

## ESG

16 April 2024

## ESG Country Updates

## Singapore

- Singapore's economic losses due to heat stress could nearly double to S\$2.22 billion in 2035 from pre-pandemic 2018 as a result of a decline in labour productivity, according to a recent study by the National University of Singapore. Workers exposed to heat from the sun or machineries are expected to be hit the hardest, such as those in the services, construction, manufacturing and agriculture sectors.
- The Maritime and Port Authority of Singapore launched the first pilot trial for an electric harbour craft charging point at Marina South Pier, as part of efforts to decarbonise the maritime industry. The 150kW charger can charge an electric harbour craft with an approximate battery capacity of 500kWh in around three hours, to enable an operating range of around 90km. By 2030, all new harbour craft must be fully electric, be able to use cleaner biofuels or be compatible with net-zero fuels such as hydrogen.
- A study showed that birds in six areas in Singapore linked to future developments, including Tengah and Springleaf, could face increased risk of flying into buildings. Both resident and migratory birds face this risk as they seek out forest patches to forage and rest. Moving forward, the conservation community can work more closely with building developers and government agencies to ensure that these impacts are mitigated and light pollution is better managed.

## China

- China has released draft emissions guidelines for the cement sector, in preparation for the expansion of the China ETS. It may take longer to include the steel sector because of data quality concerns.

## Malaysia

- Malaysia has reported an increase in food waste of 15% – 20% during Ramadan, as a result of unsold food at bazaars across the country. Organisations such as the MySaveFood programme have stepped up to reduce food waste, by collecting surplus food and redistributing it to the underprivileged. In the first three weeks of this year's Ramadan, MySaveFood has already saved more than 54 tonnes of food.

## Indonesia

- Indonesia's Ministry of Agriculture is making efforts to accelerate electricity connection to reach rice field areas, to enable the modernisation of agricultural tools and optimise irrigation water pumping. This has already been

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implemented in the Ngawi District, East Java, to irrigate rain-fed dry lands so that farmers can plant rice thrice a year. This can enable a more consistent supply of crops, improve the livelihoods of farmers and reduce the impact of extreme weather events.

### Rest of the world

- The Integrity Council for Voluntary Carbon Markets (ICVCM) has approved three voluntary carbon programmes for Core Carbon Principles (CCP) eligibility, namely Gold Standard, American Carbon Registry and Climate Action Reserve. Verra, ART TREES, Social Carbon and Isometric will be assessed by May 2024. This marks a step towards greater clarity in carbon markets through the labelling of credits issued via ICVCM's methodologies with the CCP stamp.
- The US and Japan announced a joint partnership to accelerate the development of nuclear fusion to provide carbon-free electricity. Nuclear fusion, unlike nuclear fission, would produce little long-lasting radioactive waste. However, this also comes with regulatory, construction and siting hurdles in replacing parts of existing energy systems to accommodate nuclear fusion technologies.

### Special Coverage: Lack of Clarity for CORSIA-linked Voluntary Carbon Trade

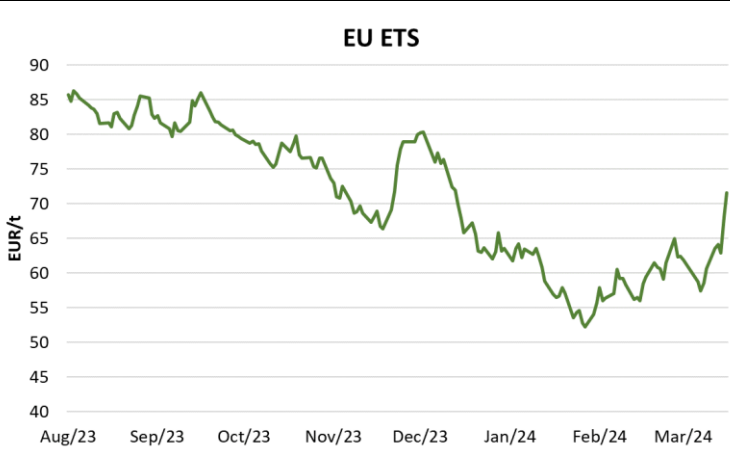

- The first phase of CORSIA commenced in Jan 2024, after the pilot phase in 2021 to 2023. The approval process for carbon credit standards under CORSIA Phase 1 has been stringent. Only two standards, American Carbon Registry (ACR) and Architecture for REDD+ Transactions (ART), have received approval so far.
- UN's aviation body International Civil Aviation Organisation (ICAO) decided to keep major voluntary carbon standards (including Verra and Gold Standard) under 'conditional' approval for Phase 1 of CORSIA (2024 – 2026). This means their post-2020 credits are not yet eligible for use by airlines during the current stage of the international offsetting scheme.
- With the supply crunch, ICE's Phase 1 CORSIA-eligible futures soared past US\$20/t with panic buying given the uncertain outlook.
- The delayed approval of new standards creates challenges for airlines seeking CORSIA-eligible credits, especially as demand is expected to rise. With the lack of supply, low liquidity in the CORSIA-linked carbon market is expected to persist in the near term.


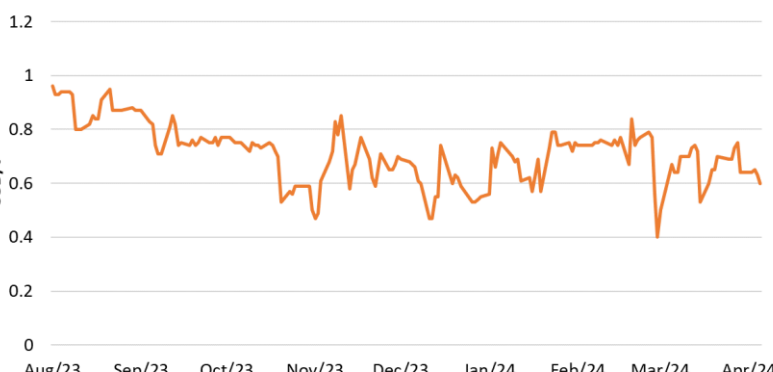
## Carbon Markets Analysis

Global Carbon Market Prices

ETS Markets	Price	Weekly Change	Week High	Week Low
EU (EUR/ton)	71.55	18.1%	71.55	60.58
China (CNY/ton)	91.84	4.8%	91.84	86.37

Voluntary Carbon Markets	Price	Weekly Change	Week High	Week Low
Nature-based	0.46	-6.1%	0.49	0.45
CORSIA	0.60	-6.3%	0.65	0.60

Market	Description	Trend
EU ETS	The EU ETS price reached a 3-month high last week and saw an 18% weekly increase, as short-covering continued to drive the market. 2023 emissions under the EU ETS showed the most significant emissions reduction since the ETS was launched in 2005. The EU ETS emissions are now around 47%, putting the EU on track to achieve the 2030 target of -62%.	 <p><b>EU ETS</b></p>
China ETS	China ETS prices remained high last week above the 80 CNY/ton threshold with improved liquidity. This is amid continued optimism for the market with upcoming regulatory updates such as the sectoral expansion of the ETS to sectors including cement and aluminium.	 <p><b>China ETS</b></p>

Market	Description	Trend
<p>Voluntary Carbon Markets (VCM)</p>	<p>The demand for REDD+ credits remains low amid continued uncertainty regarding the integrity of REDD+ credits.</p> <p>The CORSIA-linked carbon trade is also expected to remain low in volume in the near term, due to market sentiment that the market is not yet ready to scale.</p>	<div style="text-align: center;"> <p><b>Nature-based credits</b></p>  </div> <div style="text-align: center;"> <p><b>CORSIA credits</b></p>  </div>

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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