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ESG IN REAL ESTATE

Issue 20

UOB Malaysia approves RM6 bln "green" loans, partly to support real estate players

United Overseas Bank (Malaysia) Bhd (UOB Malaysia) has approved RM6 billion in sustainable finance, partly driven by its two financing frameworks designed specifically to help real estate players make the switch to net zero emissions.

The first is the Sustainable Finance Framework for green building developers and owners to develop green real estate, while the second is the Smart City Sustainable Financing Framework to support companies that contribute towards the creation of sustainable and smart cities. According to UOB Malaysia's executive director and chief executive officer, Ng Wei Wei, the frameworks were developed to help building owners and other players in the building value chain.

"We believe that a sectoral approach is more effective as it addresses each sector's unique characteristics and challenges," she said in her opening address at the International Green Build Conference 2023 here today.

Sustainable built environments were the main topic of the one-day conference, which was organised jointly by Green Real Estate (GreenRE) and the Rehda Institute. The conference's theme, "Realising Low Carbon Real Estate," included international speakers and business leaders.

Ng called on building owners to participate in the bank's U-Energy programme and save 50 gigawatt hours between now and December 31, 2024. According to her, this programme aids in the implementation of energy efficiency projects in new developments and the retrofitting of existing buildings by real estate players and building owners. [READ MORE](#)



Scientex signs MOU with Sime Darby Beyond Auto to offer greater affordability to sustainably-built homes and EVs

Scientex Bhd has signed a memorandum of understanding (MOU) with Sime Darby Motors, the automotive arm of Sime Darby Bhd, to bring affordability into sustainable property development and mobility solutions for a greener future.

The collaboration, effected through their subsidiaries Scientex Park (M) Sdn Bhd and Sime Darby Beyond Auto Sdn Bhd, was inked yesterday at Scientex' Mori Residences Sales Gallery here.

Aiming to accelerate Malaysia's sustainability agenda, both companies are committed to creating a positive impact on the nation's journey towards an environmentally-responsible future.

The signing of the MOU designates Scientex and Sime Darby Beyond Auto as the preferred marketing campaign partners for the launch of Scientex's highly-anticipated Mori Residences 2 condominium project in Rawang, Selangor. The project highlights Scientex's commitment to sustainability as it incorporates GreenRE principles, featuring environmentally-responsible design and electric vehicle (EV) charging stations that will be located at the common area.

“We believe that electric car usage is an upcoming trend and we want to make our properties ready with the infrastructure for it. [READ MORE](#)



More time needed to get sustainability legislation passed

The long-delayed Energy Efficiency and Conservation Act (EECA) will only be tabled for debate in the Dewan Rakyat later this year.

Natural resources, environment and climate change minister Nik Nazmi Nik Ahmad said the government has been pushing hard to get it through parliament.

“Other countries already have some form of energy efficiency legislation in place, but in Malaysia, it has been on the drawing board for several years now,” he said at the sidelines of the third International Green Building Conference (GBC) here today.

He said that an important component of the EECA was to achieve net zero emission. “As such, it does not just mean renewable energy but also energy efficiency, which means reduced usage of energy,” he added.

Nik Nazmi said the recent heat wave in many Asian countries as well as rising sea levels and regular floods showed that political leadership had become even more critical now in addressing climate change.

“We have to make some adjustments to government policies as well,” he said. For instance, he said, many hospitals, schools and clinics have installed solar panels on their own initiatives to reduce energy costs. [READ MORE](#)



TNB and Petronas to join hands in pursuit of sustainability

Tenaga Nasional Bhd (TNB) and Petronas will work together to explore and create initiatives in the field of green hydrogen.

The effort, with the objective to reduce carbon emissions to pave the way for a greener future, was formalised under a joint feasibility study agreement.

Among others the two companies, the country's biggest players in the energy sector, will leverage on hydrogen to reduce carbon emissions in sectors such as transportation, manufacturing and power generation.

Through the joint study, TNB and Petronas as well as Gentari, the clean energy company founded by the national oil corporation, are expected to gain invaluable insights into the challenges and opportunities in using green hydrogen as a fuel.

In a joint statement issued after the signing of the agreement, the two companies said their partnership would be significant in addressing the challenges of decarbonising the energy industry where both are prominent players.

TNB, which has committed to achieve net zero emission by 2050, is exploring the use of hydrogen and ammonia as co-firing options in its power generation, while also venturing into hydrogen usage in mobility and manufacturing. [READ MORE](#)



AFFIN Bank offers financing to go green

As the world pursues sustainability in every aspect of life, the banking industry is not left behind, and in fact, may be among the leaders.

In line with this, AFFIN Group has remained committed to integrating sustainability practices into the delivery of its products and services.

As a modern and progressive financial group that subscribes to creativity and innovation, sustainability is at the core of all that it does. Under the Group's Responsible Banking with Impact A25 strategic objectives, it targets up to 10% ESG financing or loan portfolio.

“On mortgage space, we understand that many homeowners are turning to green living not just to cut their carbon footprints but for savings as well. Popular among landed home properties are solar panels installed on rooftops, which are capable of saving 54% to 87% per month on electricity bills.

In support of this renewable energy practice, AFFIN Bank has launched the AFFIN Solar Financing-i to help smart homeowners who are keen on purchasing solar panels to generate the electricity they need.

Solar panels can cost RM20,000 to RM60,000, depending on rooftop, quality, grade, etc, Wong points out. [READ MORE](#)



Cyberjaya's centralised cooling system lowers CO2 emissions by 7,000 tonnes per annum

The centralised cooling system implemented in Cyberjaya has succeeded in reducing carbon dioxide emissions by about 7,000 tonnes per annum in contrast to traditional cooling systems, Cyberview Sdn Bhd, says acting managing director Dr Mohd Hafiz Ibrahim.

Speaking to reporters after the "Accelerating Cyberjaya's Energy Efficiency" forum here on Friday (Aug 4), he said the centralised cooling system, which was established in 1999, was currently used in more than 46 buildings in Cyberjaya.

He said the system was one of Cyberview's initiatives, as a government-owned Tech Hub developer, towards making Cyberjaya a low-carbon city.

"This initiative is within Cyberview's environmental, social and corporate governance (ESG) standards framework to implement Cyberjaya's sustainable development in the next five years," he said.

The framework focuses on energy efficiency, sustainable buildings and urban design, as well as sustainable waste management and energy efficiency, he said.

He added that the switch to solar power in buildings, as an alternative energy source, was also part of the focus towards a greener and cleaner Cyberjaya.

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Penang development corporation to turn solar energy into a core business

Penang Development Corporation (PDC), an agency under the state government, plans to grow its presence in the renewable energy (RE) sector, particularly solar energy, and turn it into one of its core businesses in the future.

Chief executive officer Datuk Aziz Bakar said this initiative is in line with the state's aspiration to transform into a green economy as well as the country's effort to ensure that RE accounts for 70 per cent of the country's electricity generation by 2050.

“We expect investments in RE to be ramped up exponentially and we believe Penang has an exciting and major part to play, being home to multiple multinational corporations in the manufacturing sector.

“PDC is committed to doing its part in helping others embark on the RE journey, thereby expediting Malaysia's transition towards a net zero future,” he told reporters at the launch of the PDC Solar Photovoltaic (PV) System here today, which was also attended by Chief Minister Chow Kon Yeow.

He said for its first solar energy project, PDC collaborated with Solarvest Holdings Bhd, which is responsible for consultation, design and engineering, procurement, project management and construction. [READ MORE](#)



reNIKOLA issues world's first Climate Bonds Initiative-certified sukuk

Pure play renewable energy company reNIKOLA Holdings Sdn Bhd is issuing up to RM390 million in sukuk that has been certified by the Climate Bonds Initiative (green sukuk).

The green sukuk has been independently verified by RAM Sustainability Sdn Bhd to have complied with the science-based Climate Bonds Standard and Certification Scheme (Climate Bonds Standard).

Climate Bonds Initiative is an independent international not-for-profit organisation working to mobilise financial markets for climate change solutions. The Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global Climate Bonds Certification Scheme.

Meanwhile, the Climate Bonds Standard is an overarching science-based, multi-sector certification scheme for investments that address the challenge of climate change and are consistent with the goals of the Paris Climate Agreement.

The managing director of reNIKOLA, Boumhidi Adel, said the company is proud to be the first green sukuk issuer in the world to have the Climate Bonds Initiative certification and it demonstrated its dedication to global best practice in climate finance. [READ MORE](#)



Cypark partners RGFC Ventures in sustainability

Cypark Resources Bhd, in partnership with RGFC Ventures Sdn Bhd, is committed to delivering a low-carbon and sustainable agenda in Selangor by harnessing the power of solar energy, says chief executive officer Datuk Daud Ahmad.

Cypark Resources and RGFC Ventures have signed a memorandum of business exploration yesterday to provide renewable energy to the state in line with the National Energy Transition Roadmap or NETR.

RGFC Ventures and Cypark Resources would explore potential especially in implementing solar energy solutions across Selangor. The focus would be on floating solar as well as residential and home solar to reduce reliance on conventional energy sources to minimise greenhouse gas emissions.

“Cypark Resources and RGFC Ventures aim to generate clean electricity that will power homes, schools, hospitals and industries in Selangor,” the companies said in a joint statement.

Through the developments in solar, renewable energy and waste management projects, the companies would be taking steps to reduce carbon footprint and mitigate the impact of climate change, the statement said. [READ MORE](#)



Mydin goes green with push for solar energy

Local hypermarket chain Mydin will install solar panels at 15 of its outlets nationwide to support the push towards a sustainable future.

Mydin Mohamed Holdings Bhd said the installations are part of the company's new Mydin Prihatin #forfuture programme, which aims to push for the adoption of environmentally conscious, socially responsible and well-governed (ESG) practices among its workforce, customers, partners and the industry as a whole.

The solar panels will be used to help power the outlets' operations and are expected to reduce the company's carbon emissions by 20,643 metric tonnes per year, which is equivalent to planting 639,918 trees annually, it added.

Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad, who launched the programme, applauded the company's commitment, calling it an important step towards achieving a sustainable future for the country.

“Organisations must be brave to change, change minds and benefit from technologies through the practice of ESG to remain relevant and competitive. “Having big companies like Mydin commit to environmental protection will be key in achieving our goal of becoming carbon neutral by 2050, due to the potential ripple effect it can have on the industry,” he said. [READ MORE](#)



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