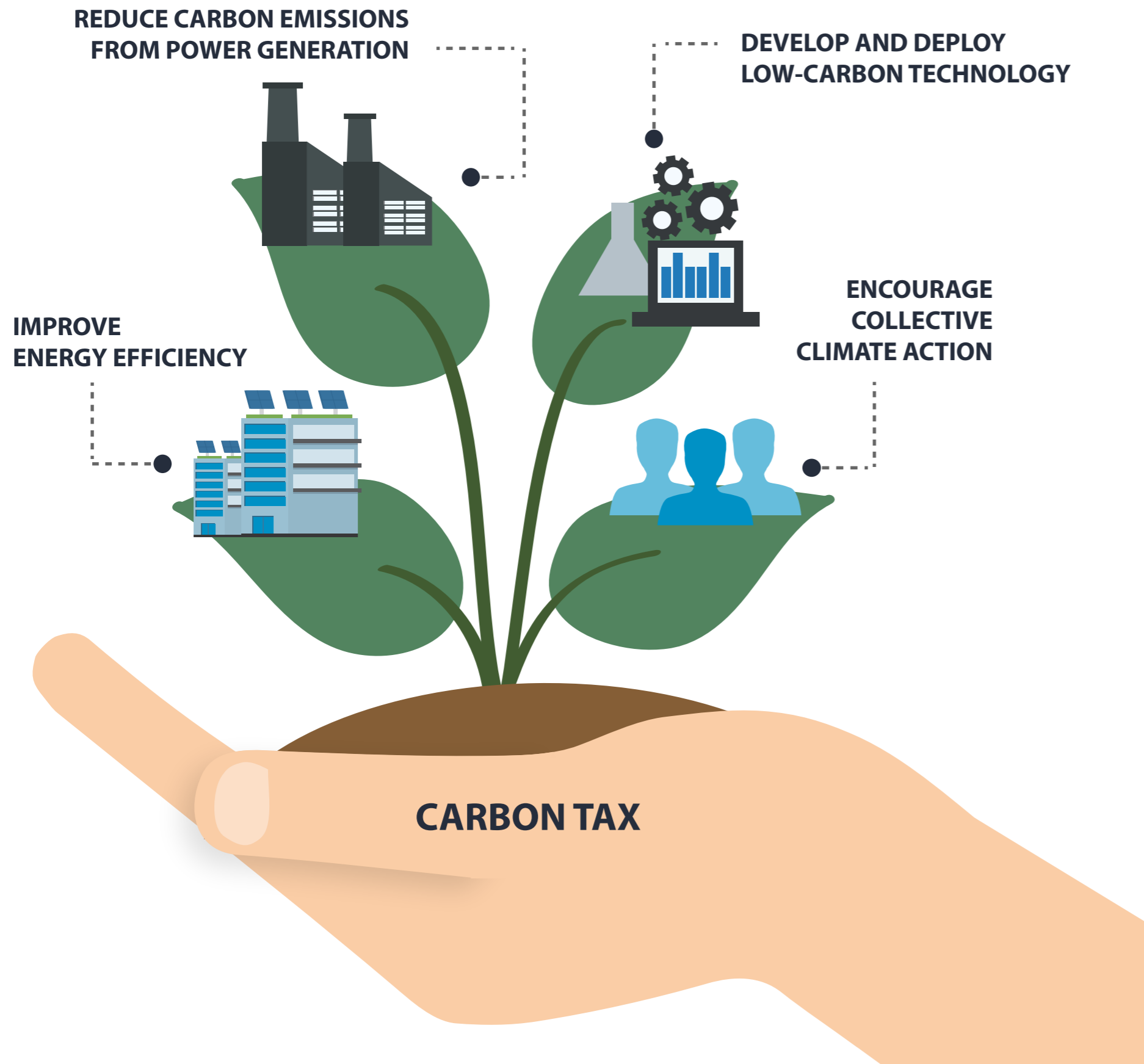


SINGAPORE'S CLIMATE ACTION PLAN



HOW A CARBON TAX WORKS

1 INTRODUCE A TAX ON EMISSIONS

- Carbon tax will generally be applied upstream, for example, on power stations and other large direct emitters.
- Businesses can choose to reduce emissions or pay a carbon tax.

2 ENCOURAGE ENERGY EFFICIENCY & SUPPORT MORE GREEN ACTIONS

- Businesses are motivated to improve their energy efficiency.
- Consumers are encouraged to use less electricity and save energy.
- Carbon tax revenue will help to fund measures by industry to reduce emissions and provide appropriate measures to ease the transition.

3 LOWER CARBON, GREENER ECONOMY

- Lower emissions lead to a greener planet.
- Businesses become more resource-efficient and sustainable.
- More opportunities in green growth sectors, such as clean technology.