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The Interface Between Competition Law and Environmental Sustainability in Singapore

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I. INTRODUCTION

Climate change, the world over, continues to be a pressing threat to humanity. The Kyoto Protocol was entered into force in 2005, with the intent of reducing the onset of global warming (then at 0.58°C above normal).⁵²⁴ Despite this, the year 2024 is on track to be the warmest year on record at 1.54°C above normal.⁵²⁵ Much more must be done to abate carbon emissions to avert catastrophic warming within the next decade. In line with the Paris Agreement, countries have made varying commitments to reducing their respective countries' greenhouse gas emissions as part of climate change mitigation. Singapore, for its part, has pledged to achieve net zero emissions by 2050 and reduce emissions to around 60 metric tons of carbon dioxide equivalent (MTCO₂e) in 2030.⁵²⁶

The ability to meet commitments stipulated, whether by international organisations or local governments, are contingent on environmental sustainability initiatives (such as circular economy and recycling initiatives) being undertaken. Such initiatives cannot be undertaken in isolation and often require collaboration to achieve collective objectives. With collaboration, another critical area of the law hit upon is competition or antitrust laws. Competition law has an important role in ensuring that such collaboration does not stifle the functioning of healthy and competitive markets or operate as a guide for anti-competitive conduct. Without clear guidance, individuals and organisations may mistakenly assume that all forms of collaboration to achieve environmental sustainability objectives are pro-competitive, resulting in violations of competition law (whether inadvertent or otherwise).⁵²⁷ Conversely, collaboration on environmental sustainability objectives should not be deterred by competition law and result in a chilling effect on the promotion of climate action. Aptly, the International Chamber of Commerce had observed in 2022 that competition law had a chilling effect on environmental sustainability

⁵²⁴ National Centers for Environmental Information. (2006, January). *Annual 2005 Global Climate Report*. Annual 2005 Global Climate Report | National Centers for Environmental Information (NCEI). <https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/200513>

⁵²⁵ World Meteorological Organization. (2024, November 8). *2024 is on track to be hottest year on record as warming temporarily hits 1.5°C*. <https://wmo.int/news/media-centre/2024-track-be-hottest-year-record-warming-temporarily-hits-15dege>

⁵²⁶ National Climate Change Secretariat Singapore. (2022). *Singapore's Climate Targets – Overview*. National Climate Change Secretariat Singapore. <https://www.nccs.gov.sg/singapores-climate-action/singapores-climate-targets/overview/>

⁵²⁷ In this article, “environmental sustainability objectives” generally encompass objectives related to reducing negative environmental externalities, including reducing carbon emissions, improving air and water quality and other climate change mitigation measures.

objectives, with businesses citing the “lack of sufficient clarity and comfort” around competition law as the primary reason.⁵²⁸

This article explores the developments in how competition law in Singapore has evolved to allow in finding the optimum balance between preserving healthy competition and encouraging progress towards environmental sustainability objectives.

II. COLLABORATIONS UNDER COMPETITION LAW IN SINGAPORE

In Singapore, the Competition Act 2004 (“**Competition Act**”) governs the application of competition law and regulates the conduct of market players. The Competition and Consumer Commission of Singapore (“**CCCS**”) administers and enforces the Competition Act. In particular, Section 34 of the Competition Act prohibits agreements between undertakings which have as their object or effect the prevention, restriction or distortion of competition within Singapore, unless exempted pursuant to (amongst others) a net economic benefit exclusion (“**Net Economic Benefit**”).⁵²⁹ The Net Economic Benefit exclusion exempts an agreement which restricts competition appreciably from Section 34 of the Competition Act if the agreement generates economic benefits (e.g. lower costs, wider distribution or increased innovation), the economic benefits cannot be achieved without the agreement and its concomitant restrictions and competition is not eliminated in a substantial part of the relevant market.

Collaborations between undertakings on environmental sustainability objectives are, at their core, agreements which fall within the ambit of Section 34 of the Competition Act. It is not uncommon for undertakings, especially competitors in the same industry, to collaborate where none of the undertakings has the scale or resources to independently carry out the activity in question, where collaboration is necessary to achieve results quickly and at scale, or to overcome a first mover disadvantage. Such collaboration may entail information sharing, joint activities (such as joint production or joint research and development (“**R&D**”)) and standards setting or development. If done correctly, collaboration can promote competition by improving consumer choice and product interchangeability, ultimately generating positive externalities for the environment.

Drawing from decisions in the European Union,⁵³⁰ the European Commission approved voluntary commitments made in 1999 by the Association of Japanese Automobile Manufacturers and the Association of Korean Automobile Manufacturers to achieve an average target of 140 grams of carbon dioxide (CO₂) per kilometre for cars sold in the EU by 2009. Importantly, these commitments did not require individual manufacturers to

⁵²⁸ International Chamber of Commerce. (2022, November). *When Chilling Contributes to Warming*. <https://iccwbo.org/wp-content/uploads/sites/3/2022/11/when-chilling-contributes-to-warming-2.pdf>

⁵²⁹ See paragraph 9 of the Third Schedule to the Competition Act.

⁵³⁰ CCCS often references competition law principles and decisions by the European Commission as the Competition Act is largely based on the competition law provisions of the Treaty on the Functioning of the European Union (“**TFEU**”). For instance, Section 34 of the Competition Act is based on Article 101 of the TFEU.

meet specific targets. Manufacturers could choose whether to apply stricter or more relaxed CO₂ emission standards to their cars and were free to independently develop and introduce new CO₂-efficient technologies, as long as the average target was met.⁵³¹ A review of the effectiveness of the voluntary commitments in 2007 indicated that emissions from the average new car fell from approximately 190 CO₂ per kilometre in 1999 to 170 CO₂ per kilometre in 2004, which was primarily due to improvements in car technology.⁵³²

It follows that undertakings which seek to collaborate to achieve environmental sustainability objectives must ensure that the collaboration can withstand competition law scrutiny. As with all forms of collaboration, it is important that the collaboration does not become a conduit for cartelistic conduct, which can have deleterious consequences on progress towards environmental sustainability. For instance:

- (a) A prominent 2021 decision in the EU involved Daimler, BMW and the Volkswagen group, which colluded for more than five years to limit the harmful nitrogen oxide emissions cleaning capabilities of their cars to the minimum required under EU law despite possessing the technology to clean better.⁵³³ As a result, consumers were unable to purchase less polluting vehicles, bringing the EU no closer to achieving its Green Deal objectives.⁵³⁴
- (b) In another decision in 2017, the European Commission fined three recycling companies, Campine, Eco-Bat Technologies and Recylex, for colluding to lower the prices that they paid to scrap dealers to purchase used automotive batteries. The used automotive batteries would then be processed by the recycling companies into recycled lead, which would then be sold to battery manufacturers to produce new car batteries. The collusion disrupted the efficient and competitive functioning of the circular economy of automotive batteries in the EU.⁵³⁵

In both decisions, the European Commission found that the undertakings involved had infringed Article 101 of the Treaty on the Functioning of the European Union. The

⁵³¹ *Commitments by Japanese and Korean car manufacturers to reduce CO₂ emissions comply with EC Competition rules.* European Commission - European Commission. (1999, December 1). https://ec.europa.eu/commission/presscorner/detail/en/ip_99_922

⁵³² Commission of the European Communities. (2007). Results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles. *Communication from the Commission to the Council and the European Parliament*, 6.

⁵³³ *Case M.8744 – Daimler / BMW / Car Sharing JV*

⁵³⁴ *The European Green Deal.* European Commission. (2019). https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

⁵³⁵ *Case AT.40018 – Car battery recycling*

European Commissioner for Competition, Margrethe Vestager, unequivocally stated that “Competition and innovation... are essential for Europe to meet our ambitious Green Deal objectives... we will not hesitate to take action against all forms of cartel conduct putting in jeopardy this goal”.⁵³⁶

While there have not been any infringement decisions issued by CCCS in relation to collaborations between undertakings on environmental sustainability objectives, CCCS adopts a similar strict stance towards collaborations which are collusive or cartelistic and would clearly violate Section 34 of the Competition Act.

Apart from wielding competition law as a sword to ensure that collaborations which are contrary to Singapore’s environmental sustainability objectives are prohibited, CCCS arguably uses competition law as a shield to advance Singapore’s environmental sustainability objectives. The former entails the traditional application of competition law principles and the formulation of theories of harm to prohibit collaborations which are anti-competitive, while the latter explores how collaborations can be “shielded” from competition law prohibitions where they support sustainability.⁵³⁷ This is most evident from CCCS’ issuance of the Environmental Sustainability Collaboration Guidance Note (“**Guidance Note**”) in March 2024, which is discussed in the next section.⁵³⁸

III. THE ENVIRONMENTAL SUSTAINABILITY COLLABORATION GUIDANCE NOTE: ENCOURAGING COLLABORATION

The Guidance Note, which “aims to afford greater clarity to businesses on how CCCS will assess collaborations pursuing environmental sustainability objectives”, is therefore a welcome development in markets relating to environmental sustainability in Singapore.⁵³⁹ In fact, there have already been collaborations relating to environmental sustainability objectives – for instance, a consortium of beverage producers comprising Coca-Cola Singapore Beverages, F&N Foods and Pokka have jointly incorporated a not-for-profit company to operate a beverage container return scheme in Singapore pursuant to a request for proposals from the government.⁵⁴⁰

⁵³⁶ *Antitrust: Commission fines car manufacturers €875 million for restricting competition in emission cleaning for new diesel passenger cars.* European Commission - European Commission. (2021). https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3581

⁵³⁷ Nowag, J. (2020). Sustainability & Competition Law and Policy – Background Note. *Organisation for Economic Co-Operation and Development*, 12. [https://one.oecd.org/document/DAF/COMP\(2020\)3/En/pdf](https://one.oecd.org/document/DAF/COMP(2020)3/En/pdf)

⁵³⁸ *Environmental Sustainability Collaboration Guidance Note.* Competition & Consumer Commission of Singapore. (2024, March 1). <https://www.cccs.gov.sg/legislation/competition-act/environmental-sustainability-collaboration-guidance-note>

⁵³⁹ *Supra* note 14, page 2

⁵⁴⁰ *NEA Licenses Scheme Operator To Design And Operate The Beverage Container Return Scheme.* National Environment Agency. (2024, July 31). <https://www.nea.gov.sg/media/news/news/index/nea-licenses-scheme-operator-to-design-and-operate-the-beverage-container-return-scheme>

The Guidance Note focuses on seven common types of business collaborations, namely: (i) information sharing, (ii) joint production, (iii) joint commercialisation, (iv) joint purchasing, (v) joint R&D, (vi) standards development and (vii) standard terms and conditions in contracts. CCCS makes clear that the Guidance Note applies only to collaborations which have as their crux the pursuit of environmental sustainability objectives. This is necessarily fact-specific, and the determining elements are the “starting point and main focus of the collaboration, and the degree of integration of the different functions required in order to pursue the stated environmental sustainability objective”.⁵⁴¹ Consequently, such collaborations can benefit from the “shield” and potentially fall outside of the scope of Section 34 of the Competition Act.

It is important to note that the Guidance Note does not provide undertakings with a safe harbour. Rather, CCCS adopts a light touch approach in allowing undertakings to assess their collaborations with reference to the Guidance Note and decide whether the collaborations comply with the Competition Act. There is also no statutory requirement for undertakings to notify their collaborations to CCCS. Undertakings may nevertheless apply to CCCS for guidance under Section 45 of the Competition Act or for a formal decision under Section 46 of the Competition Act that their collaborations are compliant with the Competition Act. Indeed, given the scale of the collaboration between Coca-Cola Singapore Beverages, F&N Foods and Pokka, the collaboration was voluntarily notified to CCCS, marking the first collaboration to be assessed under the Guidance Note.

A. Collaborations which will not or are unlikely to raise competition concerns

To aid undertakings in the self-assessment process, the Guidance Note sets out the following categories of collaborations which are “unlikely to raise competition concerns or are indeed excluded” from Section 34 of the Competition Act:⁵⁴²

- (a) Agreements that do not affect factors of competition, such as collaborations which do not involve factors of competition, including price, quantity, quality, choice of innovation of goods or services supplied;
- (b) Agreements which none of the undertakings involved in could do independently, for instance, in circumstances where the undertakings involved do not have all the necessary technical capabilities or lack the necessary scale to individually undertake the activity⁵⁴³;

⁵⁴¹ *Supra* note 14, page 4

⁵⁴² *Supra* note 14, pages 6-7

⁵⁴³ In such collaborations, there is no restriction of actual or potential competition between the collaborating undertakings, therefore mitigating any competition concerns.

- (c) Vertical agreements, which are statutorily excluded from the application of the Competition Act,⁵⁴⁴ and
- (d) Agreements to comply with law or in acting on behalf of the government.

B. Collaborations in which competition concerns are less likely to arise if conditions are fulfilled

The Guidance Note also sets out various forms of collaboration in which competition concerns are less likely to arise if certain conditions are fulfilled. In relation to standards development and information sharing in the form of a joint industry database or resource of environmentally sustainable suppliers, the Guidance Note recognises that both forms of collaboration can help to reduce information asymmetry, build consumer trust and improve consumer choices, which in turn lead to a shift in consumption patterns towards more environmentally sustainable goods and services.⁵⁴⁵

In line with the European Commission⁵⁴⁶, collaborations on standards development and a joint industry database in Singapore would typically fall outside the scope of competition law if the collaborations are not used for exclusionary purposes.⁵⁴⁷ The Guidance Note states the following:

- (a) For standards development, competition concerns are less likely to arise if (i) the standards are established objectively, (ii) the development process is transparent and inclusive, (iii) no commercially sensitive information that is unnecessary for the collaboration is exchanged, (iv) participation in the development and adoption of the standards is voluntary and non-discriminatory and (v) businesses are not prevented from exceeding the standards or developing alternative standards.⁵⁴⁸
- (b) For joint industry databases or resources, competition concerns are less likely to arise if (i) access to the database is open and non-discriminatory for both users and suppliers of the database, (ii) the database is compiled based on transparent, non-discriminatory and objective evidence-based criteria, (iii) no commercially sensitive information is exchanged via the database, (iv) participants in the collaboration are not obliged to purchase from, or prevented from dealing with, suppliers listed in the database and

⁵⁴⁴ See paragraph 8 of the Third Schedule to the Competition Act.

⁵⁴⁵ *Supra* note 14, pages 7-8

⁵⁴⁶ *Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements*, paragraphs 443-444

⁵⁴⁷ *Supra* note 13 at page 16

⁵⁴⁸ *Supra* note 14, page 8

(v) other suppliers are not unjustifiably excluded from being listed on the database.⁵⁴⁹

In addition to the above, the Guidance Note also considers the circumstances where competition concerns are less likely to arise in relation to joint production, joint commercialisation and joint R&D. Here, two cumulative conditions must be fulfilled⁵⁵⁰: the collaboration must not facilitate cartelistic conduct⁵⁵¹ and the collaborating undertakings have aggregate market shares of less than 20% in the relevant market.⁵⁵² The following circumstances also apply depending on the type of collaboration:

- (a) For joint production of a common input, the collaboration is less likely to give rise to competition concerns if it (i) does not result in the collaborating undertakings having a significant proportion of common costs for the production of the competing product downstream and (ii) does not involve the exchange of commercially sensitive information.⁵⁵³
- (b) For joint commercialisation, such as joint distribution through sharing logistical capacities or joint advertisement, the collaboration is less likely to give rise to competition concerns if it (i) does not involve joint determination of the prices or quantity of the product that each undertaking will sell, (ii) does not result in the collaborating undertakings having a significant proportion of common costs and (iii) does not involve the exchange of commercially sensitive information.⁵⁵⁴
- (c) For joint R&D, the collaboration is less likely to give rise to competition concerns if (i) the collaborating undertakings are not already engaged in independent R&D on the same or competing products and do not have the capabilities to conduct the full R&D process independently, (ii) the collaboration does not involve an agreement to restrict the pace of R&D, innovation and new product development, (iii) the collaboration does not remove a maverick competitor or innovator from the relevant market or (iv) there are multiple viable ongoing alternative R&D projects undertaken

⁵⁴⁹ *Supra* note 14, page 8

⁵⁵⁰ *Supra* note 14, page 8

⁵⁵¹ This refers to price fixing, bid-rigging, output limitation and market sharing, all of which are restrictions of competition by object.

⁵⁵² Given that Singapore is a small and open economy, CCCS considers that an agreement would generally have no appreciable adverse effect on competition if the aggregate market share of the parties to the agreement do not exceed 20% on any of the relevant markets affected by the agreement, where the agreement is made between competing undertakings.

⁵⁵³ *Supra* note 14, page 9

⁵⁵⁴ *Supra* note 14, page 9

by competing innovators which can produce close substitutes to the collaborating undertakings' resulting product or technology.⁵⁵⁵

In all, the Guidance Note acknowledges the positive externalities brought about by collaborations on environmental sustainability objectives. Importantly, in operating as a shield, the Guidance Note recognises that such collaborations may be necessary to achieve Singapore's environmental sustainability objectives and supports these collaborations to the maximum extent possible by setting out the circumstances under which the collaborations would likely not be deemed as anti-competitive. Businesses which intend to engage in such collaborations are afforded greater clarity and certainty as they are able to assess whether a particular collaboration would raise competition concerns.

C. Collaborations which give rise to competition concerns but can benefit from the Net Economic Benefit exclusion

Even if a collaboration relating to environmental sustainability objectives gives rise to competition concerns under Section 34 of the Competition Act, undertakings may avail themselves of the Net Economic Benefit exclusion.

The application of the Net Economic Benefit exclusion to agreements which infringe Section 34 of the Competition in the first instance is not novel. However, the Guidance Note goes a step further by setting out a list of possible efficiencies and justifications which collaborating undertakings can rely. Notably, this approach differs from CCCS' approach in its *Guidelines on the Section 34 Prohibition* ("**Section 34 Guidelines**"), which leaves undertakings relying on the Net Economic Benefit exclusion to craft their own efficiency arguments.⁵⁵⁶

(i) First limb: Claiming of economic benefits

On the first limb of the Net Economic Benefit exclusion, which requires an agreement to contribute to (i) improving production or distribution, or (ii) promoting technical or economic progress, the Guidance Note illustrates how collaborations relating to environmental sustainability objectives can give rise to economic benefits. For instance, collaborations that adopt cleaner technologies to reduce emissions or enable more efficient production by consuming less energy may be considered as agreements that contribute to improving production or promoting technical progress.⁵⁵⁷

More importantly, under traditional competition law architecture, the assessment of economic benefits flowing from agreements is generally confined to the relevant market in which the agreements relate. Yet, for collaborations relating to environmental

⁵⁵⁵ *Supra* note 14, page 9

⁵⁵⁶ See Annex C of the CCCS *Guidelines on the Section 34 Prohibition*.

⁵⁵⁷ *Supra* note 14, page 12

sustainability objectives, the Guidance Note makes an exception by allowing economic benefits to Singapore *as a whole* to be assessed. Consequently, the overall economic benefits to Singapore from the collaboration may outweigh the harm to competition in a particular relevant market.⁵⁵⁸ Arguably, this makes it easier for collaborating undertakings to claim that the collaboration is, on balance, pro-competitive.⁵⁵⁹

In addition, the Guidance Note also allows collaborating undertakings to highlight to CCCS if a detailed assessment of the economic benefits would be “onerous or not possible in the particular circumstances and provide the reasons and basis for this to facilitate CCCS’ consideration”.⁵⁶⁰ The rationale is that certain collaborations relating to environmental sustainability objectives may involve nascent products or technologies and therefore entail uncertainty as to the magnitude and timeframe in which the economic benefits would materialise. The flexibility provided ensures that innovation relating to environmental sustainability is not stifled in exchange for strict adherence to competition law procedures.

Taken together, these are perhaps the strongest indication of how the Guidance Note is intended to operate as a shield for collaborations relating to environmental sustainability objectives and signals the importance of competition law in promoting environmental sustainability objectives in Singapore.

(ii) *Second limb: Indispensability*

On the second limb of the Net Economic Benefit exclusion, collaborating undertakings must demonstrate that the collaboration and the restrictions within the collaboration are “reasonably necessary to obtain the benefits claimed”.⁵⁶¹ In other words, in the absence of these restrictions, the efficiencies which flow from the collaboration would either be eliminated or significantly reduced.

Apart from the assessment of whether the collaboration and its restrictions are indispensable for achieving the economic benefits claimed, the Guidance Note widens the scope of the assessment to include the *additional* benefits that “accrue directly as a result of achieving results more rapidly or on a larger, more efficient scale”.⁵⁶² This provides collaborating undertakings with a greater runway to qualify for the Net Economic Benefit exclusion.

(iii) *Third limb: No elimination of competition*

⁵⁵⁸ *Supra* note 14, page 13

⁵⁵⁹ This is subject to the collaborating undertakings being able to demonstrate that the benefits are significant enough to outweigh the anti-competitive effects of the agreement. Collaborating undertakings must demonstrate the magnitude and likelihood of achieving such benefits.

⁵⁶⁰ *Supra* note 14, page 13

⁵⁶¹ *Supra* note 14, page 14

⁵⁶² *Supra* note 14, page 15

On the third limb of the Net Economic Benefit exclusion, competition must not be eliminated in a substantial part of the relevant market. This is a straightforward assessment in which CCCS will consider the degree of competition prior to the collaboration and the reduction of competition that the collaboration brings about.

Importantly, the Guidance Note states that this criterion can still be satisfied as long as post-collaboration, at least one important parameter of competition on which undertakings continue to compete strongly with each other remains. For instance, even if a standardisation agreement results in the discontinuation of all non-environmentally sustainable products (i.e. no competition on product variety), the agreement can still satisfy this criterion if the collaborating undertakings continue to compete on price.

D. Streamlined guidance from CCCS

As stated above, for certainty, undertakings may apply to CCCS for guidance under Section 45 of the Competition Act or for a formal guidance or decision under Section 46 of the Competition Act that their collaborations are compliant.

To facilitate collaborations in support of Singapore's environmental sustainability objectives, CCCS has adopted a streamlined process for the assessment of collaborations relating to environmental sustainability objectives. Under the streamlined process, CCCS will endeavour to complete a Phase 1 review within 30 working days for simple cases, with an additional Phase 2 review (if required) of 120 working days for complex cases.⁵⁶³ CCCS has in December 2024 issued its first guidance (relating to the joint collaboration between Coca-Cola Singapore Beverages, F&N Foods and Pokka) well within the timelines as set, reflecting the efficiency of the system.⁵⁶⁴

IV. COMPETITION LAW AND SUSTAINABILITY IN SOUTHEAST ASIA

To date, in Southeast Asia, CCCS is the only competition authority which has introduced express competition law guidelines specifically pertaining to collaborations on environmental sustainability objectives. This followed on the heels of various sustainability guidelines published by competition authorities around the world, including the Japan Fair Trade Commission's *Green Guidelines* in March 2023,⁵⁶⁵ the European Commission's revised *Horizontal Block Exemption Regulations* and *Horizontal*

⁵⁶³ *Supra* note 14, page 16

⁵⁶⁴ CCCS issues positive guidance in first case under streamlined process for collaborations pursuing environmental sustainability objectives. CCCS. (2025, January 3). <https://www.cccs.gov.sg/media-and-consultation/newsroom/media-releases/cccs-issues-positive-guidance-in-first-case-under-streamlined-process-for-collaborations-pursuing-environmental-sustainability-objectives>

⁵⁶⁵ *Guidelines Concerning the Activities of Enterprises, etc. Toward the Realization of a Green Society Under the Antimonopoly Act.* Japan Fair Trade Commission. (2023, March). https://www.jftc.go.jp/file/230331EN_GreenGuidelines.pdf

Guidelines in June 2023,⁵⁶⁶ and the United Kingdom Competition and Markets Authority's *Green Agreements Guidance* in October 2023.⁵⁶⁷

That said, while other competition authorities in Southeast Asia have yet to publish similar guidelines, environmental sustainability remains a priority and any collaborations relating to environmental sustainability objectives are assessed according to existing competition law architecture. For instance:

- (a) The Malaysia Competition Commission's Strategic Plan 2021-2025 indicates that the interplay between competition law and sustainability in Malaysia remains front of mind, stating that "Investment in green technology can be cost-prohibitive and businesses may want to cooperate with their competitors to achieve the ESG agenda. The MyCC may need to study on how Act 712⁵⁶⁸ works to encourage the ESG agenda amongst the businesses in Malaysia."⁵⁶⁹
- (b) The Indonesia Competition Commission ("KPPU") has used existing competition law architecture to address collaborations relating to environmental sustainability objectives. In 2016, major palm oil companies in Indonesia entered into the Indonesia Palm Oil Pledge, a private standard which sought to reduce deforestation. Although the standard was well-intentioned, the KPPU faced pressure to prohibit it and ultimately held that the standard had "the potential to become a cartel that will lead to monopolistic practices and/or unfair business competition amounting to an infringement of Indonesia's competition law."⁵⁷⁰

V. CONCLUSION

The Guidance Note comes at an opportune time where much more needs to be done to mitigate climate change. In fact, its contribution to Singapore's environmental sustainability objectives should not be overlooked. By adopting a light touch approach and using competition law as a shield, the Guidance Note rightly leaves behind the chilling effect of competition law in favour of appropriate business collaborations which

⁵⁶⁶ *Antitrust: Commission adopts new Horizontal Block Exemption Regulations and Horizontal Guidelines*. European Commission. (2023, June 1). https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2990

⁵⁶⁷ *Green Agreements Guidance*. Competition and Markets Authority. (2023, October 12). https://assets.publishing.service.gov.uk/media/6526b81b244f8e000d8e742c/Green_agreements_guidance_.pdf

⁵⁶⁸ This refers to the Malaysia Competition Act 2010.

⁵⁶⁹ *Strategic Plan 2021-2025*. Malaysia Competition Commission. (2022, January 21). https://www.mycc.gov.my/sites/default/files/pdf/newsroom/MyCC%20Strategic%20Plan%20Eng_Public%20Ver-21012022.pdf

⁵⁷⁰ *Tanggapi Keberadaan Indonesia Palm Oil Pledge (IPOP)*. Komisi Pengawas Persaingan Usaha. (2016, April 14). <https://kppu.go.id/blog/2016/04/kppu-tanggapi-keberadaan-indonesia-palm-oil-pledge-ipop/>

advance environmental sustainability objects. There is cautious optimism that more undertakings in Singapore will come together to collaborate on all things related to environmental sustainability and to make Singapore (and the world) a better place to live in in the years ahead.