

ESG

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ESG Country Updates

Singapore

- The Infocomm Media Development Authority aims to launch the green data centre roadmap by May to help data centres in Singapore become more sustainable. Data centres accounted for around 7% of Singapore's total electricity consumption in 2020. Transforming the data centre industry is important as their carbon footprint is significant, being high consumers of energy to power cooling systems.

China

- China authorities have released a set of basic rules for the operations of the domestic power markets, as it pushes for a transition towards market-based electricity pricing while supporting the development of renewable energy.

Malaysia

- Malaysia's voluntary carbon market exchange, Bursa Carbon Exchange, will host an auction of its first Malaysian carbon credits on 25 July. The auction will involve carbon credits from the Kuamut Rainforest Conservation Project, which aims to protect and restore 83,381 hectares of tropical forest in the Tongod and Kinabatangan districts in Sabah. This marks the expansion of BCX's product offering to include local carbon credits on top of global carbon credits.

Indonesia

- The Ministry of Economic Affairs is targeting to complete 41 national strategic projects worth Rp554 trillion (~ US\$34.37 billion) in 2024. It also aims to complete the development of 16 critical mineral projects, with an investment value of Rp248.75 trillion (~US\$15.44 billion), including the downstreaming of nickel, copper, bauxite, alumina, iron sand and pig iron. This is part of efforts towards its national priorities for eradicating poverty, creating jobs and adding value to commodities.
- Pertamina and ExxonMobil plan to conduct appraisal drilling for a carbon capture and storage (CCS) hub in Indonesia, with the companies signing an initial storage deal with South Korea's KNOC. This aims to collect data that will later become a reference for the development of the Asri Basin Project CCS hub, that can store up to 3 gigatonnes of carbon dioxide and would require investments of US\$2 bn.

Rest of the world

- The Japanese government will map out by end Mar 2025 a new national strategy encompassing decarbonisation and industrial policy targeting 2040, as part of efforts to reduce emissions by 46% from 2013 levels by 2030 and

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achieve net zero by 2050. This aims to set out a long-term strategy to encourage investment to accelerate decarbonisation and to bolster the competitiveness of domestic industries.

- The Philippines has extended its no-tariff policy on electric vehicles and parts through 2028, in efforts to transition the country away from fossil fuels and boost its EV market. It also widened the scope of preferential tax rates to include hybrid electric vehicles, e-motorcycles and e-bicycles to encourage more environmentally friendly transportation options.
- Thailand may have to consider relocating its capital because of rising sea levels, according to a senior official in the country's climate change office. Bangkok faces flooding during the rainy season and risks being inundated by the ocean before the end of the century. Thailand is working on its first climate change legislation that is likely to pass into law this year, which includes provisions on carbon pricing, mitigation and adaptation measures.

Special Coverage: Expansion of BCX to include local carbon credits

- Malaysia's voluntary carbon market exchange, Bursa Carbon Exchange (BCX), will host an auction of its first Malaysian carbon credits on 25 Jul. This would involve carbon credits from the Kuamut Rainforest Conservation Project, that aims to protect and restore 83,381 hectares of tropical forest in the Tongod and Kinabatangan districts in Sabah. This marks the expansion of BCX's product offering to include local carbon credits in addition to global carbon credits.
- This project is a public-private partnership between Sabah Forestry Department, Rakyat Berjaya Sdn Bhd, Yayasan Sabah and Permian Malaysia. It contributes towards 12 of the 17 UN SDGs with the following 3 core objectives:
 1. Protect and restore the carbon-rich forest to help mitigate the global climate crisis;
 2. Improve the lives, well-being, and sustainable economic opportunities of the communities living around the forest area (Kuamut and Karamuak communities); and
 3. Increase the chances for tropical forest biodiversity to thrive, including important and threatened species
- At end March 2024, the project saw its first issuance of Verified Carbon Units (VCUs) under Verra's Verified Carbon Standard, which generates an estimated annual emission reduction of 800,000 tCO₂e. This auction may generate more interest among domestic and international parties to invest in more carbon projects in Malaysia, following this project.

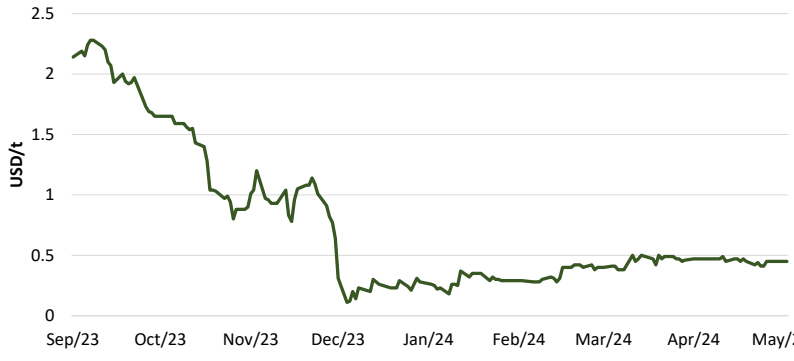
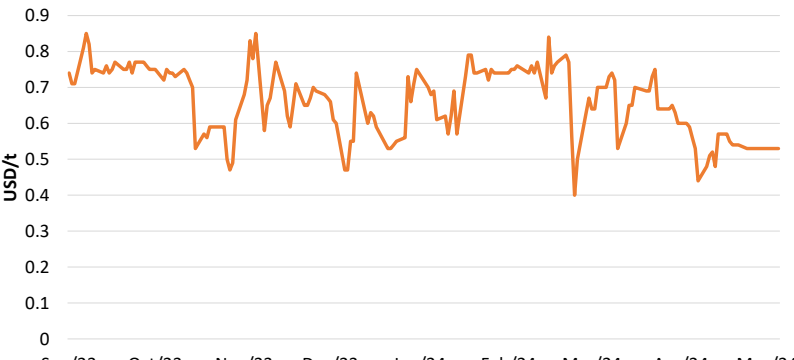
Carbon Markets Analysis

Global Carbon Market Prices

ETS Markets	Price	Weekly Change	Week High	Week Low
EU (EUR/ton)	70.69	-1.7%	71.91	69.46
China (CNY/ton)	99.53	0.5%	99.53	97.00

Voluntary Carbon Markets	Price	Weekly Change	Week High	Week Low
Nature-based	0.45	0.0%	0.45	0.45
CORSIA	0.53	0.0%	0.53	0.53

Market	Description	Trend
EU ETS	The EU ETS price saw a 1.7% weekly loss but the market continued to move within the EUR 68 – 72 range last week. Daily trading volumes were also on the low side last week. High auction supply this week could begin to weigh on prices.	<p>EU ETS</p>
China ETS	China ETS prices rose marginally to 99.53 CNY/t last week, but liquidity dropped to the lowest level since Mar 2023 amid an absence of regulatory news.	<p>China ETS</p>

Market	Description	Trend
<p>Voluntary Carbon Markets (VCM)</p>	<p>Carbon credits from tech-based solutions such as Puro.Earth certified biochar credits were heard traded at high prices of \$150 – 200 mt/CO2e.</p> <p>Lacklustre demand persists for REDD+ credits, and interest has been observed to be shifting toward afforestation credits which are perceived to be of higher quality and less risky to trade. The Indonesian government’s recent revocation of the license of Rimba Raya, for violation of local laws and regulations, has not greatly impacted the prices for credits from the project due to their limited supply.</p>	<p style="text-align: center;">Nature-based credits</p>  <p style="text-align: center;">CORSIA credits</p> 

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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