

Legal 500 Country Comparative Guides 2025

Singapore

Environmental, Social and Governance

Contributor



Shook Lin & Bok LLP

Dr. Joseph Chun

Partner | joseph.chun@shooklin.com

Joseph Tay

Partner | joseph.tay@shooklin.com

Teo Mae Shaan

Partner | maeshaan.teo@shooklin.com

Ian Chew

Partner | ian.chew@shooklin.com

This country-specific Q&A provides an overview of environmental, social and governance laws and regulations applicable in Singapore.

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Singapore: Environmental, Social and Governance

1. Climate – the law governing operations that emit Greenhouse Gases (e.g. carbon trading) is addressed by Environment and Climate Change international guides, in respect of ESG: a. Is there any statutory duty to implement net zero business strategies; b. Is the use of carbon offsets to meet net zero or carbon neutral commitments regulated; c. Have there been any test cases brought against companies for undeliverable net zero strategies; d. Have there been any test cases brought against companies for their proportionate contribution to global levels of greenhouse gases (GHGs)?

a. There is currently no duty to implement net zero business strategies as such. Under the Listing Rules, companies listed in the Singapore Exchange are however required to submit climate reports incorporating the climate-related requirements in the International Sustainability Standards Board standards incorporating climate-related disclosures, which inter alia requires companies to disclose their approach in managing climate-related risks and opportunities. From FY 2027, large unlisted companies will also be required to do so.

b. The use of carbon offsets to meet net zero or carbon neutral commitments is not regulated as such, but liability under the *Consumer Protection (Fair Trading) Act 2003* may attach to claims about the use of carbon offsets to meet such commitments if the claims are materially false and misleading in the context of a consumer transactions; or under the *Securities and Futures Act 2001* if claims about the use of carbon offsets to meet such commitments that are made or disseminated are false or misleading and are likely to induce other persons to subscribe for securities or the sale or purchase of securities, or to have the effect of affecting the market price of securities.

The use of carbon credits to meet carbon tax liabilities is regulated under the *Carbon Pricing Act 2018*.

c. To our knowledge, there have not been any cases brought in Singapore against companies for undeliverable net zero strategies.

d. To our knowledge, there have not been any cases

brought in Singapore against companies for their proportionate contribution to global levels of greenhouse gases

2. Biodiversity – are new projects required to demonstrate biodiversity net gain to receive development consent?

There is no requirement for projects to demonstrate biodiversity net gain to receive planning permission (development consent). That said, the National Parks Board is a technical agency for the purpose of obtaining planning permission from the Urban Redevelopment Authority under the *Planning Act 1998* and has the power to impose requirements for planting areas and setting aside of spaces for use as a park before giving its clearance for a proposed development.

3. Water – are companies required to report on water usage?

A company that in a year (a) uses more than the threshold volume of water in carrying out any of the company's business activities at a site; or (b) has more than the threshold volume of water supplied to it at a site by the Public Utilities Board for use in connection with any business activity carried out at the site; is required under the *Public Utilities Act 2001* to submit annual reports that inter alia contain water usage information.

4. Forever chemicals – have there been any test cases brought against companies for product liability or pollution of the environment related to forever chemicals such as Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)?

To our knowledge, there have not been any test cases brought against companies for product liability or pollution of the environment related to forever chemicals such as Perfluoroalkyl and Polyfluoroalkyl Substances. There are however requirements under the *Environmental Protection and Management Act 1999* for the storage, import, and use of certain forever chemicals deemed to be hazardous substances, such as Pentadecafluorooctanoic acid (PFOA), its salts and related compounds; Perfluorohexane sulfonic acid

(PFHxS), its salts and related compounds; and Perfluorooctane sulfonic acid (PFOS).

5. Circularity – a. The law governing the waste hierarchy is addressed by the Environment international guide, in respect of ESG are any duties placed on producers, distributors or retailers of products to ensure levels of recycling and / or incorporate a proportionate amount of recycled materials in product construction? b. Are any duties placed on producers, distributors or retailers of products to handle the end-of-life of the products placed on the market?

a. There are no direct requirements on producers, distributors, or retailers of products to ensure levels of recycling and/or a proportionate quantity of recycled materials in products.

b. Under the *Resource Sustainability Act 2019*, importers and local manufacturers of prescribed consumer electronic and electrical products beyond a prescribed threshold must join a producer responsibility scheme for the collection and disposal of e-waste operated by a licensed operator. From 1 April 2026, importers and local manufacturers of regulated beverages in a sealed beverage containers must also not supply such products in Singapore unless they are members of a licensed producer responsibility scheme for beverage containers in Singapore operated by a licensed operator. Licensed operators will be given collection targets and be required to ensure the recycling of the e-waste and containers collected under the schemes.

6. Plastics – what laws are in place to deter and punish plastic pollution (e.g. producer responsibility, plastic tax or bans on certain plastic uses)?

Under the *Resource Sustainability Act 2019*, the import and commercial use of specified packaging (including certain plastic packaging) above a prescribed threshold by companies whose turnover is above the prescribed threshold are required to report on the specified packaging imported or used. The government has announced its intention to introduce extended producer responsibility for packaging waste in the future, starting with beverage containers. Under the Act, importers and local manufacturers of regulated beverages in sealed plastic or metal beverage containers must not supply such products in Singapore from 1 April 2026 unless they

are members of a licensed producer responsibility scheme for beverage containers in Singapore regulated under the Act.

The transport, import, storage, supply or use of plastics that contain prescribed hazardous substances may also be regulated under the *Environmental Protection and Management Act 1999*.

7. Equality Diversity and Inclusion (EDI) – what legal obligations are placed on an employer to ensure equality, diversity and inclusion in the workplace?

There are no laws that directly require an employer to ensure equality, diversity and inclusion in the workplace. That said, companies listed in the Singapore Exchange are required, on a comply or explain basis, under the Listing Rules to maintain a board diversity policy which must minimally address gender, skills and experience, and any other relevant aspects of diversity. They must also disclose their board diversity policy in their annual reports, and include in the disclosure, their targets to achieve board diversity; along with accompanying plans and timelines for achieving the targets; progress towards achieving the targets within the timelines; and a description of how the combination of skills, talents, experience and diversity of their directors serves the needs and plans of the companies.

8. Workplace welfare – the law governing health and safety at work is addressed in the Health and Safety international guide, in respect of ESG are there any legal duties on employers to treat employees fairly and with respect?

The non-legally binding Tripartite Guidelines on Fair Employment Practices, formulated by the Tripartite Alliance for Fair and Progressive Employment Practices, of which the Ministry of Manpower is a party, sets out the Alliance's expectations on fair employment practices to be adopted by employers, including recruiting based on merit, respecting employees, providing fair opportunities, and rewarding fairly. Employers who do not abide by the Guidelines will face scrutiny from the Ministry of Manpower and have their work pass privileges curtailed. For example, they could be debarred from making and renewing work pass applications.

Under the *Workplace Fairness Act 2025*, which has not yet come into force, and subject to certain exceptions and exemptions, it will be unlawful to base employment

decisions when hiring, during employment or when terminating employment, on protected characteristics – age, nationality, sex, marital status, pregnancy, caregiving responsibilities, race, religion, language ability, disability, and mental health conditions.

9. Living wage – the law governing employment rights is addressed in the Employment and Labour international guide, in respect of ESG is there a legal requirement to pay a wage that is high enough to maintain a normal standard of living?

There is no legal requirement to pay a wage that is high enough to maintain a normal standard of living. Neither is there a legal requirement to pay a minimum wage.

That said, the government has established a mandatory “progressive wage model” for selected sectors that sets a tiered minimum wage floor for Singaporean or permanent resident workers based on their skills, experience, and productivity to incentivise these workers to upgrade their skills to earn higher wages. The scheme is implemented through various business licensing and other requirements, including those under the *Environmental Public Health Act 1987* and the *Building Control Act 1989*.

10. Human rights in the supply chain – in relation to adverse impact on human rights or the environment in the supply chain: a. Are there any statutory duties to perform due diligence; b. Have there been any test cases brought against companies?

a. There are no statutory duties to perform due diligence in relation to adverse impacts on human rights of the environment. There is however a responsibility for companies listed in the Singapore Exchange, which are required to submit annual sustainability reports on a comply and explain basis under the Listing Rules, to review their businesses in the context of their value chains and determine what ESG factors in relation to the companies' interaction with their physical environments and social communities and their governance, are material for the continuity of their businesses. The sustainability reports should also set out the companies' policies, practices and performance in relation to the material ESG factors identified.

b. To our knowledge, no test cases have been brought against companies for failing to do due diligence in relation to adverse impacts on human rights or the

environment.

11. Responsibility for host communities, environment and indigenous populations – in relation to adverse impact on human rights or the environment in host communities: a. Are there any statutory duties to perform due diligence; b. Have there been any test cases brought against companies?

a. There are no statutory duties to perform due diligence in relation to adverse impacts on human rights or the environment in host communities. As explained earlier, there is a requirement under the Listing Rules for companies listed in the Singapore Exchange to submit annual sustainability reports on a comply and explain basis, and to include in the reports, a review of their business and determination of the ESG factors in relation to the companies' interaction with their physical environments and social communities that are material for the continuity of their businesses. The sustainability reports should also set out the companies' policies, practices and performance in relation to the material ESG factors identified.

b. To our knowledge, no test cases have been brought against companies for failing to do due diligence in relation to adverse impacts on human rights or the environment.

12. Have the Advertising authorities required any businesses to remove adverts for unsubstantiated sustainability claims?

In December 2023, the Advertising Standards Authority of Singapore (ASAS) found an advertisement with the caption “Save Earth and electricity with 5 ticks energy savings”; and claiming that their air-conditioners were the “best tip” to “save the earth” to be misleading and in breach of its Singapore Code of Advertising Practice. The advertiser was notified of the decision and removed its advertisement.

In January 2025, the ASAS asked for an advertisement by an airline to be removed due to concerns about greenwashing. The campaign highlighted the airline's “fuel-efficient” fleet and use of digital services such as e-tickets and online check-ins as evidence of its environmentally friendly credentials. The advertisement also claimed that travellers could “contribute to a greener future” by choosing the airline's “eco tickets”. The claims were found to be vague and unsubstantiated.

13. Have the Competition and Markets authorities taken action, fined or prosecuted any businesses for unsubstantiated sustainability claims relating to products or services?

The Competition and Consumer Commission of Singapore (CCCS) has not acted against any businesses for unsubstantiated sustainability claims relating to products or services. The CCCS has announced that it is developing guidelines to help companies make fair and accurate environmental claims, and companies found to have engaged in greenwashing may face legal action under the *Consumer Protection (Fair Practice) Act 2003*.

14. Have there been any test cases brought against businesses for unsubstantiated enterprise wide sustainability commitments?

To our knowledge, no test cases have been brought against businesses for unsubstantiated enterprise-wide sustainability commitments. As explained above, liability may attach under the *Consumer Protection (Fair Practice) Act 2003* or *Securities and Futures Act 2001* for false and misleading claims. Liability may also attach in a tortious or contractual context for false or misleading statements about enterprise-wide sustainability commitments.

15. Is there a statutory duty on directors to oversee environmental and social impacts?

There is no explicit statutory duty on directors to oversee environmental and social impacts, but pursuant to the directors' duty under the *Companies Act 1967* to act honestly and use reasonable diligence in the discharge of their duties, directors may be expected to manage these impacts where material to their company's interest.

16. Have there been any test cases brought against directors for presenting misleading information on environmental and social impact?

To our knowledge, there have not been any test cases against directors presenting misleading information on environmental and social impacts.

17. Are financial institutions and large or listed corporates required to report against sustainable investment criteria?

Financial institutions and large or listed corporates are

not required to report against sustainable investment criteria. The Singapore-Asia Taxonomy for Sustainable Finance was launched in December 2023, but reporting against the taxonomy has so far been voluntary and the Monetary Authority of Singapore has started to assess the extent to which the taxonomy has been adopted by financial institutions.

18. Is there a statutory responsibility on businesses to report on managing climate related financial risks?

Directors have a duty under the *Companies Act 1967* to act honestly and with reasonable diligence in the discharge of their duties. This may include a duty to disclose climate related financial risks that are material to the company. More explicitly, companies listed in the Singapore Exchange are, and from FY 2027 large unlisted companies will be, required to submit climate reports incorporating the climate-related disclosures in the International Sustainability Standards Board standards, which inter alia require companies to disclose their approach in managing climate-related risks and opportunities.

19. Is there a statutory responsibility on businesses to report on energy consumption?

Companies that are in prescribed sectors and whose annual energy consumption cross the prescribed threshold are required under the *Energy Conservation Act 2012* to report on prescribed information on their energy usage information.

20. Is there a statutory responsibility on businesses to report on EDI and / or gender pay gaps?

There is no statutory requirement for businesses to report on Equality, Diversity, and Inclusion (EDI) metrics or gender pay gaps. However, as mentioned above, companies are currently expected to adopt the Tripartite Guidelines Fair Employment Practices Framework. When the *Workplace Fairness Act 2025* comes into operation, employers will also be required to not discriminate against employees in its employment decisions. Companies listed in the Singapore Exchange will also be required, on a comply and explain basis, to report on their management of ESG factors that are material for the continuity of their businesses, which may include EDI or gender pay gaps.

21. Is there a statutory responsibility to report on modern day slavery in the supply chain?

There is no statutory responsibility to report on modern slavery in the supply chain. There is however a responsibility for companies listed in the Singapore Exchange, who are required to submit sustainability reports on a comply and explain basis, to review their businesses in the context of their value chains and determine what ESG factors in relation to the companies' interaction with their physical environments and social communities and their governance, are material for the continuity of their businesses. In some cases, this could include modern slavery issues in their supply chain

22. Trends and developments – Where do you see the most significant legal developments in ESG in your jurisdiction in the next 12 months?

Do you expect a rise in Court disputes or enforcement actions?

Beginning in FY 2025, all companies listed in Singapore Exchange will be required to submit annual climate-related disclosures aligned with the International Sustainability Standards Board standards. The Competition and Consumer Commission of Singapore is also expected to publish its guidelines on avoiding greenwashing in product marketing in the next 12 months. This means we may see some enforcement action against companies for not submitting their climate-related disclosures or for consumer product greenwashing. A growing interest in ESG-related projects and transactions, such as greenhouse gas emission reduction or removal offtake agreements and renewable power purchase agreements, may also give rise to more disputes in such projects and transactions.

Contributors

Dr. Joseph Chun
Partner

joseph.chun@shooklin.com



Joseph Tay
Partner

joseph.tay@shooklin.com



Teo Mae Shaan
Partner

maeshaan.teo@shooklin.com



Ian Chew
Partner

ian.chew@shooklin.com

