



Staying competitive in Singapore's net-zero transition

5 risks SMEs can manage with emissions data



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Introduction

Singapore's carbon tax rate has risen from S\$25 to S\$45 per tonne of carbon dioxide equivalent (tCO₂e) in 2026. It is expected to reach S\$50–80 per tCO₂e by 2030.¹ At the same time, regulators have imposed mandatory emissions disclosures on Singapore Exchange (SGX)-listed companies.²

Both carbon pricing and mandatory disclosures are part of Singapore's push towards net-zero emissions by 2050.

It's tempting to think your SME is spared. You're not directly taxed. (Only heavy emitters are currently taxed.) You're not legally required to disclose your emissions. However, you'll still feel the impact through:

- Rising electricity, fuel and supplier prices as higher costs flow down the supply chain
- Increased demand from customers and banks for your emissions data to meet their own procurement and disclosure requirements

If you don't take early action to manage business costs and meet data demands, you face five risks in Singapore's transition to net-zero. These are: compliance demands, market access, financing requirements, cost pressures and reputational risk.

This white paper outlines these risks and shows how measuring, tracking and reporting your emissions can help you mitigate them and stay competitive.

Figure 1.
How net-zero pressure reaches your SME



¹ National Climate Change Secretariat, 'Carbon Tax', Government of Singapore, accessed 7 January 2026, <https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax/>.

² Accounting and Corporate Regulatory Authority, 'Extended Timelines for Most Climate Reporting Requirements to Support Companies', accessed 7 January 2026, <https://www.acra.gov.sg/news-events/news-details/id/887>.



Compliance demands

From FY2025, all SGX-listed companies must disclose Scope 1 and Scope 2 emissions. Among these, those in the Straits Times Index (STI) must also disclose their Scope 3 emissions from FY2026.³

For other listed non-STI companies and large non-listed companies, Scope 3 emissions reporting remains voluntary until further notice.⁴ But expect Scope 3 disclosure to eventually become standard for these companies, as the pressure to account for their full carbon footprint increases.

Your SME's Scope 1 and 2 emissions contribute to your customers' Scope 3 emissions. You'll be increasingly asked to provide your emissions data for their Scope 3 accounting.

And if you supply multinational companies, their data demands may be driven by disclosure regulations in their home markets, which can be stricter than those in Singapore (such as the EU's Corporate Sustainability Reporting Directive).

Some of your large customers may even push you to reduce your emissions over time, such as by improving energy efficiency or adopting cleaner technologies.

Imagine scrambling for data at short notice – fumbling with spreadsheets, chasing down utilities bills and being overwhelmed by calculations. Then imagine being asked to cut your emissions when you don't actually know where they come from.

If you don't have visibility into your energy consumption, a reliable system for tracking emissions and an efficient way to report emissions data, such repeated demands will drain your time and resources.

And as Scope 3 reporting becomes the standard for more companies, if you can't help your customers meet their regulatory obligations, you'll become a compliance liability, and they'll be compelled to replace you.

³ Accounting and Corporate Regulatory Authority, 'Extended Timelines for Most Climate Reporting Requirements'.

⁴ Accounting and Corporate Regulatory Authority, 'Extended Timelines for Most Climate Reporting Requirements'.



Market access

In a Bain & Company survey of B2B businesses, about half reported doing more business with sustainable suppliers in 2025, and 68% plan to do so over the next three years. At the same time, 49% said that they expect to switch out suppliers that don't meet their sustainability criteria over the next three years.⁵

More and more procurement teams are prioritising lower-carbon suppliers to incentivise decarbonisation in their supply chain. They are using emissions data as an evaluation criterion alongside traditional metrics such as quality and cost in supplier selection.

When a potential customer reviews two comparable suppliers – one with a clear sustainability performance record and the other without – who are they likely to choose? The one that supports their own sustainability narrative.

What this means for you as a supplier: you need emissions data. Such data demands bring added pressure and increase your administrative workload. But meeting them helps you become more competitive.

If you don't have an easy, organised way to collect, track and manage your emissions data, you'll be frantically poring over your spreadsheets and going after inputs from across your company every time.

And if you're unable to provide accurate emissions data, you risk undermining your credibility, losing bids to competitors with decision-ready numbers and being excluded from tenders and contracts.



With large corporates striving to meet stringent carbon reporting requirements, there is a stronger business case for SMEs to embrace carbon reduction. In today's highly competitive economy, SMEs that show capacity for carbon reporting will stand out as preferred suppliers."

Sherman Kwek
Group CEO, CDL⁶

⁵ Bain & Company, 'The Visionary CEO's Guide to Sustainability 2025', 2025, accessed 15 January 2026, <https://www.bain.com/insights/topics/ceo-sustainability-guide/>

⁶ Gprnt and PwC Singapore, 'The 2025 SME Sustainability Barometer', 2025, accessed 20 January 2026, <https://www.gprnt.ai/resources/smesustainabilitybarometer>.



Financing requirements

Banks and government agencies provide SMEs with green funding to support their decarbonisation efforts.

Several major Singapore banks, in partnership with Enterprise Singapore, offer sustainability-linked programmes that aim to build SMEs' sustainability capability and capacity. Through these programmes, SMEs can apply for government grants and qualify for preferential loan rates from the banks by meeting sustainability performance targets.⁷

Banks also offer various types of financial support, from green loans to transition financing for different project types. They increasingly need emissions data from their borrowers for their own financed emissions and regulatory reporting.

Without baseline and progress data, you'll be excluded from preferential financing while your competitors with data qualify for better terms.

Picture this: you apply for a green loan to fund energy-efficient equipment, and you're told you don't qualify or aren't eligible for a favoured rate because you don't have emissions baseline data. Meanwhile, your competitor comes prepared with data – and secures the loan at a lower rate.

That equipment upgrade you've been planning? It'll be delayed – or funded at a higher rate that erodes the savings it was supposed to deliver.

⁷ Enterprise Singapore, 'Enterprise Sustainability Programme', accessed 7 January 2026, <https://www.enterprisesg.gov.sg/grow-your-business/boost-capabilities/sustainability/enterprise-sustainability-programme>.



RISK #4

Cost pressures

Carbon tax increases can drive up your energy costs because power generation companies, refineries and other taxed emitters are likely to pass on some of the extra costs to their customers.⁸

Electricity costs are estimated to rise by approximately 4%–7% in 2026 and 8%–12% in 2030.⁹ If you are in an energy-intensive sector such as logistics, manufacturing or F&B, you can expect a greater squeeze on your margins. You'll also see higher prices from your suppliers as they try to offset their own rising expenses.

These increases will seem small at first, but they will add up. And with the carbon tax rate continuing to rise, the pressure on your margins will increase year on year.

You can take early action, such as switching to more energy-efficient equipment, reducing waste and optimising fuel use, to mitigate the higher costs.

But you can't cut the costs you can't see.

This is where emissions data comes in. Emissions data tracks energy and fuel use, so it can help you pinpoint where costs are the highest and where efficiency improvements will deliver the greatest savings.



⁸ National Climate Change Secretariat, 'Carbon Tax'.

⁹ EY Singapore, 'What the Rise in Carbon Tax Means for Companies', 25 July 2024, accessed 7 January 2026, https://www.ey.com/en_sg/insights/climate-change-sustainability-services/what-the-rise-in-carbon-tax-means-for-companies.



RISK #5

Reputational risk

Corporates, investors, partners and consumers are increasingly considering sustainability performance in their business, investment and purchasing decisions.¹⁰

If you haven't started your decarbonisation journey, you risk being perceived as out of touch, indifferent or a laggard.

Additionally, if you make claims about your impact without supporting evidence, you risk being seen as greenwashing. Investors and partners conducting due diligence will pass you over for funding rounds, joint ventures or partnerships.

To protect your reputation, you need reliable data. This means measuring your emissions, setting your baseline and targets, and tracking and reporting your emissions. Then, communicate your progress with credible evidence, not vague claims.

Act early and position your SME as a trustworthy and forward-looking business. You'll gain a competitive advantage over those slower to act.

¹⁰ Bain & Company, 'The Visionary CEO's Guide to Sustainability 2025'; Deloitte, '2024 CxO Sustainability Report: The Path to Global Sustainability', 2024, accessed 6 February 2026, <https://www.deloitte.com/nl/en/issues/climate/cxo-sustainability-report.html>; Morgan Stanley Institute for Sustainable Investing, 'Sustainable Signals: Individual Investor Perspectives on Sustainable Investing 2025', 2025, accessed 6 February 2026, https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/2025_Sustainable_Signals_Individual_Investors_2025_report.pdf; World Economic Forum, 'Why sustainability is now a business imperative', last modified June 2022, accessed 6 February 2026, <https://www.weforum.org/stories/2022/06/why-sustainability-is-crucial-for-corporate-strategy/>.



Reliable emissions data is the key to mitigating the risks

Reliable emissions data can help you mitigate the five risks. With emissions data, you can demonstrate your decarbonisation efforts and meet customer and bank requirements. You can identify your emissions hotspots or drive meaningful cost and emissions reductions.

But many SMEs lack both this data and the systems to produce it reliably. So how are they managing today?

Figure 2. Summary of risks

Risk	Consequence	What you need
Compliance demands	Customers replace you with other suppliers	System to collect, track and report emissions data
Market access	Lose bids to competitors	Decision-ready emissions data
Financing requirements	Excluded from green financing or better terms	Baseline emissions and decarbonisation progress data
Cost pressures	Margins erode unseen	Data that shows your hotspots
Reputational risk	Passed over by investors, partners and customers	Credible emissions data evidence



How SMEs are managing their emissions data

Due to budget and resource constraints, SMEs often rely on one or more of the following ways to manage and report their emissions data:

1. Ignore it till it's necessary

A 2024 survey of SMEs found that 75% of Singapore SMEs have not begun or are only just introducing the concept of sustainability within their organisations.¹¹

Due to tight margins and a lack of time and expertise, you may delay investing in the tools or capabilities needed to collect and track emissions data – only taking the first step when you can no longer ignore it as customers and banks increasingly ask for such data.

Avoidance requires no upfront effort. But being reactive, as and when data requests arrive, can result in significant administrative stress, poorer data quality and a loss of credibility. Rushing for data is not sustainable in the long term.

2. "Insource" to marketing, finance or operations staff

With constrained budgets, you may not have the luxury of a dedicated team or an employee focused on sustainability. A recent survey revealed that the majority of Singapore SMEs (77%) have not appointed any employee to explore or champion sustainability.¹²

If you have done so, you may have assigned the task of managing emissions data to an employee in marketing, finance, operations or another role somewhat relevant to sustainability, who has to "figure it out" while doing their actual job.¹³

While the company may need to invest in the employee's upskilling in sustainability or carbon accounting, other additional costs are minimal.

However, the employee is likely to juggle their primary responsibilities with their new duties while building new expertise in emissions data management and decarbonisation. Pulled in different directions, they may struggle to meet many more demands, increasing the risk of inaccurate emissions data and inconsistent employee performance.

¹¹ Gprnt and PwC Singapore, 'The 2025 SME Sustainability Barometer'.

¹² Gprnt and PwC Singapore, 'The 2025 SME Sustainability Barometer'.

¹³ Gprnt and PwC Singapore, 'The 2025 SME Sustainability Barometer'.



3. Use spreadsheets and calculate manually

You plug in data from your utility bills, fuel receipts and company vehicle travel records, pore over which emissions factors to use, and manually calculate your emissions or use basic formulas to do so.

This method costs next to nothing and requires no new tools to learn. However, in addition to manual inputs and calculations, you also have to painstakingly request inputs from your co-workers.

Not to mention, spreadsheets and manual calculations are prone to human errors and incomplete data, leading to inaccurate emissions calculations. Moreover, as data demands continue to grow, the administrative load increases, straining your time and resources.

4. Hire a consultant

You need to produce emissions data or a sustainability report to meet a request from a customer or bank, or you're looking to improve efficiency. But you lack the time, resources or internal expertise. Some SMEs choose to hire a sustainability consultant to help them do so.

A consultant's service gets the job done. But it often comes at a high price – some even cost tens of thousands of dollars. It is also usually a one-time service that produces a static report that can quickly become outdated or fail to meet the requirements of future data requests.

And if you still haven't developed your own internal capability to manage your emissions data by the time the next request rolls around, you'll find yourself paying for yet another consultant or hustling for data again.



Closing the divide

The above methods are slow, error-prone and fragmented, though they work well enough for data requests on a smaller scale.

Over time, however, data requests will increase and get more varied. If you don't have an efficient, systematic and hassle-free way to meet various and recurring demands, it can take a heavy toll on your time and resources.

Your customers and banks will also accelerate their decarbonisation towards net zero. They will do more business with sustainable suppliers and leave those falling short behind.

If you fail to provide reliable, timely emissions data that demonstrates your ability to support their decarbonisation, you'll undermine your credibility and lose their favour.

There is a clear divide: the urgency for SMEs to collect, track and report emissions data efficiently and reliably is growing, but many SMEs are using methods that cannot keep up.

What you need is a solution that addresses the limitations of these methods – a solution that simplifies emissions data capture and reporting, ensures high-quality data, and saves you time and money: a carbon accounting tool.



The solution: a carbon accounting tool

A carbon accounting tool is a digital software platform that automates emissions data management across all stages.

Automated data collection

Typically a centralised all-in-one platform, a carbon accounting tool can meet all your emissions data needs. You can assign data owners across your company – and the platform sends them reminders – to submit data such as utility bills and fuel receipts into the platform, so you won't have to chase down data from internal stakeholders.

Some tools have made data collection a cinch by integrating with utility providers, government sources, and accounting software such as Xero and QuickBooks. This automation pulls in data from these sources and minimises manual work and errors.

Simplified emissions calculations

A carbon accounting tool usually has preloaded emission factors. You won't need to scabble around for emissions factors on your own. And you don't have to calculate emissions manually or in spreadsheets, as the tool automates the process.

Audit-ready report generation

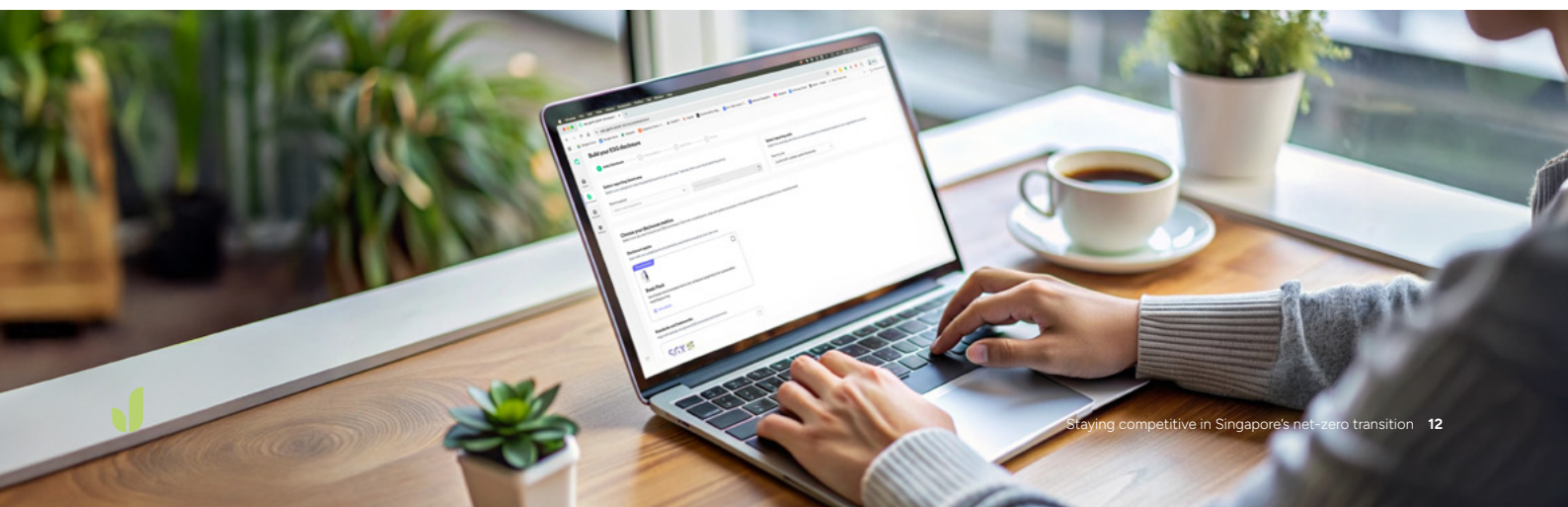
For SMEs, reporting Scope 1 and 2 emissions is often sufficient to meet data requests from customers and banks. And most carbon accounting tools are designed to be intuitive and easy to use, with reporting aligned with international reporting and regulatory frameworks such as the ISSB, GHG Protocol and SGX requirements.

With a good carbon accounting tool, you can easily generate basic, audit-ready reports covering Scope 1 and 2 emissions in minutes – and without the need for spreadsheets, in-house expertise or specialised tech knowledge.

Decarbonisation progress tracking

A carbon accounting tool can also help you calculate your baseline emissions, identify your emissions hotspots and reduction opportunities, and set emissions targets and track your decarbonisation progress against them.

Some tools in the market also offer AI-enabled decarbonisation strategies based on your SME's profile, helping you get started on decarbonisation.



Case study: OrizonSys

Headquartered in Singapore with operations in Malaysia and Vietnam, OrizonSys is an IT outsourcing service provider. The company provides technical support and IT services to a wide range of clients, from SMEs to large enterprises such as Microsoft.

Microsoft aims to become carbon-negative by 2030. To meet this ambitious goal, it must reduce its direct Scope 1 and Scope 2 emissions to nearly zero and significantly lower Scope 3 emissions, which account for over 97% of its carbon footprint.¹⁴ To support this, Microsoft requires its suppliers to take targeted actions, including using digital tools for measuring emissions.

Microsoft is one of OrizonSys's largest customers. OrizonSys wanted to remain the tech giant's preferred vendor, so compliance with its ever-more stringent sustainability standards was non-negotiable.

Using Gprnt, a carbon accounting tool built for SMEs, OrizonSys streamlined its data collection and emissions reporting. Gprnt's sustainability consultant also supported OrizonSys in establishing clear processes to maintain accurate and well-organised data.

By measuring its carbon footprint with a digital tool, OrizonSys not only complied with Microsoft's data requirements. It could now also readily and confidently meet data requests from banks and other customers, making it a more favourable candidate for loans and tenders.

Additionally, the initiative helped OrizonSys set its decarbonisation targets and begin taking steps to improve its environmental performance. The company also positioned itself as a future-ready service provider that could support its customers in their decarbonisation, becoming a more competitive contender in the global supply chain.

¹⁴ Supply Chain Digital, 'Scope 3 Showdown: Microsoft Tells Suppliers to Go Green', 22 July 2025, accessed 29 January 2026, <https://supplychaindigital.com/news/scope-3-showdown-microsoft-tells-suppliers-to-go-green>.



Beginning your sustainability journey might feel a bit overwhelming, but the first step is key: measure your impact. Just like you wouldn't start a weight loss plan without a scale to track progress, you can't reduce emissions without knowing your current levels. Start small, and take it step by step."

Mabel Chan
Managing Director, OrizonSys

The cost of inaction

Despite the advantages of a carbon accounting tool, many SMEs hesitate to adopt the technology for various reasons, including:

- Perceived high initial investment cost
- Uncertainty over the return on investment
- Fear of complexity in setting up and using the tool

But hesitation comes at a cost. Every year you delay, sustainability requirements increase and tighten. Your competitors take early action and pull ahead. The gap widens and becomes harder to close. And the cost of inaction compounds.

Adoption is easier than you think

As the Singapore government continues to push industries toward net-zero emissions, it has introduced grants and initiatives to help reduce SMEs' financial burden when adopting sustainability technology.

For example, the Productivity Solutions Grant for Carbon Management, facilitated by Enterprise Singapore, supports SMEs in developing carbon accounting capabilities and using digital tools to calculate their emissions. It co-funds up to 50% of the cost of adopting pre-approved carbon accounting tools.¹⁵

Gprnt, a fintech company launched by the Monetary Authority of Singapore, enables SMEs to automate the collection and calculation of their emissions data and generate emissions reports for free in minutes.¹⁶



¹⁵ Enterprise Singapore, 'Productivity Solutions Grant', accessed 20 January 2026, <https://www.enterprisesg.gov.sg/financial-support/productivity-solutions-grant>.

¹⁶ Gprnt, 'Gprnt Website', accessed 20 January 2026, <https://www.gprnt.ai/>.



Checklist: What to look for in a carbon accounting tool

Not all carbon accounting tools are built the same. Enterprises need platforms that can manage complex data infrastructure. SMEs need a tool that is simple yet accurate and efficient enough to meet customer and bank requests.

This checklist offers you an overview of what to look for when evaluating a carbon accounting tool:

What you need to do	Features that help
Get started without heavy investment	<ul style="list-style-type: none"><input type="checkbox"/> Free or low-cost entry<input type="checkbox"/> Minimal setup time<input type="checkbox"/> Simple interface designed for SMEs<input type="checkbox"/> No specialised tech or sustainability expertise required
Reduce administrative burden	<ul style="list-style-type: none"><input type="checkbox"/> Automated data integration with government databases, utility providers or accounting software<input type="checkbox"/> OCR extraction of data from business invoices and bills<input type="checkbox"/> Automated emissions calculation using a database of verified emission factors
Respond to customers' data requests	<ul style="list-style-type: none"><input type="checkbox"/> Generation of audit-ready Scope 1 and 2 reports that align with the ISSB, GHG Protocol, SGX reporting or other frameworks<input type="checkbox"/> Easy sharing with external stakeholders
Identify cost-saving opportunities	<ul style="list-style-type: none"><input type="checkbox"/> Visibility into emissions hotspots<input type="checkbox"/> AI-enabled decarbonisation insights<input type="checkbox"/> Peer benchmarking
Track progress over time	<ul style="list-style-type: none"><input type="checkbox"/> Centralised data system<input type="checkbox"/> AI-enabled decarbonisation strategy<input type="checkbox"/> Baseline and target setting<input type="checkbox"/> Decarbonisation progress tracking
Access green financing	<ul style="list-style-type: none"><input type="checkbox"/> Reports that meet bank and grant requirements<input type="checkbox"/> Easy sharing with financial institutions



Conclusion

As Singapore and the world continue on the path towards net-zero, SMEs increasingly face a range of risks. These risks include compliance demands, market access, financing requirements, cost pressures, and reputational risk.

The good news is that you can manage these risks by measuring, tracking and reducing your emissions. But you may not have begun collecting and tracking your emissions data. Or if you have, you may be using manual or other methods that are hard to scale. These methods will become chokepoints as supply chains and financial institutions continue to decarbonise and the demand for emissions data increases.

In other words, you need a reliable, efficient and scalable way to manage your emissions data. The solution is to use a carbon accounting tool. It removes the hassles and guesswork from emissions data management. It also simplifies emissions reporting.

Ultimately, a carbon accounting tool is a means not only to help you manage your emissions data, but also to drive emissions reduction and stay competitive in the transition towards net-zero.

Start measuring your Scope 1 and 2 emissions

In Singapore, an affordable and easy-to-use carbon accounting tool is available to SMEs. Gprnt is Singapore's national digital platform for sustainability reporting backed by the Monetary Authority of Singapore.

It is designed to help SMEs measure and track emissions while simplifying emissions reporting. It enables SMEs to easily extract data from government-linked utility databases and accounting software with zero fuss and calculate their emissions in a few clicks. SMEs can also generate basic reports covering Scope 1 and 2 emissions for free without specialised sustainability expertise.



Start now:

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