BoardRoom
Smart Business Solutions

# Low-Carbon and Sustainable Future: How Governments are Helping APAC Businesses Transition

# Explore the ESG Initiatives Available for Businesses in Singapore, Malaysia, Hong Kong, and Australia

ESG embodies a transformative approach to business operations, emphasising on sustainability and ethical practices. However, the adoption rate among businesses has been relatively low, but not for lack of importance. Companies hesitate to adopt ESG practices mainly due to concerns about costs and its complexity.

However, recognising the urgent need for sustainable practices, governments across the globe, particularly in the Asia-Pacific region, are stepping in to bridge this gap. By introducing ESG grants and incentives, governments are offering a helping hand to encourage businesses to integrate environmental conservation, social responsibility, and strong governance into their strategies.

These incentives, ranging from tax breaks to subsidies and grants for sustainable initiatives, provide tangible benefits for ESG compliance. By doing so, governments are not just motivating businesses to reduce their environmental footprint and enhance social impact, but also nurturing long-term resilience and competitiveness in the global market. This collaborative effort aligns with broader sustainability goals, fostering a sense of community and shared responsibility as we collectively transition towards a brighter, more sustainable future.

In this report, BoardRoom takes a look at some of the initiatives and grants offered by Singapore, Malaysia, Hong Kong, and Australia to help businesses with this transition.

# Singapore

## Singapore Government has Several Initiatives to Support Businesses in Sustainable Practices

In Singapore, businesses who are looking to kickstart their sustainable journey can look at several of the grants and initiatives rolled out by the government to support them.

**Grants:**

- The **Enterprise Development Grant (EDG)** provides up to 70% co-funding for consultancy services to help companies develop a sustainability reporting system.
- Businesses that want to implement sustainable solutions and reduce carbon emissions can apply for the **Sustainability Initiative Grant** to help them.
- The **Productivity Solutions Grant (PSG)** offers funding support for the adoption of technology solutions that can help businesses manage and report their ESG performance.
- The Monetary Authority of Singapore (MAS) provides incentives and grants under the **Green Finance Action Plan** to promote sustainable finance initiatives, including support for renewable energy projects and sustainable infrastructure development.
- The National Environment Agency (NEA) offers funding programs for businesses to invest in energy-efficient technologies and adopt sustainable waste management practices.

**Tax Rebates:**

Singapore also has a tax incentive scheme for companies that incur qualifying expenditure on approved environmental protection and conservation projects, which can include sustainability reporting and ESG initiatives.

# Malaysia

## Malaysia Introduced Grants and Incentives to Help Businesses Transition to a Low-Carbon Economy

The Malaysian government has been very proactive in aiding businesses to adopt the practices that help promote a low-carbon economy. They have also introduced tax incentives for companies that are diligent in their sustainability reporting.

**Grants:**

- The **Malaysian Investment Development Authority (MIDA)** offers incentives and grants to support companies investing in sustainable practices, including assistance for sustainability reporting initiatives.

- **Malaysian Green Technology Corporation (GreenTech Malaysia)** provides grants and funding for projects focused on sustainability and ESG compliance.

- In their 2023 Budget, the Malaysian government has allocated funds of up to RM20 billion to be made available for SME entrepreneurs, particularly for those involved in green economy, technology and renewable energy.

**Tax Rebates:**

The Malaysian government provides tax incentives for green projects and investments in renewable energy, which indirectly encourage sustainability reporting and ESG practices.

# Hong Kong

## Hong Kong Offers Funding Schemes for Environmental and Low-Carbon Projects

Hong Kong has implemented initiatives to support businesses in reducing their carbon footprint and promoting sustainability. Some of the ways in which the government is helping businesses includes:

**Grants:**

- The Hong Kong government provides funding through schemes like the **Environmental Protection Department's Environment and Conservation Fund (ECF)** to support projects focused on energy efficiency, renewable energy, and waste reduction.
- The **Innovation and Technology Commission (ITC)** offers grants to support research and development of clean technologies and sustainable solutions.
- The **Hong Kong Green Finance Association (HKGFA)** collaborates with financial institutions to promote green financing and investment in sustainable projects.
- **Hong Kong Trade Development Council (HKTDC)** may provide support and guidance to businesses seeking to improve their sustainability reporting capabilities.

**Tax Rebates:**

While Hong Kong does not offer specific tax rebates for sustainability reporting, companies may benefit from tax deductions for qualifying green expenditures.

# Australia

## Australia Launches Several Programs to Help Businesses Transition to a Low-Carbon Future

In Australia, the government provides various grants and tax incentives to support businesses in their sustainability reporting and ESG efforts.

**Grants:**

- The **Clean Energy Finance Corporation (CEFC)** provides financing for clean energy projects, with a focus on renewable energy, energy efficiency, and low-emissions technologies.
- The **Australian Renewable Energy Agency (ARENA)** offers funding and support for renewable energy projects, including research and development initiatives.
- The government has also introduced the **Climate Solutions Fund**, which provides grants for projects that reduce greenhouse gas emissions.
- The Australian Securities Exchange (ASX) has introduced **guidelines on Corporate Governance Principles and Recommendations**, which include recommendations for ESG disclosure.

**Tax Rebates:**

Australian businesses may benefit from tax incentives for eligible environmental expenditure and investments in renewable energy, indirectly promoting sustainability reporting and ESG practices.

These are just some of the few initiatives how governments are supporting APAC businesses transition to a low-carbon and sustainable future. By providing financial support and promoting sustainable practices, the governments in Singapore, Malaysia, Hong Kong, and Australia are encouraging businesses to play a crucial role in mitigating climate change and building a more resilient and sustainable economy. However, continuous efforts and collaborations between governments, businesses, and other stakeholders are essential to accelerate the transition towards a greener and more sustainable future.

Businesses in Singapore that are looking for a Registered Management Consultant for your ESG grants are welcomed to approach BoardRoom for assistance. Reach out to our team of ESG experts to discover all the incentives available for your business, in your region.

# About BoardRoom

BoardRoom is Asia Pacific's leader in Corporate and Advisory Services with a strong and reputable 50-year track record. Headquartered in Singapore we were ranked amongst Forbes Asia's Top 200 Companies under a Billion. With our strong presence in the region, and a direct office presence in Singapore, Malaysia, Hong Kong, China and Australia, we are well positioned to support you, wherever your plans take you.

Our smart business solution suite comprises of the following services:

- Global Tax & Accounting
- Regional Payroll
- Corporate Secretarial
- ESG Services
- Share Registry
- Employee Share Plans

Clients have put their trust in us for years because we remain committed to the highest levels of compliance and service excellence. The awards and certifications we've received in recent years are testament to our promise to help clients comply and thrive.


# Let us help you

As an experienced corporate services provider, we welcome any opportunity to discuss your business needs to see where we may be able to support you on your growth journey.

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