

An aerial photograph of a dense green forest. In the center, there is a circular clearing with a dark blue pond. Inside the pond, a large, stylized green leaf shape is formed by the surrounding trees and vegetation.

Lite Version

# UOB Sustainability Compass Report

Sustainability is becoming a strategic imperative for businesses – it is essential for long-term business resilience and growth. As expectations from stakeholders, regulators, and customers continue to rise, companies must navigate a dynamic ESG landscape and identify opportunities to maintain their competitive edge.

To support this transition, UOB and PwC Singapore have collaborated and developed the UOB Sustainability Compass – a complimentary online tool that generates a customised action plan tailored to your business' sustainability readiness and sector.

This lite version offers a high-level overview of what you can expect in the full customised reports, highlighting key areas such as relevant legislation, standards and certifications, financing solutions, and available grants.



# Guide your journey with a 5-step sustainability roadmap

This roadmap provides a strategic plan to guide key conversations across your organisation through the various phases of your sustainability journey.



## Integrate

Embed ESG considerations into your core business decisions to drive long-term impact and value.



## Understand

Gain foundational ESG knowledge, clarify internal responsibilities, understand stakeholder expectations, and identify the most relevant ESG issues for your business.



## Implement

Put your strategies into action with clear processes and uncover initiatives that may qualify for sustainable financing.



## Measure

Track your ESG performance by aligning with reporting standards, setting the right KPIs, and managing data effectively.



## Formulate

Establish your sustainability vision, develop actionable strategies, and set measurable goals to guide your ESG efforts.



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Engage with stakeholders continuously

Your customised sustainability action plan will include detailed steps and recommendations for each phase.

# Your Sustainability Info Kit

The Sustainability Info Kit is designed to equip businesses with practical guidance on navigating their sustainability journey.

Contents include:



Sector Specific  
Legislation



Standards and  
Certification



Glossary of key  
sustainability terms



Recommended  
sustainable financing  
solutions



## Sector Specific Legislation (brief excerpt from full report)

**Carbon Pricing Act 2018:** The Singapore Government first introduced a tax on carbon emissions in 2019, and subsequently raised it in Budget 2022, from S\$5 per tonne of emissions to S\$25 in 2024.

While the carbon tax applies to a small number of high-emitting companies, SMEs may face indirect impact through increase in electricity costs in the short term as end users.

**Sustainability Reporting:** In 2023, the Accounting and Corporate Regulatory Authority (ACRA) and SGX RegCo have launched a public consultation to advance climate reporting in Singapore.

The key recommendations are as follows:

- (1) Mandatory climate reporting from FY2025 for all Listed Issuers. This builds on the existing “comply or explain” sustainability reporting listing rules that were in place since 2016.
- (2) Mandatory climate reporting from FY2027 for Large Non-Listed Companies with annual revenue of at least \$1 billion. A review will be conducted in 2027 with the view to expand the coverage to companies with revenue of at least \$100 million, by around FY2030.
- (3) Prescribed standards aligned with the ISSB requirements for climate reporting.
- (4) External assurance requirements - Companies subjected to mandatory climate reporting should obtain external assurance on GHG Scope 1 and Scope 2 emissions from FY2027 for all listed issuers, and FY2029 for Large Non-Listed Companies.
- (5) Reporting and Filing Timelines - Climate reporting should have the same reporting and filing timelines as financial statements to facilitate timely communication to shareholders and other stakeholders. Legal responsibilities should also be imposed on the company, its directors, and/or officers to ensure accountability.

**Singapore Green Plan 2030:** In February 2022, Minister for Finance Mr Lawrence Wong announced at Budget 2022 that Singapore will raise its climate ambition to achieve net zero emissions by or around mid-century and more recently aim to have emissions reach net zero by 2050. In addition, Singapore launched its whole-of-nation movement to advance the national agenda on sustainable development, setting targets for sustainability in Singapore by 2030. There are five key pillars - “City in Nature”, “Sustainable Living”, “Energy Reset”, “Green Economy”, and “Resilient Future”.



## Sector-specific Regulations (brief excerpt from full report)

### Resource Sustainability Act 2019:

Targets electronic, food, and packaging waste.

**Extended Producer Responsibility (EPR) System:**  
Regulated e-waste management system ensures proper handling.

**European Union Regulations:**  
Deforestation-free products and Carbon Border Adjustment Mechanism (CBAM) promote sustainability.



## Standards and Certifications (brief excerpt from full report)

Navigate sustainability with recognised benchmarks tailored to your industry, as standards and certifications ensure credibility and build stakeholder trust. Examples include:

Green Mark Incentive Scheme

Building Research Establishment Environmental Assessment Method (BREEAM)

Global Organic Textile Standards (GOTS)

Fair Trade Agricultural Production Standard (APS)

Singapore Clean and Green Urban Farms (SG C&G) Certification

International Sustainability and Carbon Certification for Energy (ISCC)



## Glossary of key sustainability terms

A list of glossary terms is compiled to explain key terminology related to sustainability for communications internally and with stakeholders.

It also helps educate and empower employees to integrate sustainability principles into day-to-day activities.

### Sustainability Essentials

#### Glossary of Key Terms

To start things off, this section will explain key terms that are commonly used in the sustainability space. It will provide you better clarity on what they are when you see them in this report, or in your conversations with stakeholders.

- Carbon Credit**  
A carbon credit (typically also called a carbon offset) represents one tonne of greenhouse gas emissions reduced, avoided or removed from a verified project.
- Carbon Footprint**  
The amount of carbon emissions released into the atmosphere as a result of the activities of a particular individual or entity.
- Circular Economy**  
An alternative to a traditional linear economy (take, make, waste) that seeks to reduce waste, recover resources at the end of the product's life, and channel them back into production.
- Climate Risk**  
Risks arising from climate change can be:  
**Transition** - Policy and legal, technology, market, reputation, etc.  
**Physical** - Acute (event-driven such as cyclones and floods), Chronic (longer-term events such as rising temperatures and sea levels)
- Climate Tech or Green Tech**  
Technology solutions that enable better management, measurement and reporting of climate or environmental performance.
- Decarbonisation**  
The process by which carbon emissions associated with electricity, industry, and transport are reduced or eliminated.
- ESG (Environmental, Social, Governance) Topics**  
Examples of ESG Topics (non-exhaustive):  
E- Energy, GHG emissions, pollution, waste, water, etc.  
S- Diversity, employment practices, health and safety, human rights, local communities, etc.  
G- Bribery and corruption, compliance, data privacy and security, sustainable supply chain, etc.
- ESG Key Performance Indicators (KPIs) or Metrics**  
Quantifiable metrics that relate to the performance of a company when it comes to a specific environmental, social or governance aspect (e.g. energy efficiency, diversity ratio, number of data breaches, etc.).

UOB Sustainability Compass | 16

- Global Reporting Initiative Standards (GRI Standards)**  
Most widely used standards for sustainability reporting. It allows organisations to report on their impacts on the economy, environment and people in a comparable and credible manner. GRI is collaborating on the development of the IFRS Sustainability Disclosure Standards to provide a global baseline that is compatible with market-specific requirements.
- International Sustainability Standards Board (ISSB Standards)**  
The ISSB is an independent body that develops and approves the IFRS Sustainability Disclosures Standards, a global set of standards that will provide investors and capital market participants with information about companies' sustainability risks and opportunities.
- Material ESG Topics**  
ESG topics that the business impact, or are impacted by, most. These topics are typically identified by a Materiality Assessment process and prioritised by referencing SASB standards. Refer to ESG topics for examples.
- Renewable Energy**  
Energy derived from naturally replenishing sources, such as biomass, geothermal, hydropower, solar, wind energy.
- Sustainability Accounting Standards Board (SASB) Board**  
Global standards that set out industry-specific material ESG topics across 77 industries. Ownership of the SASB Standards transitioned to the IFRS Foundation in 2022, and the IFRS Sustainability Disclosure Standards are presently in development.
- Sustainability Report**  
Public disclosures of the company's ESG management approach (policies, practices, targets) and performance for the year.
- Sustainable Finance**  
Sustainable finance is defined as investment decisions that take into account the environmental, social, and governance (ESG) factors of an economic activity or project.
- United Nations Sustainable Development Goals (UNSDGs)**  
There are 17 SDGs covering poverty, affordable & clean energy, sustainable cities & communities and more. They form the core of the 2030 Agenda for Sustainable Development that was adopted by all UN member states in 2015.

(Source: GRI, ISSB, SASB, SG Zero Waste Masterplan, UNSDGs)

UOB Sustainability Compass | 17



## Recommended sustainable financing solutions

Understanding the different types of sustainable financing is crucial for making informed decisions that align with your sustainability goals. Depending on your business needs, the UOB Sustainability Compass report can guide and recommend the relevant solutions that are tailored for your industry, saving you both time and costs.

Types of sustainable financing:



Green or Social Loans



Sustainability Linked Loans



Transition Finance Products

# The UOB Sustainability Compass report



More than 5,000 businesses across ASEAN have downloaded the UOB Sustainability Compass, developed in collaboration with Sustainability consultant, PwC Singapore, to kickstart their sustainability journey. This free tool provides a customised action plan tailored to your sector and sustainability readiness.

This customised plan will provide valuable insights to help you:

- Understand key legislation requirements impacting your sector.
- Identify relevant grants from government and industry bodies.
- Explore financing options and gain practical insights to guide your next steps.

How to get your customised sustainability action plan - in just

**5** minutes:



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Visit

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2

Complete a short quiz



3

Provide your contact details



4

Download your customised action plan