

ESG

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ESG Country Updates

Singapore

- Singapore and the UK are partnering to accelerate clean energy transition and sustainable infrastructure across Southeast Asia for regional energy security. The UK announced a landmark pledge of up to £70 mn to Singapore's Financing Asia's Transition Partnership (FAST-P) initiative, which is a blended finance initiative that aims to mobilise up to US\$5 bn to de-risk and finance transition and marginally bankable green projects in Asia. The UK's funding, to be delivered through British International Investment (BII), will deploy investment capital and provide blended finance to support low-carbon energy projects and innovative business models. This can support enhancing energy security and climate resilience by supporting the mobilisation of capital to close infrastructure financing gaps.

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Malaysia

- Tenaga Nasional Berhad (TNB), in collaboration with PETRONAS and Terengganu Inc, has announced the launch of the Hybrid Hydro Floating Solar (HHFS) and Green Hydrogen Hub in Terengganu. The project supports the National Energy Transition Roadmap (NETR) and the Hydrogen Economy and Technology Roadmap (HETR), aiming to advance Malaysia's green hydrogen ambitions. The green hydrogen hub in Terengganu will be part of an integrated value chain generating renewable energy that can support the development of the ASEAN power grid, advance sustainable solutions and promote greater clean energy collaborations with the region.

China

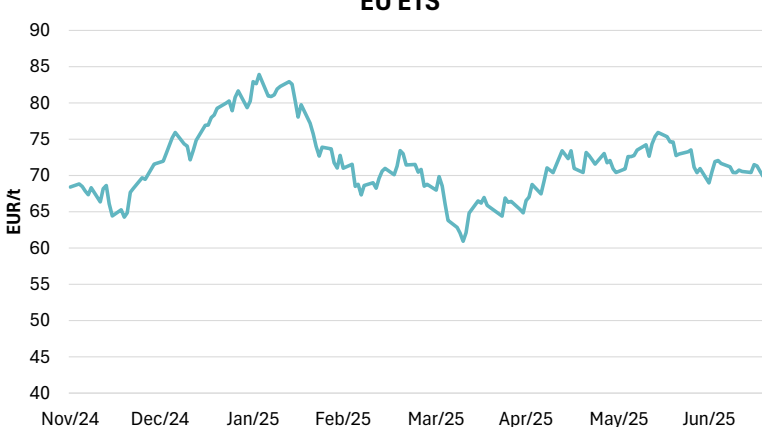
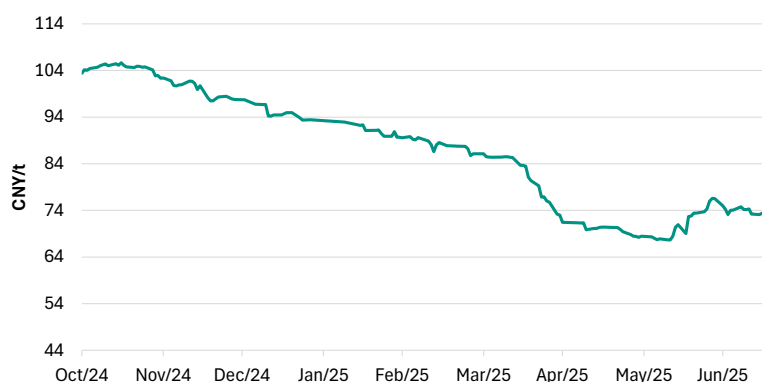

- Australia and China plan to cooperate more closely on green steel, which refers to metal produced using renewable energy sources to reduce or eliminate the use of coal. As China relies on Australia for about two-thirds of its iron ore needs, both countries are seeking ways to enhance this relationship through the development of green steel as global decarbonisation accelerates. Encouraging Chinese investments in green iron and steel processing facilities in Australia can create a shared value chain and secure long-term supply for China's steel industry.
- China has announced the start of construction on what will be the largest hydropower dam globally, located in Tibet with an estimated cost of around US\$170bn. The dam is estimated to have a capacity of 300 bn kWh of electricity annually and is expected to help meet local energy demand in Tibet and the rest of China. The project, located in the lower reaches of the Yarlung Zangbo River, is facing criticisms regarding the potential impact to downstream communities and their livelihoods, as well as to diverse ecosystems on the Tibetan plateau.

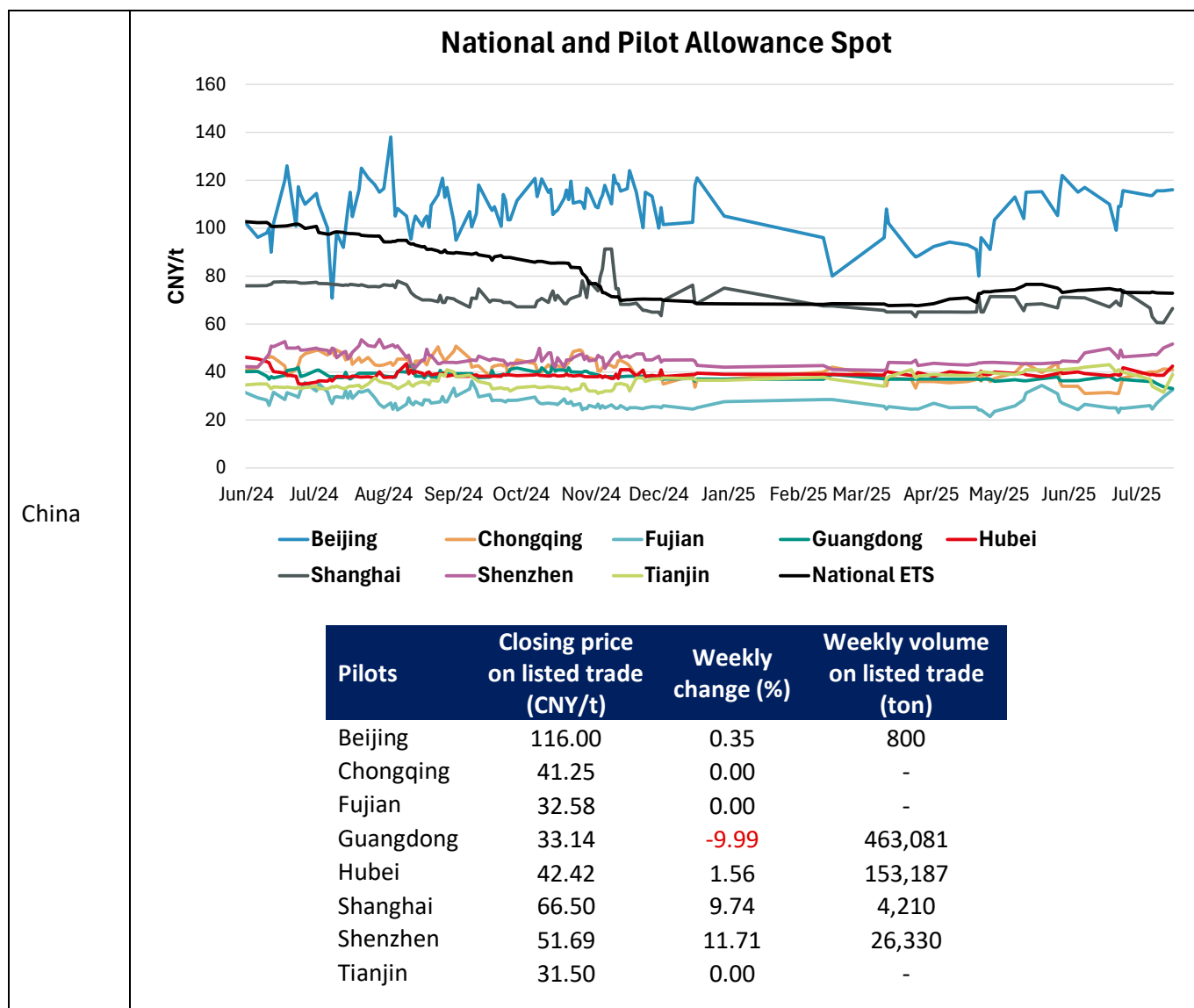
Special Coverage: Guidance for leveraging the Singapore-Asia Taxonomy

- The guidance for leveraging the Singapore-Asia Taxonomy (SAT) was recently published by the Singapore Sustainable Finance Association, to further support its practical application in green and transition financing. OCBC's GWB Sustainability Office played a leading role in shaping the guidance as co-lead of the SSFA Taxonomy workstream.
- The SAT, launched by the MAS, details the thresholds and criteria for defining green and transition activities that contribute to climate change mitigation. The guidance document addresses practical challenges in applying the SAT, such as data availability gaps, interim threshold treatment, and interpretation of transition categories, offering clarity to both financiers and borrowers navigating green and transition finance requirements. For example, where data is limited, the guidance suggests that financiers can rely on proxy data that take reference from internationally or nationally recognised databases that are deemed credible in the relevant sectors.
- The guidance document helps market participants reference the SAT even when full technical alignment is not immediately feasible, offering approaches for transition financing of assets or projects that temporarily fall short of certain criteria due to data limitations or lack of commercially available low-carbon solutions.
- By establishing practical actionable guidelines to unlock more credible transition finance, the guidance fosters greater consistency, transparency, and confidence in sustainable finance disclosures, furthering the adoption of the SAT and supporting mobilisation of capital towards credible green and transition activities across Southeast Asia.

Carbon Markets: Weekly Overview

ETS markets	Price	Weekly change	Week high	Week low
EU ETS (EUR/ton)	69.89	-0.9%	71.51	69.89
China ETS (CNY/ton)	72.82	-0.5%	73.38	72.82

Market	Commentary	
EU ETS	<p>EU ETS prices fell by 0.9% last week amid aggressive selling and low liquidity. Temperatures across Central Europe are expected to be higher than normal, thereby driving high electricity consumption and providing a bullish outlook. However, geopolitical tensions continue to inject uncertainty into the market.</p>	<p>EU ETS</p> 
China	<p>National ETS: Prices fell by 0.5% to CNY 72.82/t, but activity rebounded with total volume rising 25% to 2.47mn tonnes. The 2024 vintage led the market with 1.63mn tonnes traded.</p> <p>CCER: The CCER transaction price range was CNY 82-86.5/t last week, with only 3,951 tonnes traded. The market remains volatile although it commands a premium over the national ETS market.</p> <p>Pilot ETSs: The total traded volume across the pilot ETSs was more than four times that of the previous week. The Guangdong pilot ETS was the most active market, with a volume share of 68.75%.</p>	<p>China ETS</p>  <p>China CCER</p> 



Source: Refinitiv Workspace, Carbon Pulse

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