

ESG

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ESG Country Updates

Singapore

- Singapore's Third National Climate Change Study (V3) projects higher temperatures, more wet and dry extremes, and accelerating increase in mean sea levels for Singapore and Southeast Asia by the end of the century. The findings are consistent with the findings from the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6). To increase the understanding of climate change impacts, the National Environmental Agency (NEA) has launched the second grant call under the Climate Impacts Science Research (CISR) Programme for new research proposals on food security, impacts on human health, water resources, and sea level rise etc.
- The Animal Concerns Research and Education Society (Acres) reported that the illegal wildlife market in Singapore grew on Telegram, a messaging platform, despite enforcement action taken against sellers. The number of banned wild animals found for sale on Telegram nearly doubled from 333 in 2021 to 660 in 2023. These animals include Indian star tortoises, leopard tortoises and scorpions.
- Singapore is more than halfway to its solar power deployment target of at least 2,000 MWp by 2030. The private sector has been the driving force behind the growth in solar power deployment, accounting for 63.5% of the total installed capacity. Singapore is also working towards importing low-carbon electricity from countries in the region e.g. Cambodia, Indonesia, Vietnam.

China

- China's State Council approved regulations for its national ETS which has so far only been formally backed at the ministerial level. The China ETS concluded the second compliance period at the end of 2023, and market participants are anticipating more policy updates to be announced in the new year.
- China's National Development and Reform Commission (NDRC) is calling for the creation of initial technical standards governing new energy vehicle integration into the grid by 2025. It plans to strengthen the integration of new energy vehicles with the electric grid, to manage its power demand amid the increase in battery charging. Potential solutions include implementing time-of-use pricing for residential charging points.
- China has proposed new targets for improved air quality, although the targets are still above the limit recommended by the World Health Organisation (WHO). It aims to reduce the national average concentration of fine particulate matter to less than 28 $\mu\text{g}/\text{m}^3$ by 2027 and less than 25 $\mu\text{g}/\text{m}^3$ by 2035, which is well above the 5 $\mu\text{g}/\text{m}^3$ recommended by the WHO. China also aims to

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promote an ultra-low emission upgrade for emissions-intensive industries such as steel and cement manufacturing, as part of decarbonising emissions-intensive sectors.

- China plans to take an annual inventory of its greenhouse gas emissions, as part of efforts to achieve carbon neutrality by 2060. While China has not previously published annual greenhouse gas emissions data, it has been obliged to submit figures to the United Nations every five years. China has acknowledged that data gaps are holding back the country's abatement efforts, and it aims to improve data integrity to align them with international standards.

Malaysia

- The Malaysia government will be developing a policy framework and targeted plans with the aim of making Malaysia a major regional green investment destination and hub. This move is a continuation of initiatives under the National Energy Transition Roadmap to mobilise investments in high-value green sectors.

Indonesia

- Indonesia approved in 2023 the replanting of 53,012 ha of palm oil trees on land owned by smallholder farmers under a subsidised programme. The size of the replanting increased from 30,759 ha in 2022 but still fell short of the target to replant 180,000 ha of palm trees annually to boost output without clearing more forest. There is increased urgency to replant more palm oil trees to increase yields and meet the increase in demand for vegetable oil, including for biodiesel.

Rest of the world

- Mukhtar Babayev, Azerbaijan's Minister of Ecology and Natural Resources, has been appointed as the president of the United Nations COP29 climate talks to be held in Baku in November. Babayev spent over two decades at Azerbaijan's state-owned oil and gas company SOCAR, continuing the contentious trend of people having ties with oil and gas to lead the UN climate talks.
- According to the International Environmental Agency, global renewable energy capacity is on track to grow by 2.5 times by 2030. However, more work is required to achieve the target set at COP28 to triple renewable energy capacity globally. Under existing policies and market conditions, it is forecast to grow to a total of 7,300 GW by 2028, but to reach the 2030 goal agreed in 2023, it will require reaching at least 11,000 GW.

Special Coverage: Singapore's Eligibility List for International Carbon Credits published alongside carbon tax increase

- Singapore's Ministry of Sustainability and the Environment (MSE) and the National Environment Agency (NEA) have published the Eligibility List under the International Carbon Credit (ICC) Framework, effective from 1 January 2024. The Eligibility List follows the publication of the Eligibility Criteria, to include the list of eligible host countries, carbon crediting programmes and methodologies that adhere to the Eligibility Criteria. This list will be reviewed and updated annually based on latest science and evidence to maintain relevance and uphold high environmental integrity.
- At COP28 last year, while there was a lack of progress on Article 6 discussions, several Article 6.2 agreements were signed on the sidelines of the conference. Singapore and Papua New Guinea signed an implementation agreement on carbon credits cooperation, marking the first Article 6.2 implementation agreement for Singapore. Therefore, Papua New Guinea is the only eligible host country on the Eligibility List at present.
- Carbon crediting programmes in the existing Eligibility List are 1) Gold Standard for the Global Goals (GS4GG), 2) Verified Carbon Standard (VCS), 3) American Carbon Registry (ACR) and 4) Global Carbon Council (GCC).
- However, none of the carbon credits currently available for sale in Papua New Guinea meet Singapore's Eligibility Criteria. Companies in Singapore need to inform the NEA by 30 Jun 2025 of the credits they intend to use as tax offsets for 2024, providing some time for eligible projects to become available.
- The Eligibility List can also be used as a guide for project developers to develop projects that meet the Singapore government's requirements, and for companies looking to purchase high-quality carbon credits to meet their climate targets.

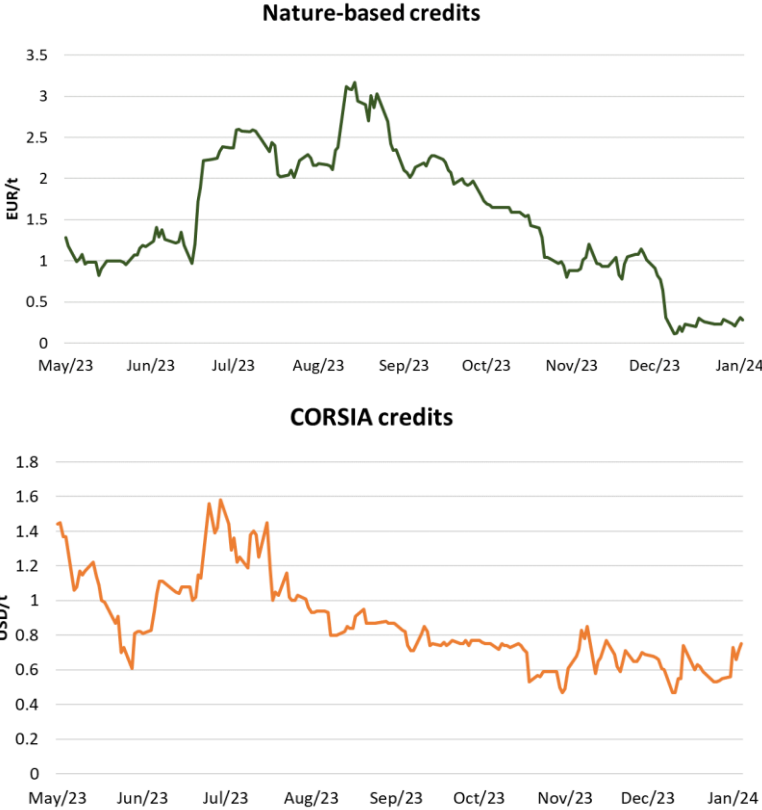
Carbon Markets Analysis

Global Carbon Market Prices

ETS Markets	Price	Weekly Change	Week High	Week Low
EU (EUR/ton)	65.81	-13.8%	76.35	65.81
China (CNY/ton)	71.34	-1.4%	73.36	71.00

Voluntary Carbon Markets	Price	Weekly Change	Week High	Week Low
Nature-based	0.28	-3.4%	0.31	0.21
CORSIA	0.75	36.4%	0.75	0.55

Market	Description	Trend
EU ETS	The EU ETS price tumbled 13.8% to a new 15-month low amid growing geopolitical concerns and firmer energy markets. Early buying interest has faded ahead of the resumption of daily allowance auctions.	<p>EU ETS</p>
China ETS	The China ETS price fell by 1.4% to 71.34 CNY/t amid sluggish demand, due to the uncertain near-term outlook from the lack of policy updates. Market participants are anticipating more policy updates to be announced this year, after China's State Council approved regulations for its ETS which has so far only been formally backed at the ministerial level.	<p>China ETS</p>

Market	Description	Trend
<p>Voluntary Carbon Markets (VCM)</p>	<p>The VCM was stable across all sectors and market activity remained slow as market players are returning from the holiday season.</p> <p>According to S&P, there was a high number of retirements in the nature-based avoidance sector in 2023 with 54.35 million mt retirements, up 28% from 39 million mt in 2022. This may indicate more buying of REDD+ credits in the near-term.</p>	 <p>Nature-based credits</p> <p>CORSIA credits</p>

Source: Refinitiv Eikon, Carbon Pulse, Platts Dimensions Pro, Verra



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