

ESG

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ESG Country Updates

Singapore

- Singapore will amend laws to implement previously announced policies on sustainable aviation fuel from 2026, including a levy, fund and central procurement. The Civil Aviation Authority of Singapore (CAAS) (Amendment) Bill provides for CAAS to collect a sustainable aviation fuel levy. The Ministry of Transport said that the fuel levy quantum will be announced in subsidiary legislation after the Bill is passed. All levies collected will go into a sustainable aviation fuel fund that will be used to procure sustainable aviation fuel or credits for it, and to cover administrative costs. This is part of Singapore's strategy to achieve net-zero aviation emissions by 2050, where sustainable aviation fuel is a critical pathway expected to account for 65% of the carbon reduction required for the 2050 goal.

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Malaysia

- Malaysia unveiled its Steel Industry Roadmap 2035 which aims to reduce overproduction, strengthen the industry and shift to low-carbon practices to meet net zero goals. Overcapacity remains one of the most critical structural issues facing steelmakers in ASEAN. There are plans to manage overcapacity, restructure licensing frameworks, enforce discipline against illegal operators and secure domestic raw materials. From 2027 to 2035, the plan will focus on transforming the steel industry by accelerating carbon reduction efforts, developing green technologies and standards, as well as investing in innovation.
- The Malaysian Palm Oil Council (MPOC) said that it welcomed the European Union's proposal to delay the launch of its anti-deforestation law for a second time, as it provides more time for the EU to address existing operational and structural flaws. Since Malaysia has been classified as a 'standard risk' country under the regulation, it is subject to more stringent due diligence requirements. The MPOC calls on the EU to provide clear pathways for countries to improve their risk classification based on environmental performance. While it is encouraging that the EU has recognised the Malaysian Sustainable Palm Oil (MSPO) certification scheme as a credible standard, the regulation still creates uncertainty for affected companies.

Indonesia

- The Indonesian government has identified 10 regions as top priorities in the initial phase of developing waste-to-energy (WTE) facilities as part of a national strategy to improve waste management. Designated regions include Jakarta, Bali and Yogyakarta, which were selected based on certain criteria such as having available land for WTE development and demonstrating clear commitment from local governments to manage waste. Danantara estimates that converting 1,000 tons of waste will require an investment of US\$127 mn to US\$190 mn. There are plans to inaugurate a batch of waste-to-energy (WTE) projects in late October.

Rest of the world

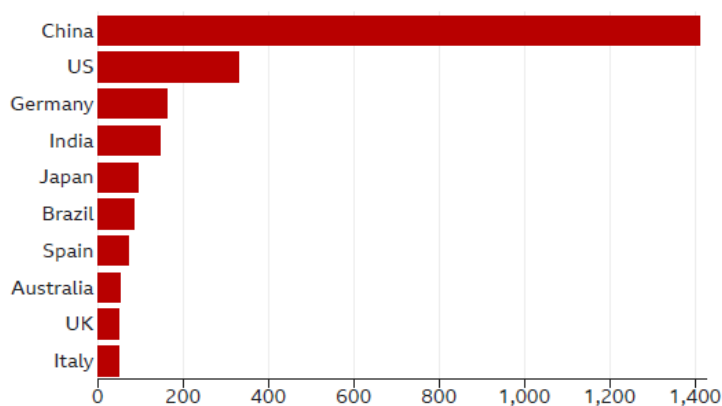
- The UK has been providing funding to support British startups in finding solutions to reduce greenhouse gas emissions from the shipping industry. An example is developing wind propulsion technology to power ships more efficiently. To meet the United Nations' International Maritime Organisation's target to make global shipping net-zero by or around 2050, additional funding is being directed towards other green technologies and alternative fuels such as ammonia that can support the sector's decarbonisation journey. However, challenges remain in establishing the supply chain on land that can produce large quantities of ammonia required, as well as implementing policies to mobilise the necessary financing.
- The European Union plans to agree its new climate target in the coming weeks, ahead of the COP30 climate summit in November. The EU could not agree its climate target in time for the UN General Assembly held in New York, and is set to miss the September deadline because of disagreements among member countries over the ambition of the goal. The next summit of EU leaders is scheduled for 23 October.
- The European Union will delay launching its anti-deforestation law for a second time, postponing the ban on imports of commodities such as palm oil linked to forest destruction for another year. The EU deforestation law was due to take effect on 30 December, requiring operators selling goods including soy, beef and palm oil into EU markets to provide proof their products did not cause deforestation. The Environment Commissioner said that further postponement is necessary to address concerns about the readiness of the IT systems needed to support the law, as there are concerns that the lack of readiness of IT systems could disrupt trade.
- Curtailment of wind and solar power generation in Japan is set to rise to record levels this year due to increased nuclear power use. Curtailments have already increased to 2.3% in the year leading up to August. Japan has restarted 14 of 33 commercially available nuclear reactors, which has helped meet rising power demand from chipmakers and data centres. Japan is working to reduce curtailments by building inter-regional transmission lines, promoting battery storage and encouraging demand during periods of high power generation.

Special Coverage: China announced new climate plans ahead of COP30

- China, the world's largest greenhouse gas emitter, announced new climate plans and aims to reduce emissions by 7% to 10% of their peak by 2035.
- However, the peak timing and level are undefined, which creates uncertainty around the actual emissions reduction and how China intends to achieve this.
- Nonetheless, China continues to significantly expand wind and solar capacity while trying to reduce curtailment rates. It also plans to increase wind and solar power sixfold from 2020 levels, increase forest stocks to more than 24bn cubic metres and make pollution-free vehicles mainstream. The China ETS will also be further expanded to cover other major emissions-intensive industries by 2027.
- With the US withdrawal from the Paris Agreement and other climate-related initiatives, parties are looking to other major economies like China and the EU to fill the gap. The EU has missed the extended deadline to submit its updated climate plans but plans to formally submit its plan before the COP30 negotiations.

China leads the way on wind and solar

Total installed capacity in 2024 (gigawatts)

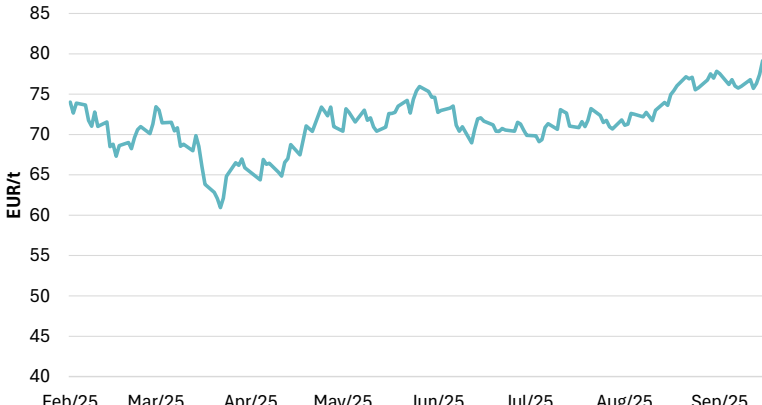


Source: [International Renewable Energy Agency](#) • Figures include mainland China only

BBC

Carbon Markets: Weekly Overview

ETS markets	Price	Weekly change	Week high	Week low
EU ETS (EUR/ton)	79.16	4.2%	79.16	75.72
China ETS (CNY/ton)	57.97	-3.1%	59.83	57.97

Market	Commentary	
EU ETS	<p>EU ETS prices rose by 4.2% after recent market consolidation. Discussions on the potential UK exemption from the EU CBAM is pushing prices up. The deal could be finalised in the coming months according to the Guardian, which would temporarily exempt UK exporters from the EU CBAM due to take effect from Jan 2026.</p>	<p>EU ETS</p>  <p>EUR/t</p> <p>Feb/25 Mar/25 Apr/25 May/25 Jun/25 Jul/25 Aug/25 Sep/25</p>
China	Overview for China ETS, CCER and Pilot ETs will resume next week due to China's Golden Week holiday.	

Source: Refinitiv Workspace, Carbon Pulse

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