

ESG

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ESG Country Updates

Singapore

- Singapore and Mongolia signed an implementation agreement on carbon credits agreement under Article 6 of the Paris Agreement, marking the tenth carbon credit agreement that Singapore has entered into, following deals signed with Papua New Guinea, Ghana, Bhutan, Peru, Chile, Rwanda, Paraguay, Thailand and Vietnam. These bilateral agreements establish a legally binding framework for the generation and transfer of carbon credits from carbon-mitigation projects aligned with Article 6 of the Paris Agreement. This continues to build up positive momentum towards COP30 where stakeholders are expecting advancements in operationalising international carbon markets.
- Sumitomo Corp has been awarded a Singapore government grant to develop ammonia as an alternative fuel to support the decarbonisation of the shipping industry. The funding will support research and development focused on improving the safety and efficiency of supplying ammonia in Singapore. Ammonia is an alternative low-carbon fuel for the maritime industry because of its potential to reduce greenhouse gas remissions. However, its widespread use currently faces hurdles such as the need for stringent safety regulations and high costs of production.

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Indonesia

- Indonesia's PT PLN is promoting a program called the Green Enabling Supergrid in the new electricity supply business plan, which is a framework designed to connect renewable energy sources with major demand centers across Indonesia. This aims to address Indonesia's geographical imbalance in resource availability by distributing renewable energy sources evenly. PLN also plans to implement a phased energy transition, including retiring coal-fired power plants and replacing them with renewable energy-based facilities, in efforts to achieve net zero emissions by 2060 or sooner.
- Indonesia plans to roll out a Multi Scheme Carbon Economic Value (CVA) framework to strengthen inclusive climate finance in support of its Nationally Determined Contribution (NDC) goals, announced by the environment ministry. Under its NDC, Indonesia aims to reduce greenhouse gas emissions by 31.89% through domestic efforts and by 43.2% with global financial support. A Mutual Recognition Agreement (MRA) with five independent crediting schemes now allows carbon trading across 54 technology-based and 58 nature-based methodologies, which is expected to drive emissions-reduction investments for Indonesia. By integrating the Multi Scheme CVA, Indonesia aims to take concrete steps to consolidate its climate finance architecture and accelerate progress toward its ambitious NDC targets.

Rest of the world

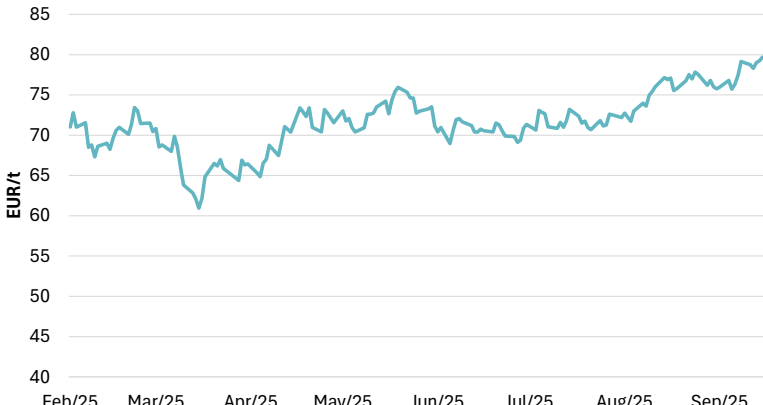
- Climate scientists are warning of climate tipping points being crossed, with the first being coral reefs globally in a state of almost irreversible die-off. The warning in the Global Tipping Points report by 160 researchers worldwide, which synthesizes science-based research to estimate points of no return, was published just weeks ahead of this year's COP30 climate summit. The last two years saw record high temperatures, resulting in 84% of the world's reefs to the point of bleaching and death. For corals to recover, countries would need to drastically ramp up climate action to reverse temperatures back down to just 1°C above the preindustrial average. However, the world is currently on track for about 3.1°C of warming in this century.

Special Coverage: Net-Zero Banking Alliance has ceased operations, with little impact to local banks

- The Net-Zero Banking Alliance (NZBA), launched in 2021 under the UN Environment Programme's Finance Initiative, announced its immediate shutdown on 3 Oct after a vote. This was after many major banks left following President Trump's re-election e.g. Bank of America, Barclays and HSBC. OCBC, DBS and UOB were all members of the NZBA.
- The NZBA was the banking industry's main body leading the sector's efforts to reduce greenhouse gas emissions. An overhaul was proposed in August after major US banks left, to create a "framework initiative" rather than a membership-based organisation. Even with the NZBA ceasing operations, resources such as the Guidance or Climate Target Setting for Banks will remain publicly available for use.
- The dissolution of the NZBA signals a fragmentation of global climate commitments in the industry. However, in Singapore and the region, climate mitigation efforts are still accelerating amidst the ongoing energy transition despite the US rollback on climate-related initiatives.
- The local banks are expected to continue their net-zero journey and advance climate-related efforts independently of NZBA membership, as the Singapore government has not faltered on its climate commitments unlike the US.

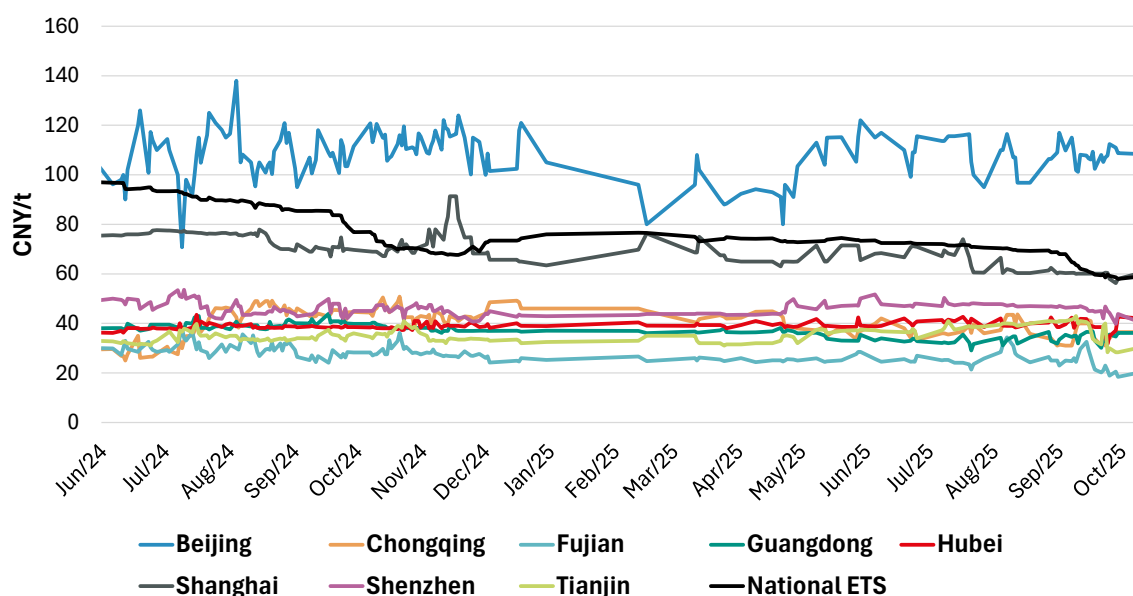
Carbon Markets: Weekly Overview

ETS markets	Price	Weekly change	Week high	Week low
EU ETS (EUR/ton)	79.68	0.7%	79.68	78.31
China ETS (CNY/ton)	58.23	-2.6%	59.76	57.97

Market	Commentary	
EU ETS	EU ETS prices rose by 0.7% from the previous week. Weak wind generation in Germany could increase fossil-fuel generation requirements, providing near-term support to prices above EUR79/t on top of speculative optimism.	EU ETS 
China	Due to the national holidays, this update reflects transactions across four trading days. National ETS: Prices closed the week at CNY 58.23/t, down 1.57% from 26 Sep. Post-holiday trading activity was sluggish with total trading volumes reaching 6,566,643 tonnes, a 19.21% decrease from the previous period. CCER: The CCER transaction price range was CNY68-76.23/t, with total CCER traded volumes at 27,273 tonnes. A price gap between buyers' and sellers' expectations persists.	China ETS  China CCER 

Pilot ETSs: The pilot ETSs recorded a total traded volume of 457,869 tonnes, down around 43% from the previous period. The Guangdong pilot ETS saw the highest traded volume, with 99.87% of its transactions occurring on 29 Sep. The Beijing pilot ETS was generally active but prices declined slightly.

National and Pilot Allowance Spot



Pilots	Closing price on listed trade (CNY/t)	Weekly change (%)	Weekly volume on listed trade (t)
Beijing	109.43	-2.63	79,115
Chongqing	39.00	6.85	2,002
Fujian	18.48	-7.60	2,100
Guangdong	32.91	-7.30	200,410
Hubei	39.00	11.84	9,381
Shanghai	60.00	0.00	25,379
Shenzhen	42.75	-3.28	4,912
Tianjin	30.00	0.00	-

Source: Refinitiv Workspace, Carbon Pulse

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