

**ESG**

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**ESG Country Updates****Singapore**

- The Singapore Sustainable Finance Association (SSFA) launched in Apr 2025 its inaugural white paper on financing natural capital, providing guidance to financial institutions in Southeast Asia on managing nature-related risks. The paper highlighted that several sectors of economic importance to Southeast Asia, namely agriculture, mining, manufacturing and real estate, have large impacts and/or dependencies on nature. This encourages financial institutions to examine nature-related risks and increase proactivity in nature financing. Investment in natural capital expects to unlock US\$10 trn in global business opportunities and create 395 mn jobs by 2030, according to the World Economic Forum.

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- China's State Council has approved of the construction of 10 new nuclear reactors, which continues the pace of nuclear generation capacity expansion in the past few years, with 10-11 units having been approved annually in 2022 – 2024. The newly approved projects, which all use domestic technologies, represent expansions at five operational nuclear power plants: Fangchenggang in Guangxi, Sanmen in Fujian, Haiyang in Shandong, Xiapu in Chongqing, and Taishan in Guangdong. The country has 30 nuclear reactors under construction, nearly half of the global total, and is expected to surpass the US in nuclear energy leadership.

**Indonesia**

- Indonesia plans to have a renewable energy expansion by 2040 and an additional 103GW power capacity, made up of 75GW from solar wind, geothermal and biomass, 10GW from nuclear energy and the remaining 18GW from gas. This comes as the country aims for carbon neutrality before 2050. Currently, Indonesia's installed power capacity is around 90GW with more than half of it from coal. Renewable energy accounts for less than 15GW of the current capacity, and the country does not have nuclear power plants. Many of the nuclear contracts will be given in the next five years because of the long lead times, and decisions have not been made about the location of the nuclear plants because of the controversial nature of nuclear reactors.

**Rest of the world**

- The Trump administration proposed more budget cuts in federal funding for next year's sustainability-related projects, including renewable energy and electric vehicle chargers. The energy budget proposal cancels more than US\$15 bn in carbon capture and renewable energy funding from the bipartisan infrastructure law that former President Joe Biden signed in 2021. It also proposes to cancel US\$6 bn from that law for EV chargers. The plan is diverting

funding toward research and development of technologies related to oil, gas, coal and critical minerals, nuclear reactors and advanced nuclear fuels. This reflects a continued shift in energy policies under the Trump administration, favouring traditional fossil fuel industries and nuclear energy over clean energy initiatives, hindering the progress of US climate goals set by the previous administration.

### **Special Coverage: Controversial US efforts to boost deep-sea mining industry**

- The Trump administration signed a controversial executive order to boost deep sea mining within the US and in international waters. Authorities are expected to develop a plan to map priority areas of the seabed, engage with partners for seabed mineral exploration and expedite the process for reviewing and issuing exploration and commercial recovery permits under the Deep Seabed Hard Mineral Resources Act.
- This is part of plans to create a robust domestic supply chain for critical minerals (e.g. nickel, copper) derived from seabed resources to support economic growth, while countering China's dominance in the industry. Following the executive order, deep-sea mining firm The Metals Co is seeking a commercial recovery permit to mine the international seabed.
- The move bypasses the efforts by the United Nations' International Seabed Authority (ISA) in developing mining standards in international waters. Deep sea mining is also a controversial industry due to its energy-intensive nature with high greenhouse gas emissions, impact on marine ecosystems, as well as impact on local communities that depend on these ecosystems for their livelihoods.
- Over 30 countries are in support of a deep-sea mining moratorium. Many countries, including China, have delayed issuing permits until countries agree on a framework for how such resources should be shared. This can raise greater geopolitical risks for the industry, with conflict in international waters over disputed resources likely on the horizon.

Carbon Markets Analysis

ETS Markets	Price	Weekly Change	Week High	Week Low
EU ETS (EUR/ton)	68.76	3.5%	68.76	64.85
China ETS (CNY/ton)	71.46	-7.1%	76.90	71.46

Market	Commentary
EU ETS	<p>EU ETS prices surged by 3.5% to a one-month high amid sustained early buying. Strong renewable supply in continental Europe and temperatures above the seasonal norm in central Europe provide a slightly bearish outlook.</p>
China ETS	<p>China ETS prices fell further by 7.1% and remained below the 80 CNY/t mark amid continued bearish sentiment. CCER prices continue to trade at a premium to allowance prices in both the national and pilot ETSS, reflecting strong market demand.</p>

Source: Refinitiv Workspace, Carbon Pulse

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