



CIMB

**THANK YOU
FROM TOMORROW**



GRESB Regional Insights 2024

Sustainable Financing for the Real Estate Sector

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MOVING FORWARD WITH YOU

Proprietary to CIMB



We support customers through our suite of sustainable finance products and services

Corporates

- Financing and supporting our clients as they transition to a low carbon economy
- Facilitating and arranging for bonds/sukuk

SMEs

- Guiding and empowering clients on their sustainability journey
- Catalysing and financing clients' transition, needs, and growth

Individuals

- Access and inclusivity of marginalised groups
- Incentivisation via differentiated products and rates

Green, Social, Sustainable Impact Products and Services

- **Green, Social and Sustainable Financing**
- **Sustainability-linked Financing**
- Green, Social & Sustainable Bonds/Sukuk
- Sustainability-linked Bonds/Sukuk
- Transition Financing/Bonds/Sukuk
- Sustainability-linked Treasury Programme
- ESG Advisory Solutions

- GreenBizReady Proposition
- **Sustainability-linked Financing for SMEs**
- Low Carbon Transition Facility
- High Tech and Green Facility
- SME Renewable Energy Financing
- MicroBizReady Proposition
- Sustainable Term Investment Account-i

Green and Socially-Responsible Products

- Sustainable Living Home Solutions
- EV Financial Solutions
- Green Renovation Financing
- Solar Financing
- EcoSave Savings Account-i
- Giro Kartini
- ESG Focused Funds

Financial Access and Inclusion

- OctoSavers Savings Account
- Home Ownership, Personal Financing and Vehicle Financing for B40
- Touch n' Go Group GO+
- Amanah Saham Berhad (ASB) financing

What are the common types of Sustainable Financing Instruments?

Green, Social or Sustainable Loans

Clear Use of Proceeds

Principles

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Common Examples:

Construction of Green Certified Buildings
Installation of Renewable Energy
Energy Efficiency Upgrades
Construction of Affordable Housing

Sustainability-Linked Loans (SLLs)

General Purpose

Principles

1. Selection of KPIs
2. Calibration of SPTs
3. Loan Characteristics
4. Reporting
5. Verification

1. Selection of KPIs

- **Clearly defined**
- **Relevant, core and material** to the borrower’s overall business and operations
- **Measurable and Benchmarkable**
- Can be **1 to multiple** KPIs
- Consider the **sustainability maturity** of the company

Good Examples	Weaker Examples
<ul style="list-style-type: none"> • GHG Scope 1,2,3 Emissions (Absolute or Intensity) • Energy Usage Reduction • ESG Ratings (such as GRESB) • % of Green Certified Buildings or Achievements of Specific Scores (such as GreenRE) 	<ul style="list-style-type: none"> • Amount of CSR donations • Amount of Trees planted • Internal Employee Satisfaction Survey

KPI	Unit	2023 Historical	2024 Historical	2025	2026	2027
GHG Intensity	tCO2e / sqft GFA	100	95			
GRESB Rating	Score	Not Scored	Not Scored			
# of GreenRE Certified Projects	Gold or Platinum	0	1			

2. Calibration of Sustainability Performance Targets (SPTs)

- **Ambitious**, representing a material improvement in KPIs beyond BAU
- **Consistent** with the Borrower's Sustainability Strategy
- **Based** on past performance, peers, science based industry targets
- **Clear Timelines**

Good Examples	Weaker Examples
<ul style="list-style-type: none"> • Total GHG Intensity Reduction (tCO₂e / GFA) of – 4 % annually • Improvement of GRESB Rating from 4 star to 5 star 	<ul style="list-style-type: none"> • Total GHG Intensity Reduction (tCO₂e / GFA) of – 0.1 % annually • Maintenance of GRESB Rating at 1 star

KPI	Unit	2023 Historical	2024 Historical	2025	2026	2027
GHG Intensity	tCO ₂ e / sqft GFA	100	95	90	85	80
GRESB Rating	Score	Not Scored	Not Scored	2 or higher	3 or higher	4 or higher
# of GreenRE Certified Projects	Gold or Platinum	0	1	2	3	4

3. Loan Characteristics

- Determine **economic/financial outcome** when SPT is met or not met
- Typically, in the form of an interest rate **reduction** when SPTs are **met**
- Interest rate **increases** when SPTs are **not met** are common in bonds
- Both can be **combined** in one loan
- **Tiering** is also possible

KPI	Interest Rate Reduction	2023 Historical	2024 Historical	2025	2026	2027
GRESB Rating Tier B	-0.05% p.a	Not Scored	Not Scored	2 or higher	3 or higher	4 or higher
GRESB Rating Tier A	-0.10% p.a	Not Scored	Not Scored	3 or higher	4 or higher	5 or higher

4. Reporting

- Borrowers report to lenders **at least once a year** by a predefined timeline
- Provide a **sustainability confirmation statement** with verification
- Public disclosure is **encouraged**, but can also remain private between borrower and bank

Example:

- The GRESB score for assessment year 2024 will be used, with the results to be reported to the Bank latest by 30th June 2025
- If score of 5 is obtained, borrower gets an interest rate reduction of 0.10% from 1st July 2025 – 30th June 2026

KPI	Interest Rate Reduction	2023 Historical	2024 Historical	2025	2026	2027
GRESB Rating Tier B	-0.05% p.a	Not Scored	Not Scored	2 or higher	3 or higher	4 or higher
GRESB Rating Tier A	-0.10% p.a	Not Scored	Not Scored	3 or higher (Actual:5)	4 or higher	5 or higher

5. Verification

- Borrower **must** obtain **independent and external verification** of their performance level against each SPT for each KPI
- Qualified external reviewers include limited or reasonable assurance by an **auditor, environmental consultant** or **independent ratings agency**

Sustainability-Linked Financing (SLF) for SMEs

Achieve targets and unlock rebates with the recommended step-by-step journey with CIMB GreenBizReady™

1 Receive Complimentary Coaching



Start your sustainability journey with a solid foundation of **knowledge and skills** with ongoing access to training and support.



2 Measure Your Emissions



Measure your emissions baseline simply by inputting your electricity and fuel usage into a **simple web-tool**.



3 Take Action to Reduce Your Emissions



Choose from a wide range of **Renewable Energy, Energy Efficiency** and/or other service providers to reduce your electricity.



4 Obtain Financing for Your Transition



Secure financing with CIMB via Bank Negara Malaysia's **Low Carbon Transition Facility (LCTF)** to finance your selected Renewable Energy or Energy Efficiency options.



5 Verify Emissions Reduction



Get your emissions reduction **verified**, by updating your electricity and fuel usage into the simple web-tool.

REWARDS!



Enjoy **attractive rebates** based on your sustainability performance, in addition to **cost savings & tax incentives!**

Why should Companies do SLLs?

- Lower Financing Costs
- Positive Reputation and Market Positioning
- Internal Accountability and Senior Oversight



THANK YOU FROM TOMORROW

Find out more about
what we do at CIMB:



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