



SUSTAINABILITY AND CONSCIOUS CONSUMERISM

*Understanding sustainability as a driver in
Singapore's consumer landscape*



SUSTAINABILITY ON THE RISE

FOREWORD

Singapore's journey to becoming a sustainable society is ramping up, with the government playing a significant role in promoting solutions that will change the way people work, study, and play. The Singapore Green Plan 2030, backed by five governmental ministries, was launched as a national strategy to drive the green transition. In addition, Singapore's Zero Waste Masterplan maps out key strategies to build a sustainable, resource-efficient, and climate-resilient nation, encouraging the implementation of the 5Rs of waste management to help implement a circular economy approach to waste and resource management practices, and shifting towards more sustainable production and consumption.

In contrast to Singapore's emerging status, Sweden is widely recognised as a world-leading sustainability nation, frequently topping environmental and sustainability indexes. Sweden has ambitious targets for sustainability, including achieving fossil fuel-free status and transition to 100% renewable energy by 2045.

An increased focus on accelerating change through technical innovation has been observed in the Swedish green model of integrating enterprises and sustainability, with many Swedish companies placing strong emphasis on sustainability efforts within the companies' offerings and operations.

Singapore and Sweden have a long-standing trade and investment relationship, with over 250 Swedish companies operating in the country – one of the highest numbers in Asia Pacific. This report explores the sustainability landscape in Singapore, while also highlighting successful initiatives by Swedish companies in terms of introducing sustainability and circularity in Singapore. With a large appetite for sustainability and circularity, the Singapore market has a wealth of opportunities for companies looking to break into the market.

The aim of this report is to provide you with valuable insights and recommendations, and we are looking forward to supporting you in the exciting Singapore market.



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EXECUTIVE SUMMARY

Singapore is a tiny city-state which lacks natural resources but boasts a high development rate. The government has launched efforts in sustainability, which together with the rising awareness among the citizens, is driving increased consumer awareness in relation to consumption and the environment. This has increased the importance of waste reduction and adoption of circularity in everyday living, as well as the urge and willingness among citizens for more sustainable consumption. The Singapore government has identified initiatives to encourage sustainability, such as the *Singapore Green Plan 2030*, and a *Zero Waste Masterplan*. This is supported by utilising the *5Rs* of waste management as a push towards citizens: reduce, reuse, recycle, refuse, and repurpose.

However, Singapore still faces substantial challenges. Singapore consumers remain price sensitive and are less likely to pay a premium for sustainable products and services. Meanwhile, there is an overuse of single-use materials and the recycling methods for waste-handling are still in early stages of development. Singapore has high ambitions, but much is needed at a faster pace to ensure they reach their goals.

Originating in a country at the forefront of sustainability, Swedish companies and organisations have the knowledge and resources to support Singapore in their development towards being a circular economy and a zero-waste nation. To further understand and provide insights into how Swedish companies are driving change in Singapore, Business Sweden interviewed ten Swedish companies operating in Singapore about how they work with sustainability and their contribution to help the sustainability development in the thriving nation. The companies featured are Absolut Vodka, Bolon, Bona, Electrolux, H&M, IKEA, RVM Systems, TePe, Tetra Pak, and Volvo Cars. This report also includes information about the sustainability efforts implemented by the Swedish Chamber of Commerce in Singapore.

Based on Business Sweden's experience in the region, alongside the highlighted successful case studies from the Swedish companies in Singapore, we identify the following key success factors for Swedish brands:

1. Work actively with the government
2. Adapt the sustainability strategy to local demands
3. Effectively position sustainability efforts as a unique selling point

Business Sweden recommend Swedish companies who are interested in the region and Singapore, to do the following:

- Understand the business nuances of the Singapore market
- Identify the correct go-to-market strategy and business setup early
- Collaborate with the right stakeholders

SINGAPORE'S SUSTAINABILITY LANDSCAPE

Sustainable development has been a key cornerstone in Singapore's development. As a young nation with a lack of natural resources, Singapore's policymaking was designed with long-term sustainability in mind. Having come a long way since independence, consumers in the nation have also grown more sophisticated as the country develops, with the rise of conscious consumerism in the city-state.

Conscious consumerism on the rise

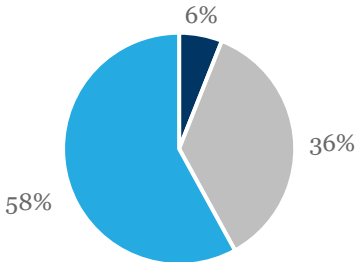
Conscious consumerism refers to the act of consumers choosing products that they feel will have a positive impact on society, the economy, and the environment. Essentially – shopping sustainably. This includes buying sustainable products and services or trying to reduce waste.

Globally, consumers are becoming increasingly conscious of the impact their purchases have, with younger consumers leading the conscious consumerism trend. As a cosmopolitan city-state, the landscape in Singapore paints a similar picture.

Changing consumer behaviour

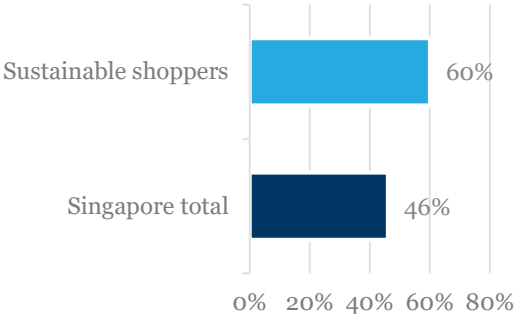
According to a YouGov study, approximately 58 per cent of respondents in Singapore indicated that they prefer brands that are sustainable, with younger shoppers (aged 18 to 34) being more likely to be sustainable shoppers. However, only 46 per cent of all respondents indicated that they are willing to pay more for sustainable products, displaying price sensitivity towards sustainable products. On the flip side, sustainable shoppers are viewed to be less price sensitive in their purchases with 60 per cent of respondents willing to pay more for sustainable products.

Do you agree or disagree with the following statement? "I prefer brands that are sustainable."



■ Disagree ■ Neither agree nor disagree ■ Agree

% of those who agreed with the statement: "I don't mind paying more for products that are good for the environment."



■ Singapore total ■ Sustainable shoppers

(Source: YouGov)

Similarly, according to a United Overseas Bank (UOB) survey in 2021, Gen Z and Millennials are driving the trend of spending their money on sustainable products in the Southeast Asia region, even if it means the products are higher priced. Of those surveyed, 51 per cent of Gen Z and 61 per cent of Millennials said that they are spending more on sustainable products, while also adding that shaping a better future is the key motivator behind their willingness to spend in this area.

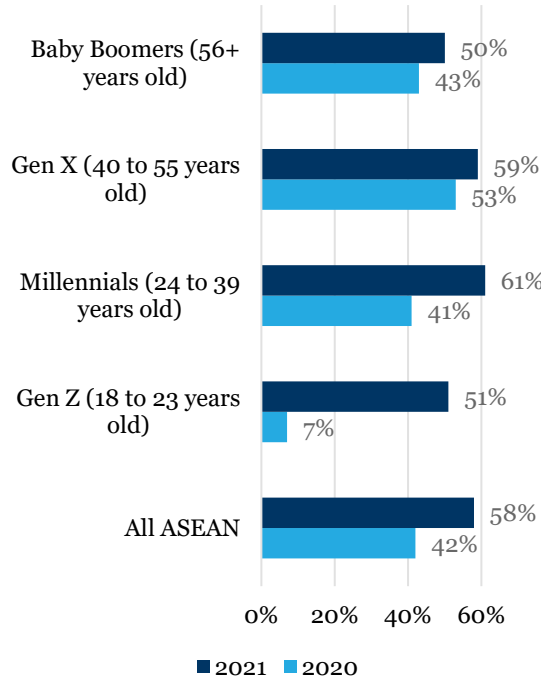
The average consumer in Singapore is becoming increasingly conscious about the environmental effects of their purchases, with Gen Z and Millennials leading the charge. However, overall, consumers in Singapore are still more price sensitive when it comes to purchasing sustainable products. To shift the balance, the role of the government is becoming increasingly important in promoting sustainability. A study carried out by Accenture showed that 54 per cent of respondents view the government as a trusted information source for achieving sustainable lifestyles. Leveraging this position, the Singapore government has made efforts to introduce a circular economy in Singapore to create a sustainable economy.

Circular economy leaders in Asia

The circular economy is based on designing waste out of the resource ecosystem and maximising resource value by preserving their use for as long as possible. European countries are viewed as leaders in implementing circular economy processes and solutions. Within Asia, countries like China and Japan are seen as the leaders of implementing circular economies.

As a small country with limited natural resources, reducing waste and adopting a circular economy is of critical importance to Singapore. This is expected to lead to an increased demand for innovative solutions that help in closing waste loops and reducing carbon emissions.

Percentage of ASEAN respondents citing "wanting their child(ren) to have a better future" as a motivation to buy more or spend more on sustainable products



(Source: UOB)

Singapore's goal of building a circular economy would be reliant on introducing sustainability across the entire value chain, from production to consumption to waste and resource management.

Importance of packaging and sustainable production

Sustainable design allows product lifespans to be lengthened, reducing their rate of disposal. Sustainable design with carefully thought-out materials and components also generates less cost in the recycling phase. The National Environment Agency (NEA) formed the Singapore Packaging Agreement (SPA) in 2007, a voluntary agreement between the government and industry stakeholders to promote packaging waste reduction. As a result of this initiative, parties of the SPA had cumulatively reduced about 62,000 tonnes of packaging waste, bringing about SGD150 million in savings.

In 2020, NEA looked to firm up this effort by implementing Mandatory Packaging Reporting (MPR). Starting in 2021, businesses that produce packaged goods, including brand owners, manufacturers, and importers, as well as retailers with an annual turnover of more than SGD10 million, are required to gather information on the packaging they use to sell their products. There is also a requirement for companies to create strategies for package reduction, reuse, and recycling, and from 2022, these plans and packaging data are required to be reported to NEA annually.

Alongside the MPR initiative is the launch of the Extended Producer Responsibility (EPR) framework, where producers are responsible for managing packaging waste. This is designed to encourage upstream packaging reduction and enhance recycling of used packaging. NEA is targeting for this to be launched by 2025.

Industrial symbiosis is another avenue that has been explored by the government. This refers to partnerships where waste from one company may serve as raw material for another company, leading to cost reductions and more environmentally friendly manufacturing operations. To ensure synergy, both parties are usually situated within proximity of each other, with carefully designed complementary infrastructure.

Promotion of sustainable consumption

Moving down the value chain, the government also aims to instil a reduce and reuse mentality across society with the goal of increasing sustainable consumption. These include initiatives like the Food Waste Reduction outreach programme launched by the NEA in 2015 aimed at engaging the public and raising awareness on how to reduce food wastage.

“The green transition is no longer a good-to-have element of business strategy. It is becoming essential.

Increasingly, consumers and investors around the world are looking for sustainable goods and services. [...] Retail equity investors are also increasingly gravitating towards sustainable and eco-friendly public-listed businesses.”

– Singapore's Minister for Sustainability and the Environment Grace Fu

Additionally, NEA also partnered with 25 public food courts and retailers to be able to engage customers effectively at points-of consumption.

NEA has also launched public outreach campaigns targeting the use of single-use disposables. The Say YES To Waste Less (SYTWL) campaign was launched with 169 partners across 3,000 premises to push initiatives to encouraging the public to reduce food wastage and the use of single-use disposables. Requirements targeting single use disposables

in public food courts have also been implemented. These include disallowing the usage of single-use

disposables for dine-in meals, installations of water dispensers to shift away from bottled water, and the adoption of common crockery and centralised dishwashing services to reduce disposable single-use waste.

The government has also implemented an initiative to promote green-labelled products, providing consumers with verified information to make sustainably driven purchasing decisions. The *Singapore Green Label* is an environmental standard and certification mark that helps the public identify products that meet certain eco-standards. The *Enhanced Singapore Green Labelling Scheme for Pulp and Paper Products*, ensures certified products are sustainably produced and managed throughout the product lifecycle.

The *Mandatory Energy Labelling Scheme* was also introduced to aid consumers in comparing the energy efficiency standards in various electrical products. These labels are aimed at allowing consumers to make informed purchase decisions.

Singapore Green Plan 2030

Unveiled in 2021, the *Singapore Green Plan 2030* is the overarching government blueprint outlining the objectives and plan for a *whole-nation movement* towards sustainable development and a green future.

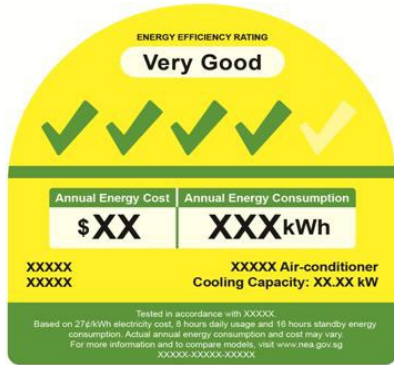
The plan provides an ambitious guide for Singapore’s green targets over the next decade and is co-led by five governmental ministries: Ministry of Education (MOE), Ministry of National Development (MND), Ministry of Sustainability and the Environment (MSE), Ministry of Trade and Industry (MTI), and Ministry of Transport (MOT). The aim of this plan is achieving Singapore’s long-term goal of achieving net zero by 2050. The plan also bolsters Singapore commitments under the



Singapore Green Label
Source: Singapore Environment Council



Enhanced Singapore Green Label
Source: Singapore Environment Council



Energy Label
Source: NEA

United Nation's 2030 Sustainable Development Agenda and the Paris Agreement.

As part of the Green Plan, five pillars have been identified as focus areas:

Pillar 1 City in Nature

Pillar 2 Energy Reset

Pillar 3 Sustainable Living

Pillar 4 Green Economy

Pillar 5 Resilient Future

Sustainable consumption and production is the main focus of *Pillar 3: Sustainable Living*. Under this pillar, many of the sustainability efforts have been charted, with the aim of improving recycling in Singapore to achieve a circular economy. Investments are planned for existing recycling capabilities to allow for better sorting while reducing contamination. Education efforts to educate Singaporeans on sustainability are also organised, including the *Eco Stewardship Programme* with all tertiary institutions in Singapore to educate students on how to reduce their carbon footprint, and make responsible and sustainable decisions.

“I hope the Green Plan will catalyse a broader national movement to take action to secure a sustainable future for Singapore. With each of us playing our part, I have every confidence that we will be able to build a more vibrant and greener home for future generations.”

– Deputy Prime Minister Heng Swee Keat

Zero Waste Masterplan

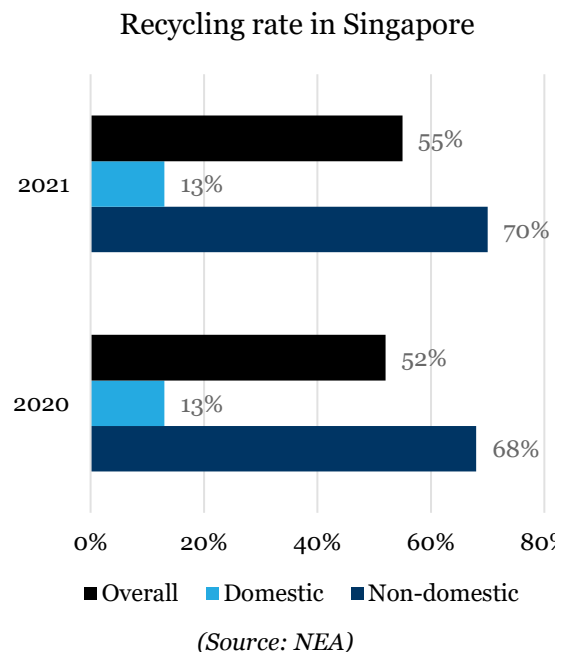
Singapore also has a strategy to tackle the waste issues and low recycling rate in Singapore. The *Zero Waste Masterplan* outlines the nation's major plans for creating a sustainable, resource-efficient, and climate-resilient country. This involves implementing waste and resource management strategies that follow a circular economy model and move towards more sustainable production and consumption.

In terms of waste and recycling, Singapore has much to do to improve its domestic recycling rate. While the overall recycling rate has grown from 52 per cent in 2020 to 55 per cent in 2021, domestic recycling (household recycling) has stagnated at 13 per cent in both 2020 and 2021.

Under the *Sustainable Singapore Blueprint*, the goal is to increase the domestic recycling rate to 30 per cent by 2030, but this will not be achieved if the public is not educated on recycling.

Singapore has only one landfill site, Semakau, which is projected to run out of space by 2035. To prolong the use of the site beyond this date, masterplan targets to reduce daily landfill waste by 30 per cent by 2030 have been developed. This target is in addition to a 2030 target of meeting a 70 per cent overall recycling rate.

To meet these targets, the government has identified three priority waste streams for closing the resource loop and allowing the country to advance towards a zero-waste nation. The first area to be addressed is food waste as this has increased by almost 30 per cent over the past decade, with only 17 per cent of all food waste being recycled. E-waste is the second priority waste stream as substances found within electronic goods like mercury and cadmium can cause harmful effects to both human health and the environment. Packaging waste is the third priority as they form a significant proportion of Singapore's domestic waste, accounting for approximately one-third of domestic waste disposed.



In 2019, the *Resource Sustainability Act* was passed with the ambition of helping Singapore become more sustainable through the introduction of guidelines to reduce, reuse, and recycle waste. The above main waste streams are the main targets for this act, with measures in place to ensure improved sustainability practices and solutions are implemented.

Sustainability through the 5Rs of waste management

As part of the Singapore's push towards a zero-waste nation, the 5Rs are a crucial cornerstone in which a citizenry sustainability movement can be built on. Most people are familiar with the 3Rs of *reduce*, *reuse*, and *recycle*, but when the two additional Rs of *refuse* and *repurpose* are added, a nation can then truly close the loop and transition to a circular economy.

Refuse – refers to a refusal to purchase harmful, hazardous, or non-recyclable products and unnecessary product packaging. Ultimately, it is aimed at pre-purchase decisions and production processes, to encourage consumers to make smarter purchasing decisions, and for organisations to look towards making it easier to refuse waste in their production processes. Campaigns like the SYTWL initiative aim to increase awareness on refusing single-use disposables, through public outreach campaigns and education drives.

Reduce – is aimed at reducing the usage of harmful, hazardous, or non-recyclable products. The aim is for consumers and producers to reduce dependency on products that end up in landfill, thereby reducing waste and its negative environmental impacts. In Singapore, the MPR scheme seeks to encourage companies to reduce the amount of packaging used in their products.

Reuse – strives to get consumers to reuse items wherever possible, instead of buying new ones. This could be achieved through reducing single-use products, and replacing them with compostable or reusable alternatives to begin with. In Singapore, the Bring Your Own Bag (BYOB) campaigns have been launched to encourage reusable shopping bags and to lessen the usage of single-use products. These have also extended beyond shopping bags to other products ranging from bottles to takeaway containers.

Repurpose – looks at items that may be given a new lease on life by serving another purpose, otherwise known as upcycling. This allows the product lifespan to be lengthened, facilitating increased circularity, and reducing unnecessary waste. Talks and workshops have been held in Singapore by companies and non-profit organisations alike to educate the public on repurposing items that would have been previously thrown away.

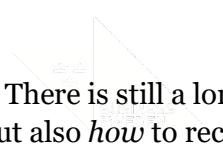
Recycle – involves selecting the most environmentally friendly waste disposal method to convert the waste materials into new materials and objects, promoting environmental sustainability and redirecting waste output in the economic system. From recycling campaigns by companies to mandatory recycling legislation under the *Resource Sustainability Act*, Singapore is accelerating its plans to improve recycling rates in the country.

Key challenges for Singapore

Consumers remain the most important stakeholders in Singapore's quest to transition into a society of sustainable producers and consumers. While an increasing number of consumers are now more conscious of infusing sustainability in their daily lives, there are still a few key hurdles to overcome in Singapore's push for a sustainable citizenry.

Initiatives that promote sustainable consumption and production, while providing long term benefits to the environment and general wellbeing, usually incur more costs in the short term. Consumers in Singapore are largely still price sensitive and are less likely to pay more for sustainable consumption. A combination of education and legislation aimed at understanding and supporting the long-term benefits and value of sustainable consumption are essential to changing consumer behaviours.

Decades-long ingrained behaviours are hard to break: across multiple industries single-use materials, such as plastics, remain a highly popular choice in Singapore. This, coupled with the low domestic recycling rate, has led to an increase in plastics being dumped in landfills. Additionally, plastics that are sent for recycling are usually discarded as they are



contaminated due to consumer usage. There is still a long way to go in raising public awareness of recycling as a practice, but also *how* to recycle different materials.

It is encouraging to see the efforts and investments being made by both the government and private companies in the recycling landscape in Singapore; as well as creating a sustainable mindset within society. However, faster and scaled up implementation is required if Singapore is going to meet its green targets as set out in the *Singapore Green Plan 2030*.

SPOTLIGHT: SWEDISH CONSUMER BRANDS' SUSTAINABILITY EFFORTS IN SINGAPORE

Sweden is often viewed as one of the most sustainable nations in the world, frequently topping environmental and sustainability indexes. As the first country to pass an environmental protection act in 1967, Sweden has a strong track record in sustainability; Sweden ranked third globally on the 2022 United Nations Sustainable Development Report.

Sweden is also setting ambitious targets in terms of the 5Rs and the circular economy to achieve zero waste, with the country aiming to ultimately transition to a zero-waste nation. Examples of these targets include an aim of decreasing food waste by 20 per cent per person from 2020 to 2025, and for 65 per cent of all packaging material to be recycled.

Swedish companies in Singapore

In 1966, a year after Singapore's independence was declared, the first Ambassador of Sweden took residence in the country. Since then, relations between the two nations have flourished, particularly in business and industry. Partnerships between Singaporean and Swedish companies in areas such as defence, telecommunications, sciences, medicine, and sustainability are now more common than before. Leading consumer brands like Tetra Pak, IKEA, and H&M are household names in Singapore, with Swedish companies numbering over 250 in Singapore – one of the highest numbers in Asia Pacific.

Sweden's position as a global sustainability leader means Swedish companies are well positioned to support Singapore in its transition to a sustainable, circular economy.

The following section will highlight some of the notable sustainability efforts by Swedish companies in Singapore.

Absolut Vodka

Absolut Vodka is sold in 126 countries globally and is one of the largest spirit brands in the world. With a protected geographical indication and 500 years of vodka-making tradition, every bottle comes from one source in Åhus in southern Sweden.

A fundamental part of Absolut's sustainability strategy is a commitment to making Absolut Vodka a carbon-neutral product by 2030. In Singapore, the company has partnered with ecoSPIRITS to pilot a project that explores an innovative closed-loop distribution system. Through this pilot, the liquids are transported in bulk and delivered to on-trade partners (bars, restaurants, and hotels) in ecoTOTEs – fully reusable 4.5-litre glass containers. Once empty, ecoTOTEs are returned to the domestic ecoPLANT in Singapore, where they are sanitised and refilled, ready to be re-distributed to outlet partners. Since the launch in October 2022, the pilot has gained the support of 30 outlet partners in Singapore; and estimates show that compared to traditional wine and spirit distribution models, this approach reduces carbon emissions by 60 per cent and packaging waste by 95 per cent.

Absolut in Singapore is also focused on circular making and circular packaging and has made key commitments in these areas. By 2025, the company aims to make all primary packaging 100 per cent recyclable, compostable, or reusable, and introduce more recycled content in their glass and plastic. The goal figures for recycled content are 50 per cent for glass and 25 per cent for plastic, but they have already achieved 53 per cent for glass.

Bolon

Bolon is a Swedish design brand that produces innovative, high-quality flooring. Founded in 1949 as a traditional manufacturer of woven



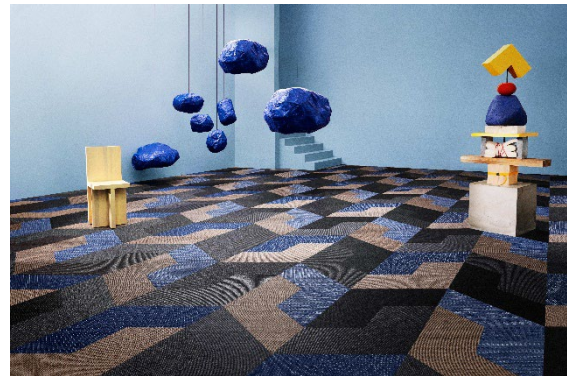
Absolut Vodka ecoTOTE (Source: Absolut Vodka)

flooring, they are now present in 55 markets and are a globally renowned company.



Sustainability has been a part of Bolon's DNA since its inception. The company was formed from the revolutionary idea of recycling textile offcuts into woven rag rugs. Bolon has continued to embrace sustainable innovation and development, using it as a guide in both the way they make flooring and how they do business. Their practices and principles include using sustainable production materials that are free of hazardous substances and sustainable waste disposal at their integrated recycling facility built in 2014.

In 2021, Bolon launched bold climate and circularity goals; by 2028, they aim to halve their climate impact by using at least 50 per cent recycled material in all their flooring. To achieve this, Bolon has identified two focus areas. The first area involves the use of recycled raw materials in the production of the flooring. Bolon has explored utilising pre-consumer waste as materials for manufacturing new flooring. The second area involves introducing circularity after a floor is installed. Bolon has started a pilot programme in some markets where they take back floorings that reach end-of-life from customers, to reuse and recycle into new products.



Bolon sustainable flooring products (Source: Bolon)

Bona

Bona is a family-owned flooring company present in more than 70 countries globally. As a pioneer in waterborne finishes, Bona also provides products for the installation, maintenance, and renovation of wooden floors throughout their lifetime.

Bona's products are fundamentally sustainable, which is well recognised globally through certifications including the Green Label

certification in Singapore. The company's philosophy is focused on encouraging customers to renovate instead of removing or replacing the flooring material. By focusing on care, maintenance, and renovation of flooring, Bona believes this helps to safeguard Earth's finite resources.

To achieve this, Bona is focused on educating consumers on floor maintenance. Social media has been the key outreach avenue for the company, where they share knowledge to educate their customers. In Singapore, Bona has worked with their customers to organise seminars for stakeholders in the construction industry, including architects and designers, on sustainable ways to install, renovate and maintain wood and resilient floors. To ensure a wider outreach, Bona is also a member of the Singapore Green Building Council, where they have participated in seminars including a sustainable building seminar for Changi Airport.

Electrolux

Electrolux is a Swedish multinational home appliance manufacturer, consistently ranked as one of the world's largest appliance makers by units sold.

With bold 2030 Sustainability Goals, Electrolux aims to achieve climate neutrality in operations by 2030 and throughout the value chain by 2050. In 2022, Electrolux achieved their carbon reduction targets, three years ahead of schedule with an 82 per cent reduction in operations (Scope 1 & 2 emissions) and 25 per cent reduction in Scope 3 carbon emissions for product use – one of the first companies to achieve their science-based targets initiative globally. Electrolux's sustainability strategy comprises of three pillars. First, Electrolux is committed to being a *Better Company* by minimising their own and their suppliers' environmental impact. Currently, 98 per cent of the electricity used in their global operations



Levande – Singapore's first appliance subscription platform (Source: Electrolux)

comes from renewable sources, with the company having solar photovoltaic sites in six countries globally. Second, innovating to provide *Better Solutions* for consumers, with offerings that promote circularity by enabling consumers to save resources. Electrolux launched the world's first refrigerator built from 70 per cent recycled plastics. Last, advocating for *Better Living* by motivating and enabling consumers to make decisions that enable them to live more sustainably.

In Singapore, Electrolux is supportive of the *Singapore Green Plan* and is focused on developing energy-efficient household products and circular solutions. Strongly focused on environmentally friendly packaging, Electrolux reduces single use expanded polystyrene wherever possible and optimises existing packaging. In 2022, Electrolux launched Levande, Singapore's first appliance-as-a-service subscription model that allows consumers to rent appliances for a monthly fee. This allows consumers to rent appliances – refurbished or new – with the added benefit of 48 hours turnaround time for warranty and repair. To support this model, Electrolux is committed to ensuring reparability before recycling, with a dedicated service centre to extend the lifespan of returned electrical appliances in the market.

H&M

H&M is the second largest international clothing retailer globally with operations in over 76 geographical markets. With a focus on omnichannel sales, the mother company H&M Group has six individual brands with separate concepts beyond the H&M brand.

In Singapore, H&M has been running a garment recycling programme to encourage customers to bring back unwanted garments regardless of brand or conditions in exchange for vouchers. Wearable clothes are then marketed as second-hand clothing while those unsuitable for re-wear are sent for recycling. With this, H&M aims to close the loop and encourage customers to partake in more sustainability efforts when it comes to extending the lifecycle of their garments. As the biggest garment collecting initiative globally, the initiative has been a major success so far. In 2022, over 14,768 tonnes of garment were collected globally, with over 223 tonnes collected in Singapore alone.

H&M is also educating customers regarding circularity and sustainability within the fashion industry. In 2019, it was the first fashion retailer to join the WWF-SG's Plastic ACTION (PACT) initiative to eliminate plastic pollution in nature. In the same year, H&M launched the Let's Reuse bag charge initiative in Singapore, as part of their circular packaging strategy to reduce single-use waste by encouraging customers to bring their own reusable bags. Customers are charged SGD0.10 for the use of every paper shopping bag. The initiative was well received with over 2.3 million paper bags saved since its launch. Currently, over 60 per cent of their customers choose not to buy any paper bags, compared to about 50 per cent in 2019.

IKEA

IKEA is a Swedish global brand that designs and sells ready-to-assemble furniture, household appliances, and various other household goods and services. As a franchise operation, there are 422 IKEA stores operating in 50 countries with 12 different franchises. Ikano oversees the franchise operation in Singapore, where there are three stores.

IKEA has three major focus areas in its sustainability strategy. The first focus area is *Healthy & Sustainable Living*, where IKEA strives to offer products and services that enable consumers to live healthier and more sustainable lives, and to allow accessible sustainable consumption. The second focus area is *Circular & Climate Positive*, where IKEA looks to reduce waste and ensure more sustainability in its production, with the long-term aim of a transition to a circular business with clean and renewable energy sources. The third focus area is *Fair & Equal*, where the company looks to support decent and fulfilling work across the IKEA value chain.

In Singapore, IKEA has launched various sustainability initiatives based on these focus areas. IKEA has trained its retail staff with the knowledge of the sustainability features of its products, enabling them to educate customers in real-time in-store. The stores also showcase the recovery and repair processes of used furniture, which are then sold within a separate section of the store to introduce circularity into the product life cycle. IKEA has also established a spare parts library where consumers can order spare parts directly in-store, which extends the product lifecycle. Outside of the stores, IKEA has worked with the local e-marketplace Carousell to launch a rewards programme for users who buy and sell IKEA furniture, and they earn promotion codes or IKEA Family Points when listing IKEA furniture in selected categories on the marketplace.



IKEA partnership with Carousell to promote product circularity (Source: IKEA)



RVM Systems

RVM Systems is a global leading designer, manufacturer, and seller of Reverse Vending Machines (RVMs), and carries a wide range of standalone, modular, and bulk feeding RVMs. RVM Systems has sold and services machines in 42 Deposit Return Scheme (DRS) markets and other markets across the globe.

Typically, RVM Systems operate in DRS markets. In a DRS market, when a consumer buys a drinks container, a deposit is added to the purchase price. When returning the used drinks container to the RVM, the machine recognises it from the scheme and provides a deposit pay back to the consumer for the refunded container. These drinks containers are then sent for recycling processes, where the pure non-contaminated materials are repurposed to be used towards making new drinks containers. This reduces littering, removes drinks contains from landfill, and significantly reduces carbon emissions.


In Singapore, RVM Systems supplied RVMs to the *Recycle N Save* pilot and in total has 55 RVMs across various locations island wide. This is an initiative to gauge customer behaviour ahead of the introduction of the Beverage Container Return Scheme (BCRS) in Singapore in mid-2025. To date, more than 10 million bottles and cans have been collected as a part of this initiative, with plans for the company to increase the installations of its RVMs in Singapore.



RVM in Singapore, in the basement of Raffles City Shopping Centre (Source: RVM Systems)

TePe

TePe is a Swedish oral hygiene company that develops, manufactures, and sells dental products in over 60 countries worldwide. TePe products are developed based on clinical knowledge and in collaboration with dental professionals. All design, development, and production takes place in their state-of-the-art



facility in Malmö, Sweden, with all products produced using 100% renewable energy.

TePe's business strategy focus on how sustainability is integrated across their whole operations and the sustainability framework is founded on three main pillars: – *Good People*, *Good Practice*, and *Good Product*. In addition, the company has been working to define goals and targets that are aligned with the United Nations Sustainable Development Goals.

TePe's products are primarily made from plastic as it is still the safest material to use in oral products. But TePe is exploring avenues to minimise the environmental impact of plastics, with the long-term aim of working towards a circular economy. One way is through investments in renewable materials, where a new line of toothbrushes has wood-based handles and bioplastic replaceable heads. Another is through responsible waste management throughout production, where the company strives to reduce the use of virgin materials in product packaging.

In Singapore, TePe have started using education initiatives to increasing awareness of sustainability within oral hygiene. These initiatives have three targets. First, TePe focuses on supplier and distributor education. This ensures that the distributors can effectively communicate TePe's sustainability proposition. Second, TePe strives to increase the awareness levels of sustainable dentistry amongst stakeholders from the industry. TePe has organised talks and webinars with universities and businesses in Singapore to share about sustainable dentistry. Last, TePe also recognises the need to educate the public in Singapore on sustainability. The company has organised sustainability campaigns to raise awareness on the environmental impact if plastic is not disposed appropriately.

Tetra Pak

Tetra Pak is the world's leading food processing and packaging solutions company providing safe, innovative, and environmentally sound products to meet the needs of millions of people in over 160 countries globally.

Tetra Pak's approach to sustainability is reflected in their vision to make food safe and available, and the promise to protect what's good: protecting food, people, and the planet, focusing on food systems, climate, nature, circularity, and social sustainability. The packaging solutions offered by Tetra Pak are paper based for liquid food. The company believes that sustainability should not just be limited to recycling after the end of a product lifecycle, but that it should start with raw material by increasing use of renewable materials and responsible sourcing commitment at the start of the product lifecycle. Hence, their sustainability initiatives are largely focused on a sustainable product lifecycle that aims to create a circular economy. In Singapore, Tetra Pak's sustainability efforts in circularity is well established as one of the founding signatories of the *Singapore Packaging Agreement* in 2007, where the company has been actively driving collaborative and voluntary efforts in collection and recycling of beverage cartons.

Increasing consumer awareness on the recyclability and proper recycling practices of paper-based beverage cartons is one of the focus areas for Tetra Pak. In 2008, the company launched the *Tetra Pak School Recycling Programme* for primary, secondary, and tertiary education institutions, where the company provides educational outreaches, sets up basic collection infrastructure, and ensure the collected packages are sent for recycling. The programme was extended to preschools in 2015 via the *Little Green Dot Programme* and in 2011, the *Train-the-Trainer* programme was introduced where they train students who are tasked with educational outreaches for pre-schoolers. To ensure the collected materials are effectively sorted, Tetra Pak works with collection partners to encourage separation at source and to set up collecting infrastructure. Besides establishing the knowledge of how to recycle the packaging with their partners, Tetra Pak also works closely with the recyclers to ensure that the partners have the technology capacity to recycle the collected materials. They also support in promoting the recycled goods, to ensure that circularity concept can be fully established across the product lifecycle.



Educational outreach programmes (Source: Tetra Pak)

Volvo Cars

Volvo Cars is a Swedish multinational manufacturer of luxury vehicles, known for its safety, and Swedish heritage and design. Sustainability is fundamental to Volvo's identity with the company having a long tradition of sustainability dating back to the 1940s. The brand aims to be climate neutral by 2040 with Volvo being the first luxury car brand to announce all-in electrification of its vehicles in 2017. Since 2019, all new launches are partially or completely battery powered and they aim to become a fully electric car company by 2030.

In Singapore, the commitment to sustainability is seen on all fronts, from their products to their business operations. Locally, the company is retailing pure-electric vehicles with leather-free interiors and moving forward, more electric

vehicles that feature sustainable and upcycled interior will be launched. In terms of customer touchpoints, Volvo has aimed to cut down on single-use marketing collaterals in the showroom (printed brochures, price lists) by sharing them digitally via QR codes or using digital communications. Volvo has also taken the step to ensure that some of their showroom displays are constructed with recyclable materials that are made from sustainable resources and are FSC-certified. Sustainability-related activities are also organised to deliver the message through action. These include sustainability-themed workshops for their customers and educational trips that focus on educating key sustainability aspects.

Operationally in Singapore, as the authorised retailer of Volvo, Wearnes Automotive Pte Ltd is targeting to install solar panels on its facilities by the end of 2023, which would allow the company to reduce its reliance on energy generated from fossil fuels, contributing to a reduction in carbon emissions which is in line with Volvo's overall aim of being climate neutral by 2040.

Swedish Chamber of Commerce in Singapore (SwedCham)

The Swedish Chamber of Commerce in Singapore, SwedCham, is a non-profit, non-governmental membership-based organisation representing Swedish businesses in Singapore. In Singapore, SwedCham comprises of 85 member firms with more than 500 active members, including companies from diverse industries. SwedCham offers a platform for networking, business development, and knowledge sharing through events and initiatives.

Swedish companies generally have a significant emphasis on sustainability, and as the chamber of commerce, SwedCham feels that it is a natural extension for them to engage the Singapore society on sustainable practices. As a result, the organisation has adopted a bottom-up approach that seeks to educate the public on sustainability and green movements. SwedCham has partnered with stakeholders to drive community initiatives, ranging from governmental stakeholders to Swedish multinationals.

One of these initiatives is the *Green Innovation Hub*. Working together with the Southwest Community Development Council and the garden community *Cosy Garden* in Bukit Batok, it primarily involves the creation of a living garden concept in Bukit Batok, where people of all ages can meet and learn about sustainable urban living. On a broader level, the centre is meant to provide a platform for collaboration between Swedish and Singaporean stakeholders to strengthen the sustainability profile. Through this initiative, SwedCham has also launched the *GIC Champion Group*, a diverse working group that is tasked with planning and implementing sustainability-related initiatives. Since then, they have identified their first focus area surrounding the 3Rs – *reduce, reuse, recycle*, across the areas of food, packaging, e-waste, and clothing. The *Green Innovation Hub* initiative is designed to be scalable, hopefully able to replicate across other geographical areas in Singapore.

KEY SUCCESS FACTORS FOR SWEDISH BRANDS DEVELOPING SUSTAINABILITY IN SINGAPORE

Based on Business Sweden's experience in the region, alongside the successful case studies highlighted in the previous section, Swedish brands that have succeeded in their sustainability efforts share many of the identified key success factors:

1. Work actively with the government
2. Adapt the sustainability strategy to local demands
3. Effectively position sustainability efforts as unique selling points

Success Factor 1: Work actively with the government

Throughout this report, it is evident that the Singapore government plays an important role in promoting sustainability within Singapore. Working with the Singapore government to pursue sustainability initiatives is important, particularly for Swedish brands focusing on sustainability in Singapore. As the study Accenture has shown, majority of the public view the government as their most trusted source of information, hence brands aligned with the government's initiatives will gain more credibility with consumers from a branding point of view. Working with the government also ensures the brands' sustainability initiatives are aligned to the market sentiments in Singapore and this can allow for more effective initiatives, thereby allowing breakthrough in sustainability efforts in Singapore. Swedish companies in Singapore who have found the most success in their sustainability efforts have been observed to have partnered the government on their sustainability initiatives.

Success Factor 2: Adapt the sustainability strategy to local demands

It is also important for Swedish brands to adapt their sustainability efforts according to local market needs and preferences. With many low-cost manufacturing options in the region, consumers in Singapore are spoilt for choice and are more price sensitive as a result. Sustainability efforts usually have hidden costs associated so it is crucial for brands to recognise that initiatives that work elsewhere may not necessarily work in Singapore. Only by adapting the sustainability efforts could a brand ensure that they are able to maximise the efficiency of their sustainability strategies in Singapore. Swedish brands who have found success in Singapore are usually also the ones who have made efforts to adapt their strategy to local demands.

Success Factor 3: Effectively position sustainability efforts as unique selling points

Finally, even though Singapore is less mature in terms of sustainability when compared to Sweden, the nation has made great strides in recent years in its transition. Consumers are now more conscious of the sustainability outcomes of their purchases, while producers are also encouraged and mandated to adopt more sustainable production methods. For Swedish brands aiming to connect with the market, sustainability efforts made by the brands should

be utilised as a unique selling point to allow the brand to stand out from the competition, while also ensuring that the brand can remain at the forefront of Singapore's push for greater sustainability in the nation. This is something that has been observed across several Swedish brands who have been successful in their efforts by highlighting Sweden's strong reputation in sustainability.

ROAD AHEAD

There are ample opportunities for Swedish companies to influence sustainability in Singapore's sustainability in the consumer landscape. To ensure success when entering the Singapore market, Swedish companies should:

1. Understand the business nuances of the Singapore market

It is crucial that Swedish companies looking to break into the Singapore market have a good understanding of the market, its nuances, and most importantly, what the sustainability landscape looks like specific to their industry. A sustainability strategy that works for a clothing retailer in Singapore may not necessarily work for an electronics manufacturer and recognising the nuances between industries can go a long way in ensuring a successful breakthrough.

2. Identify the correct go-to-market strategy and business setup early

Swedish companies should research and assess the best go-to-market strategy according to their needs to ensure a higher chance of success. A business setup with local presence allows a company to show bigger commitment to the market, but it is also less flexible when it comes to pivoting or withdrawing market presence. Conversely, a remote setup incurs lower costs in terms of fixed assets, but the company is removed from market happenings on the ground and may be slower to respond. Identifying the right channels and setup structure early can prevent companies from incurring too much wasted costs due to teething problems.

3. Collaborate with the right stakeholders

Even though the sustainability landscape in Singapore is still in the early stages, the commitment level and progress made is rapidly growing, with an excess of organisations representing different interests in the industry. With so many stakeholders to engage with, it is important to ensure the sustainability efforts and initiatives reach the right audience. Swedish companies need to cut through the clutter and ensure that they are partnering with the right strategic stakeholders.

Reading this report to understand the Singapore sustainability landscape is a good start. However, the challenges faced by companies in ensuring that they are pursuing a market entry strategy that accounts for the above recommendations, can prove to be difficult with no prior knowledge and presence in Singapore.

Team Sweden and Business Sweden in Singapore is committed to supporting Swedish companies in Singapore and assisting firms on their growth journeys across the globe.

Our team is ready to support you make a sustainable impact in Singapore.



We help Swedish companies grow global sales and international companies invest and expand in Sweden.

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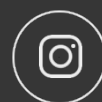
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