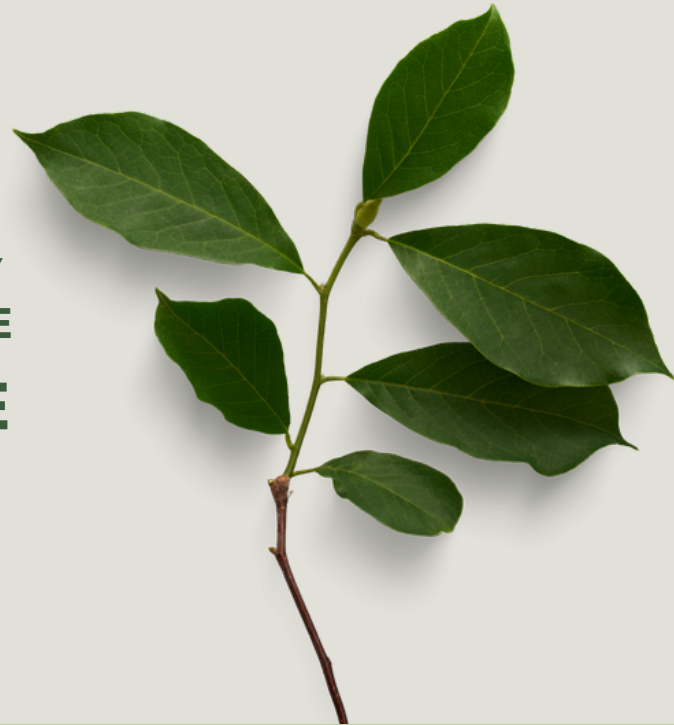


# ENVIRONMENTAL SUSTAINABILITY COLLABORATION GUIDANCE NOTE SUMMARY BROCHURE



## INTRODUCTION

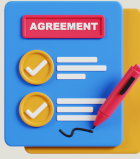
The Environmental Sustainability Collaboration Guidance Note (“ESCGN”) aims to provide greater clarity to businesses on how CCCS will assess collaborations pursuing environmental sustainability objectives. It provides businesses with relevant information so that they can safely collaborate in pursuing environmental sustainability objectives without harming competition.

“Environmental sustainability objectives” refers to objectives related to reducing or mitigating negative environmental impact such as climate change mitigation measures, improving air and water quality, efficient use of natural resources, and biodiversity preservation.

Read the [full ESCGN](#). The ESCGN should be read together with [CCCS’s Guidelines on the Section 34 Prohibition](#) and [Business Collaboration Guidance Note](#).



## A AGREEMENTS THAT ARE UNLIKELY TO RAISE COMPETITION CONCERNS



Agreements excluded from the section 34 prohibition - e.g. vertical agreements, agreements to comply with written law, agreements made in acting on behalf of the Government



Agreements that do not affect how businesses compete with each other (e.g. does not involve price, quantity, quality, choice or innovation of goods/services supplied)



Agreements to jointly carry out activities which, objectively, none of the parties could do independently (i.e. the businesses would not have engaged in such activities but for the collaboration)

## B AGREEMENTS WHERE COMPETITION CONCERNS ARE LESS LIKELY TO ARISE IF CERTAIN CONDITIONS ARE MET



The ESCGN sets out specific examples of common types of business collaborations, and the conditions under which competition concerns are less likely to arise from each of these types of collaborations.

### Examples of such collaborations include:

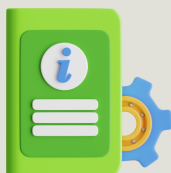
**Standards development**, e.g. industry-wide environmental standards or codes of practice, and associated “green” quality marks

**Joint industry database/ resource** of suppliers that have environmentally sustainable practices (e.g. in relation to their value chains, production processes or the inputs they supply), to facilitate businesses adopting green practices

**Joint production**, e.g. to achieve economies of scale and lower costs in using an environmentally sustainable but more costly production method

**Joint commercialisation**, e.g. sharing common distribution/logistics systems to reduce unnecessary pollution

**Joint research & development**, e.g. to develop a more environmentally sustainable product or technology



The ESCGN includes guidance on how businesses can potentially minimise competition concerns for each of these examples of collaborations. Businesses should refer to the ESCGN for further details, including the conditions for each type of collaboration, and also take reference to the guidance set out in CCCS’s Business Collaboration Guidance Note, for common types of business collaborations.

**C**

## **AGREEMENTS WHERE COMPETITION CONCERNS HAVE HIGHER RISK OF ARISING, AND A COMPETITION ASSESSMENT SHOULD BE CONDUCTED**



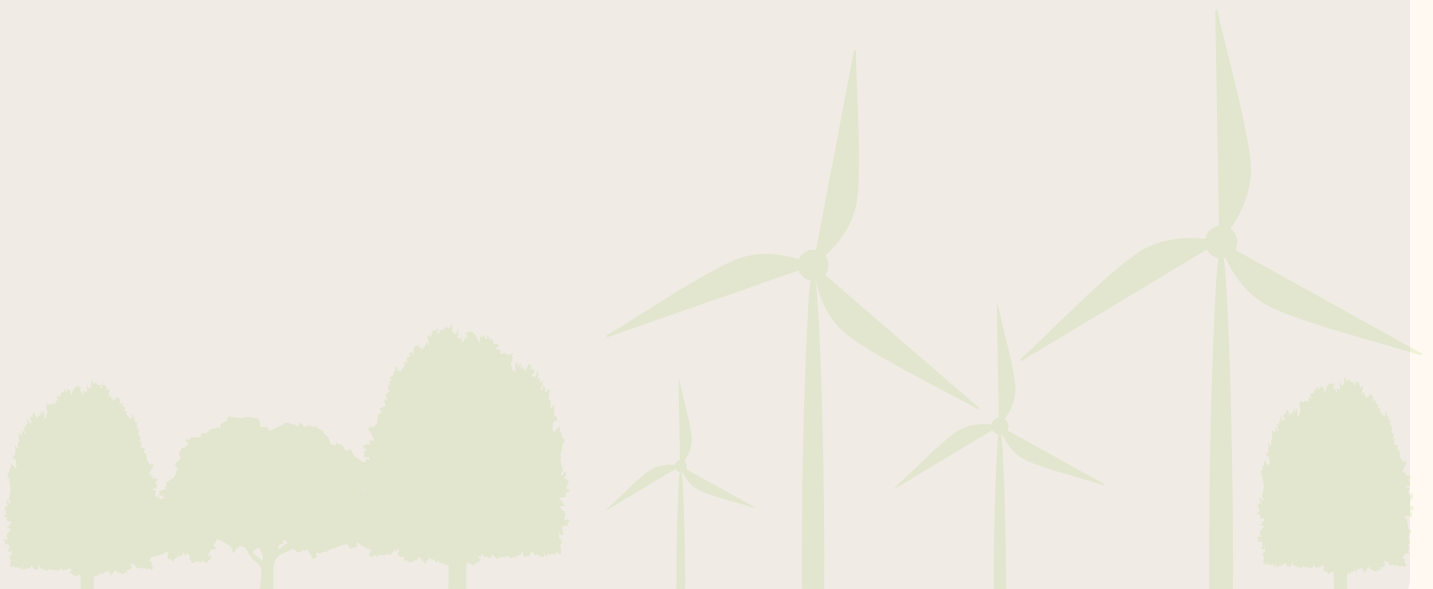
Collaborations which restrict competition by object – e.g. those with purpose of price-fixing, bid-rigging, market-sharing or imposing output limitations



**Environmental sustainability goals should not be used by businesses as a guise for anti-competitive conduct**



Collaborations which cannot meet the conditions in (B) above should be assessed on a case-by-case basis for the impact on competition.



## NET ECONOMIC BENEFIT EXCLUSION

Agreements pursuing environmental sustainability objectives which give rise to competition concerns may still qualify for the Net Economic Benefit exclusion, if the following three criteria are met:



The agreement leads to economic benefits (e.g. lower costs, improvements in the quality or services, or the production of new innovative products) that outweigh the negative competition effects



These economic benefits cannot be achieved without the agreement and any restrictions in it



Competition is not eliminated in a substantial part of the market

Given the nature of agreements pursuing environmental sustainability objectives (e.g., reducing adverse environmental impact arising from the production process) and the possibility that the benefits can be felt by the society at large (and not just within the market affected by the agreement), where appropriate, CCCS will take into account such economic benefits accruing to Singapore as a whole.



Example: Businesses agree to switch to using a greener, but more costly, production process, to expedite the adoption of this greener production process in Singapore. Whilst the higher costs may be initially passed on as higher prices to customers of this product and customers no longer have access to the cheaper but more pollutive product, (i) future large-scale production using this greener process would become more efficient, lowering costs and eventually benefiting these customers; and (ii) Singapore society at large also benefits from the expedited reduction in environmental pollution (e.g., air or water pollution or greenhouse gas emissions).



## STREAMLINED NOTIFICATION PROCESS

**For assessments of collaborations pursuing environmental sustainability objectives, CCCS has introduced a streamlined notification process designed to provide quicker decisions by CCCS (as compared to agreements of other nature<sup>[1]</sup>), should businesses wish to seek more legal certainty through notifying their collaboration to CCCS for guidance or decision**



Two-phase approach – Phase 1 review within 30 working days for simple cases, additional Phase 2 review of 120 working days for complicated cases



Opportunities for pre-notification discussions are made available, for businesses to discuss the content and timing of their notifications with CCCS, including what information CCCS is likely to require in order to assess their agreements

[1] For notification of guidance or decision relating to agreements of other nature, the time taken by CCCS will depend on the nature and complexity of the application as well as the volume of applications filed with CCCS at that point in time.

