

ESG

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ESG Country Updates

Singapore

- Sembcorp Industries, through its subsidiaries Sembcorp Green Hydrogen India and Sembcorp Development, signed two memorandums of understanding (MOUs) with the state government of Odisha. Sembcorp Green Hydrogen India will explore the development of a production facility for green hydrogen and its derivatives, with an anticipated production capacity of 720,000 tonnes per annum. In addition, Sembcorp Development will assess the potential to develop an industrial park in Odisha. This is part of efforts by Singapore and India to enhance bilateral cooperation in areas like sustainability.

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China

- The Bank of China joined the Taskforce on Nature-related Financial Disclosures (TNFD), marking a significant expansion in Chinese input into the work of the Taskforce and in the presence of TNFD in the Chinese market. The TNFD also announced the launch of new TNFD Consultation Groups in China, convened by the Institute of Finance and Sustainability, Hong Kong Green Finance Association and Business Environment Council. This can pave the way for enhanced nature-related corporate reporting in China.

Malaysia

- Malaysia plans to work with companies from the UAE to invest in Malaysia for green energy projects, infrastructure, battery storage and strengthening the energy grid. These projects are related to the New Industrial Master Plan 2030 (NIMP 2030) and the MADANI Economy framework, as well as projects in the Johor-Singapore Special Economic Zone (JS-SEZ). There is also interest to develop value chains in low-carbon technologies such as blue hydrogen and carbon capture, utilisation and storage that can support the decarbonisation of hard-to-abate sectors.

Indonesia

- The Asian Development Bank (ADB) signed a \$92.6mn financing agreement with PT Supreme Energy Muara Laboh (SEML) to develop Indonesia's geothermal power resources. This will be done through the expansion of a geothermal facility at Muara Laboh in West Sumatra, while supporting the construction and operation of a new geothermal power plant with an approximate capacity of 83MW. Indonesia has the largest geothermal reserves globally, estimated at 23.1GW, and currently only utilises a small portion of its abundant potential. Greater investments from public and private sources can support Indonesia in accessing its untapped geothermal power potential to support its transition away from fossil fuels.

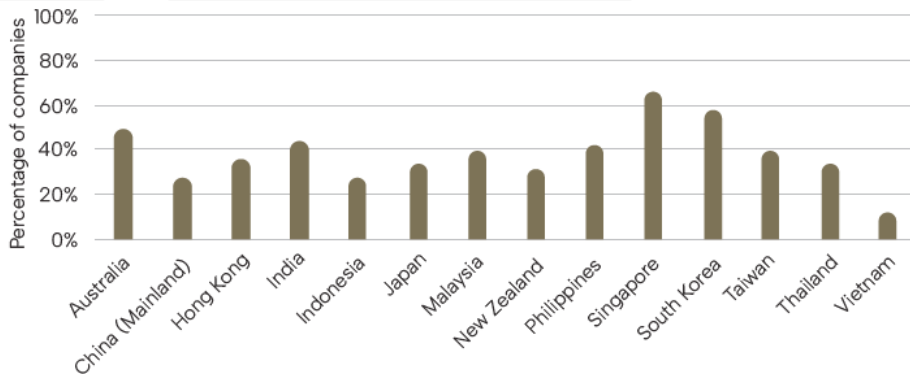
Rest of the world

- Europe’s wind farms are on track to produce more electricity than the region's coal-fired power plants for the first time in 2025 if the recent pace of output growth in wind production and output cuts in coal generation extends through 2025. Europe’s wind electricity production may surpass coal production by around 6% in 2025 if coal generation decreases and wind generation continues to increase. Greater full-year generation by wind farms over coal plants would mark the first time a single source of renewable energy surpassed coal-fired electricity output in any major region, and would mark a key energy transition milestone.

Special Coverage: TNFD deepens engagement in China through Bank of China’s participation

- The Bank of China is the first Chinese financial institution to join the Taskforce on Nature-related Financial Disclosures (TNFD), marking a significant expansion in Chinese input into the work of the Taskforce and in the presence of TNFD in the Chinese market.
- The TNFD also announced the launch of new TNFD Consultation Groups in China. The Institute of Finance and Sustainability (IFS) will convene a Consultation Group in mainland China and Hong Kong Green Finance Association and Business Environment Council (BEC) will co-convene a Consultation Group in Hong Kong.
- According to a study by NUS on nature-related practices in APAC, nature-related issues are not deemed material to most assessed companies and is still a nascent issue compared to climate. 39% of assessed companies have integrated nature-related issues into their overall risk management. Notably, Singapore (66%) and South Korea (58%) have the highest percentage of companies that have integrated nature-related issues into their overall risk management (Figure 1). These developments can support the growing momentum in the Chinese market and pave the way for enhanced nature-related corporate reporting.

Figure 1: Nature-related issues integrated into overall risk management



Source: NUS

Carbon Markets Analysis

ETS Markets	Price	Weekly Change	Week High	Week Low
EU ETS (EUR/ton)	79.26	5.9%	79.26	74.85
China ETS (CNY/ton)	94.95	0.7%	94.95	94.22

Market	Commentary
EU ETS	<p>The EU ETS prices saw a 5.9% weekly gain as it continues to mirror TTF gas development closely. Ukraine has been preparing for its integration into the EU ETS, such as adopting a legislation to restore mandatory monitoring of emissions. Trump’s inauguration is expected to have little immediate impact on EUA prices.</p>
China ETS	<p>China ETS prices saw a weekly increase of 0.7%, although permits continue to trade below 95 CNY/t with the completion of the annual compliance deadline in Dec 2024.</p>
Voluntary Carbon Market (VCM)	<ul style="list-style-type: none"> • Despite lackluster overall volumes and weak price movements over the past year, there has been a record number of new entrants in the VCM in 2024 which is a positive signal for the market. • Banks in Singapore are also increasingly building up capabilities in carbon credits, as the demand for carbon credits to offset companies’ residual emissions is expected to increase moving forward. This is despite the small size of the current VCM, estimated at US1.4bn according to MSCI, that is plagued with greenwashing concerns. Nonetheless, this is being addressed by some governments and industry groups through integrity initiatives.

Source: Refinitiv Eikon, Carbon Pulse

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