline and expanding the pool of potential sustainability reporting professionals.

16 For the Energy sector, the Energy Market Authority (EMA) is working with training providers to launch training programmes to address clean energy skills gaps identified by the industry. This includes skills for the safe handling of energy storage systems and the planning and execution of high voltage direct current construction projects.

17 We are also harnessing our strengths as a commodities trading, professional and financial services hub to build capabilities in carbon services that can serve the decarbonisation needs in the region and the world. To support the development of a vibrant carbon services and trading eco-system in Singapore, EDB and EnterpriseSG are working with National University of Singapore and Nanyang Technological University to develop training programmes in carbon management, services and trading. More details will be announced by the IHLs later this year.

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