

UOB SME Outlook Study 2022

Insights Report: Sustainability-Related Findings

March 2022

UOB SME Outlook Survey 2022 Background

WHAT

15-mins online survey
Fieldwork: 20 Dec 2021 – 7 Jan 2022

Total of **800** interviews

WHERE



Singapore

WHO

SMEs with revenue less than S\$100 million, more than 30% local shareholding and less than 200 employees

We interviewed SMEs across key industry verticals¹

Owners/ chief executive level/ management level who are involved with business decision making

DEFINITIONS

Small businesses
(<S\$10m turnover)

Medium-sized businesses
(S\$10-100m turnover)

¹ Industry verticals include: Consumer goods; MFG & Engineering; Tech, Media & Telecoms; Construction & Infrastructure; Community & Personal; Business Services; Wholesale Trade; Professional services; Real Estate/Hospitality

Key sustainability-related findings

Attitudes and drivers

- **Three in five** SMEs believe it is important to incorporate sustainability practices in their businesses. (Page 6)
- Overall, **54%** of all SMEs surveyed said that having sustainability core to the business will help to **improve the company's reputation**. (Page 6)
- Among medium-sized businesses, the top drivers to become more sustainable are **improved company reputation (56%)** and **ease of working with MNCs who care about sustainability goals (56%)**. (Page 6)
- Across industry verticals, significantly more **Wholesale Trade SMEs** believe sustainability is important so as to **build an environmentally sustainable future for Singapore (68%)** and **to attract and retain talent (55%)**. (Page 7)

Key sustainability-related findings

Integration of practices related to environmental, social and governance (ESG) considerations

- The key ESG-related practices SMEs plan to implement are: **clear operational policies (45%)**, **more efficient use of resources (43%)** and **use energy efficient technologies (35%)**. (Page 10)
- **Medium-sized businesses are looking to incorporate more sustainable practices** than small businesses. (Page 10)
- The top ESG-related practices that have been implemented by SMEs are: **more efficient use of resources (44%)**, **clear operational policies and processes (42%)**, and **use of energy efficient equipment and technologies (34%)**. (Page 8)
- Compared with small businesses, **medium-sized businesses have implemented more ESG-related practices** compared with small businesses. (Page 8)

Key sustainability-related findings

SG Green Plan 2030 Initiatives

- The top SG Green Plan 2030 initiatives that SMEs plan to address are: **recycling (39%)**, **switching to energy efficient sources (35%)** and **encouraging employees to take up environment-related courses (34%)**. (Page 12)
- Across industry verticals, almost all SMEs in the **Wholesale Trade, Construction & Infrastructure**, and **Real Estate & Hospitality** industries are actively aligning their practices to the Singapore Green Plan 2030. (Page 13)

Key barriers to adopting sustainable practices

- Major barriers to implement sustainability practices are **insufficient knowledge (43%)**, **inadequate non-financial support (39%)** and **possible short-term impact on revenue (37%)**. (Page 14)
- **Medium-sized businesses faced more barriers** in implementing sustainable practices internally as compared with small businesses. (Page 14)
- More **Wholesale Trade SMEs see inadequate financial support as a key barrier** to implementing sustainability practices (Page 15)

Preferred areas of support

- Overall, **opportunities to collaborate (43%)** **connections to industry peers (39%)** and **connections to the right training or solution providers (38%)** are the top preferred areas of support for SMEs to advance their sustainability journey. (Page 16)

Attitudes and drivers towards sustainable practices

Key insights

- **Three in five** SMEs (60%) believe it is important to incorporate sustainability practices in their businesses.
- Overall, **54%** of all SMEs surveyed said that having sustainability core to the business will help to **improve the company's reputation**.
- Among medium-sized businesses, the top drivers to become more sustainable are **improved company reputation (56%)** and **ease of working with MNCs** who care about sustainability goals (56%).

Key drivers	Year-on-year comparison		2022	
	2022	2021	Small businesses	Medium-sized businesses
Improved reputation / Better branding of the company	54%	57%	52%	56%
Easier to work with MNCs who care about their sustainability goals	45%	-	36%	56%
To build an environmentally and socially sustainable future for Singapore	44%	-	45%	43%
Gives competitive edge	43%	29%	42%	44%
Enables talent retention/ attraction	38%	41%	38%	39%
Helps my business fit better into the ecosystem	38%	41%	37%	38%
Helps attract investors	34%	30%	31%	37%
Customers prefer or demand for it	30%	41%	28%	33%
It is a requirement by industry body/ government	13%	-	16%	10%

Survey questions:

How important is sustainability (Environmental, Social and Governance considerations) to your business? *Base: Total (800)*

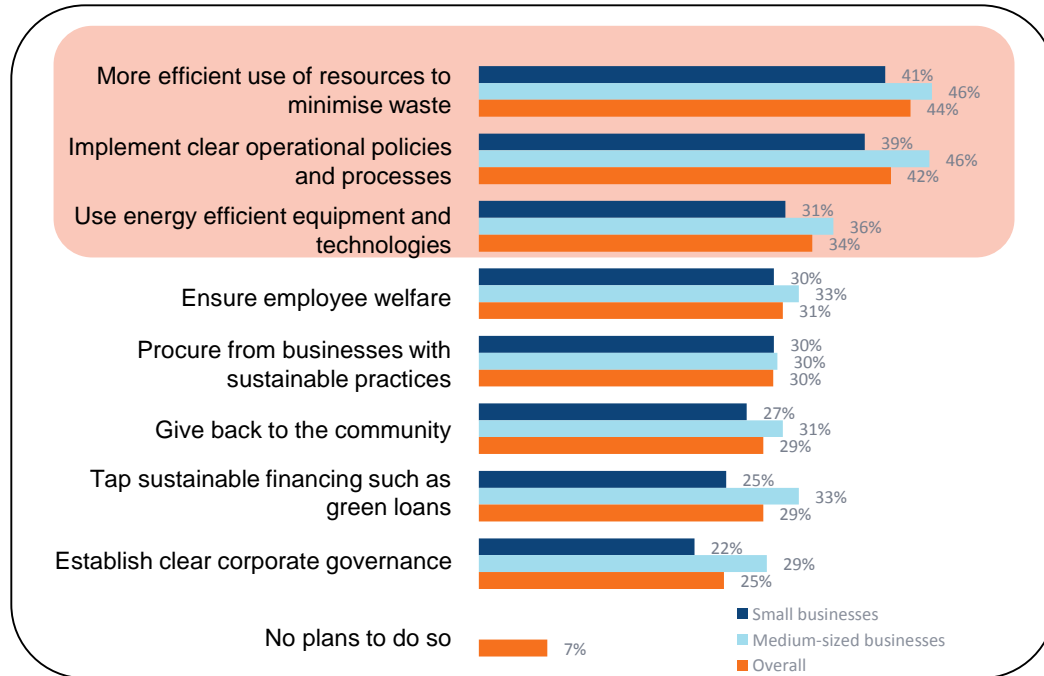
Why is sustainability important to your business? *Base: Those who regard sustainability as important (Total: 479, Small businesses: 260, Medium-sized businesses: 219)*

More Wholesale Trade SMEs believe sustainability is important so as to build an environmentally sustainable future for Singapore and to attract and retain talent

Key drivers	Total sample	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction & Infrastructure	Community & Personal	Business Services	Wholesale trade	Professional services	Real estate/ Hospitality
Base:	479	68	80	58	47	38	26*	69	36	32
Improved reputation / Better branding of the company	54%	40%	56%	52%	64%	55%	58%	64%	44%	56%
Easier to work with MNCs who care about their sustainability goals	45%	40%	54%	45%	55%	39%	50%	45%	36%	34%
To build an environmentally and socially sustainable future for Singapore	44%	46%	40%	41%	51%	42%	27%	68%	28%	47%
Gives competitive edge	43%	41%	49%	33%	51%	45%	42%	49%	31%	34%
Enables talent retention/ attraction	38%	29%	43%	29%	40%	37%	31%	55%	33%	34%
Helps my business fit better into the ecosystem	38%	47%	40%	26%	43%	29%	35%	42%	33%	34%
Helps attract investors	34%	32%	40%	38%	30%	37%	23%	33%	28%	34%
Customers prefer or demand for it	30%	29%	33%	33%	36%	26%	19%	30%	31%	22%
It is a requirement by industry body/ government	13%	9%	15%	3%	21%	11%	-	29%	6%	9%

ESG-related practices implemented

ESG-related practices SMEs have already incorporated



Key Insights

- The top ESG-related measures implemented by SMEs are: **more efficient use of resources (44%)**, **clear operational policies and processes (42%)**, and **use of energy efficient equipment and technologies (34%)**
- **Medium-sized businesses have implemented more ESG-related measures than small businesses.**

Survey question:

What sustainable practices (based on the ESG considerations) have you already incorporated within your business at present? Base: Total (800), Small businesses (432), Medium-sized businesses (368)

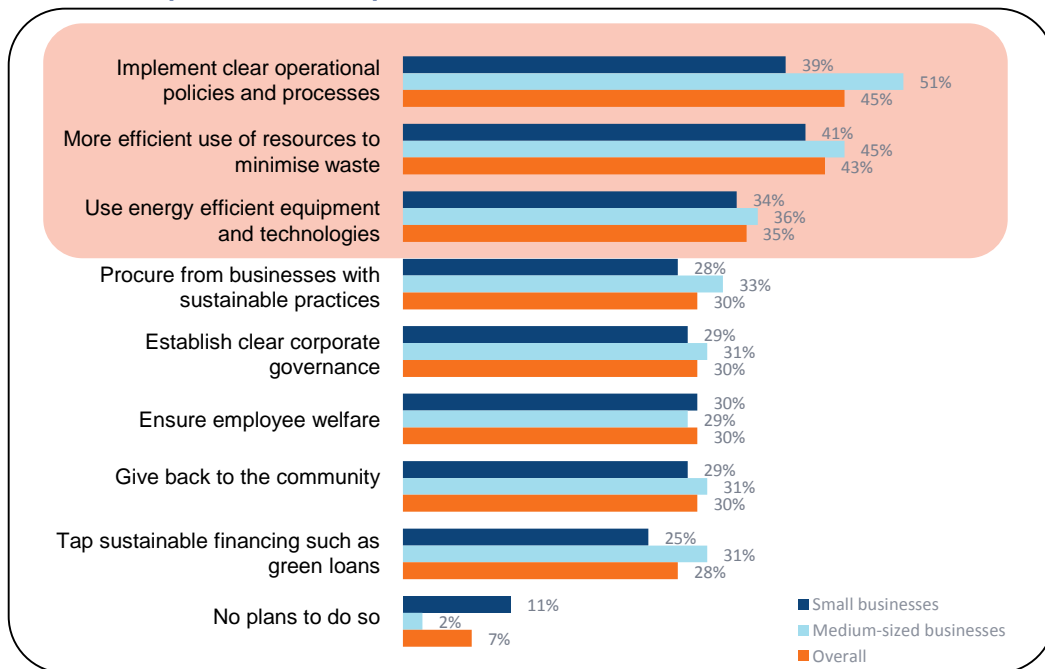
More Wholesale Trade SMEs have implemented most of the sustainable practices

Sustainable practices implemented	Total sample	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction & Infrastructure	Community & Personal	Business services	Wholesale trade	Professional services	Real estate/ Hospitality
Base: Those Answering	800	125	108	107	100	65	62	82	56	50
More efficient use of resources to minimise waste	44%	42%	44%	41%	45%	35%	45%	56%	39%	44%
Implement clear operational policies and processes	42%	41%	44%	43%	47%	28%	35%	57%	39%	36%
Use energy efficient equipment and technologies	34%	28%	44%	26%	41%	29%	18%	49%	30%	32%
Ensure employee welfare	31%	25%	31%	28%	33%	37%	27%	43%	27%	34%
Procure from businesses with sustainable practices	30%	30%	31%	38%	30%	26%	24%	41%	21%	16%
Give back to the community	29%	30%	43%	24%	24%	20%	21%	40%	34%	18%
Tap sustainable financing such as green loans	29%	27%	38%	28%	38%	18%	13%	44%	16%	22%
Establish clear corporate governance	25%	24%	37%	26%	22%	17%	19%	30%	23%	24%
No plans to do so	7%	7%	7%	6%	3%	20%	10%	2%	13%	6%

Significantly higher vs. total sample Significantly lower vs. total sample

Plans to implement ESG-related practices

ESG-related practices SMEs plan to launch



Key insights

- SMEs plan to continue implementing **clear operational policies (45%)**, **more efficient use of resources (43%)** and **use energy efficient technologies (35%)**.
- **Medium-sized businesses are looking to incorporate more ESG-related practices** than small businesses.

Survey question:

What sustainable practices (based on the ESG considerations) do you plan to incorporate within your business in future? Base: Total (800), Small businesses (432), Medium-sized businesses (368)

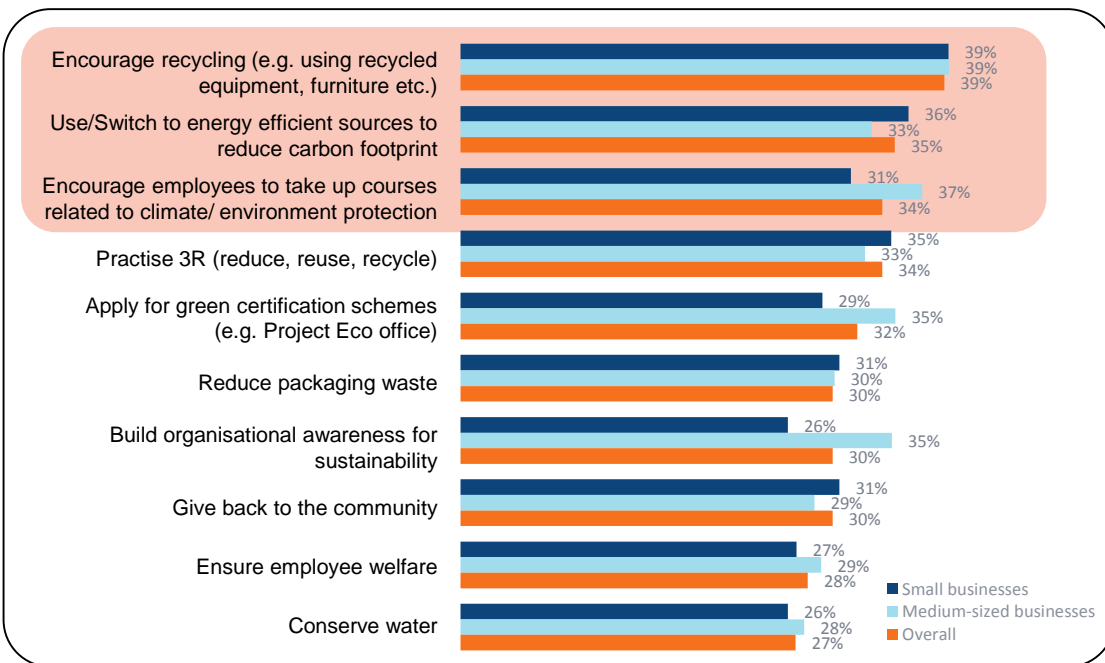
Wholesale Trade SMEs have more plans to implement sustainable practices

	Total sample	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction & Infrastructure	Community & Personal	Business services	Wholesale trade	Professional services	Real estate/Hospitality
Base: Those Answering	800	125	108	107	100	65	62	82	56	50
Planning to adopt ANY sustainable practices	93%	92%	93%	93%	98%	82%	85%	98%	93%	94%
Implement clear operational policies and processes	45%	43%	51%	44%	52%	26%	34%	60%	36%	44%
More efficient use of resources to minimise waste	43%	36%	47%	45%	47%	42%	34%	56%	36%	44%
Use energy efficient equipment and technologies	35%	24%	44%	37%	34%	34%	26%	49%	43%	26%
Procure from businesses with sustainable practices	30%	33%	31%	36%	32%	26%	16%	38%	29%	22%
Establish clear corporate governance	30%	32%	38%	22%	27%	25%	19%	48%	29%	30%
Ensure employee welfare	30%	23%	29%	32%	25%	29%	31%	44%	27%	26%
Give back to the community	30%	34%	39%	22%	33%	25%	29%	32%	21%	24%
Tap sustainable financing such as green loans	28%	21%	38%	26%	36%	20%	16%	43%	23%	28%
No plans to do so	7%	8%	7%	7%	2%	18%	15%	2%	7%	6%

Significantly higher vs. total sample Significantly lower vs. total sample

SG Green Plan 2030 Initiatives

SG Green Plan 2030 Initiatives that SMEs plan to address



Key Insights

- The top SG Green Plan 2030 initiatives that SMEs plan to address: **recycling (39%)**, **switching to energy efficient sources (35%)** and **encouraging employees to take up environment-related courses (34%)**.

Survey question:

Now, which of these SG Green Plan 2030 initiatives would your company be looking to address for your business in 2022? Base: Total (800), Small businesses (432), Medium-sized businesses (368)

Almost all SMEs in the Wholesale Trade, Construction & Infrastructure and Real Estate & Hospitality industries plan to address various SG Green Plan 2030 initiatives

	Total sample	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction and Infra	Community & Personal	Business services	Wholesale trade	Professional services	Real estate/ Hospitality
Base: Those Answering	800	125	108	107	100	65	62	82	56	50
Planning to address ANY of the SG Green Plan 2030 initiatives	94%	94%	95%	93%	98%	83%	89%	98%	93%	98%
Encourage recycling (e.g. using recycled equipment, furniture etc.)	39%	38%	43%	45%	41%	34%	29%	60%	23%	34%
Use/Switch to energy efficient sources to reduce carbon footprint	35%	30%	32%	33%	38%	23%	27%	56%	36%	34%
Encourage employees to take up courses related to climate/ environment protection	34%	32%	44%	32%	35%	25%	24%	60%	27%	20%
Practise 3R (reduce, reuse, recycle)	34%	30%	43%	30%	36%	31%	23%	51%	30%	34%
Apply for green certification schemes (e.g. Project Eco office)	32%	27%	38%	32%	39%	22%	31%	48%	21%	26%
Reduce packaging waste	30%	34%	36%	30%	27%	18%	23%	37%	32%	42%
Build organisational awareness for sustainability	30%	33%	33%	24%	29%	29%	27%	43%	21%	34%
Give back to the community	30%	24%	37%	31%	29%	28%	32%	37%	16%	30%
Ensure employee welfare	28%	30%	34%	22%	21%	37%	21%	24%	27%	34%
Conserve water	27%	23%	36%	26%	30%	18%	16%	27%	23%	30%
None of the above	6%	6%	5%	7%	2%	17%	11%	2%	7%	2%

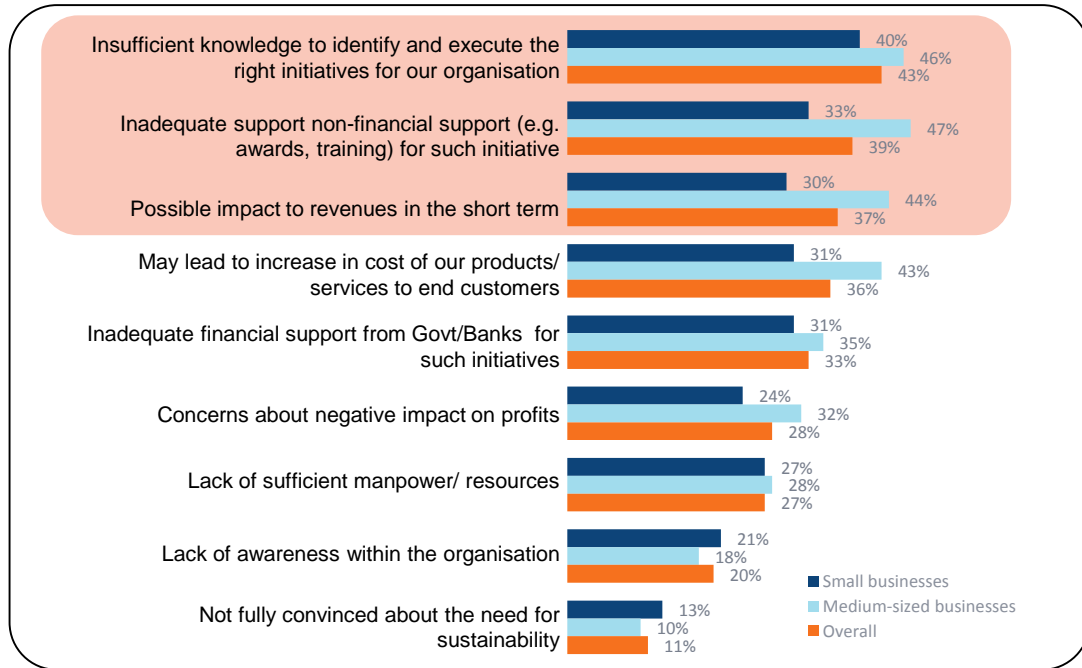
Survey question:

Now, which of these SG Green Plan 2030 initiatives would your company be looking to address for your business in 2022? (Base within table)

Significantly higher vs. total sample
Significantly lower vs. total sample

Barriers to implementing sustainability practices internally

Challenges in implementing sustainability practices internally



Key Insights

- Major barriers to implement sustainability practices are **insufficient knowledge (43%)**, **inadequate non-financial support (39%)** and **possible short-term impact on revenue (37%)**.
- Medium-sized businesses faced more barriers** in implementing sustainable practices internally as compared with small businesses.

Survey question:

What are the major barriers to implementing sustainability practices in your organisation? Base: Total (800), Small businesses (432), Medium-sized businesses (368)

More Wholesale Trade SMEs see inadequate financial support as a key barrier to implementing sustainability practices

Key barriers	Total sample	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction & Infrastructure	Community & Personal	Business services	Wholesale trade	Professional services	Real estate/ Hospitality
Base:	800	125	108	107	100	65	62	82	56	50
Insufficient knowledge to identify and execute the right initiatives for our organisation	43%	48%	44%	43%	42%	25%	56%	44%	38%	38%
Inadequate support non-financial support (e.g. awards, training) for such initiative	39%	35%	40%	46%	44%	29%	37%	30%	39%	40%
Possible impact to revenues in the short term	37%	35%	39%	45%	46%	25%	29%	29%	32%	42%
May lead to increase in cost of our products/ services to end customers	36%	46%	34%	33%	43%	35%	24%	21%	34%	32%
Inadequate financial support from Govt/Banks for such initiatives	33%	28%	38%	35%	31%	28%	27%	46%	34%	26%
Concerns about negative impact on profits	28%	26%	32%	24%	38%	32%	16%	22%	18%	34%
Lack of sufficient manpower/ resources	27%	23%	30%	29%	32%	32%	19%	27%	30%	22%
Lack of awareness within the organisation	20%	14%	27%	18%	20%	25%	11%	24%	18%	20%
Not fully convinced about the need for sustainability	11%	11%	12%	10%	15%	20%	8%	4%	16%	10%

Significantly higher vs. total sample Significantly lower vs. total sample

Preferred areas of support to incorporate sustainable practices

Preferred support for sustainable practices	Year-on-year comparison		2022	
	2022	2021	Small businesses	Medium-sized businesses
Opportunities to collaborate with industry bodies, government-linked companies or large businesses	43%	35%	41%	45%
Connections to industry peers and ecosystem partners to learn from best practices	39%	30%	35%	44%
Connections to the right training or solution providers	38%	31%	35%	40%
Training programmes to reskill/ upskill employees	36%	34%	37%	35%
Tax incentives or rebates	35%	45%	37%	33%
Easier access to funding or grants	35%	38%	37%	31%
Access to business analytics and insights relevant to my industry	33%	33%	32%	35%
Advisory and consultation services	31%	33%	28%	34%

Key Insights

- Overall, **opportunities to collaborate (43%)** is the top preferred support for SMEs to incorporate sustainable practices.
- SMEs are also looking for **connections to industry peers (39%)** and **connections to the right training or solution providers (38%)** in 2022.
- The top three preferred support for medium-sized businesses to implement sustainable practices are **opportunities to collaborate (45%)**, **connections to industry peers (44%)** and **connections to the right training or solutions providers (40%)**.

Survey question:

What support would you like in helping your business incorporate sustainable practices into your business? This support could be from government, banks, industry bodies etc..

Base: Total (800), Small businesses (432), Medium-sized businesses (368)

Survey parameters

Singapore only
 800 interviews
 SMEs with revenue <S\$100million,
 >30% local shareholding
 and <200 employees

15-min online survey
 Fieldwork: 20 Dec 2021 – 7 Jan 2022

Role in organisation

Top level management: CEO/ Owner Partner of organisation Board of Director Chief level executive	2nd tier level management: Head of Department Company Director Company Senior Manager, Company Manager Senior Engineer/ Engineer
33% (262)	67% (538)

Length of establishment











<3 years	3 to 5 years	5 to 7 years	7 to 10 years	>10 years
50	93	159	196	302
6%	12%	20%	25%	38%

Sales turnover



Small businesses: <S\$10m	Medium-sized businesses: S\$10-100m	Less than S\$1 million	S\$1 to 5 million	S\$5 to 10 million	S\$10 to 20 million	S\$20 to 50 million	S\$50 to 100 million
432	368	150	162	120	159	134	75
54%	46%	19%	20%	15%	20%	17%	9%

Industry sectors

										
	Consumer Goods	MFG & Engineering	Tech, Media & Telecoms	Construction & Infrastructure	Community & Personal	Business Services	Wholesale trade	Professional services	Real estate/ Hospitality	Industrials/ Oil and Gas
Base:	16% (125)	14% (108)	13% (107)	13% (100)	8% (65)	8% (62)	10% (82)	7% (56)	6% (50)	6% (45)



RIGHT BY YOU