

# ZERIN HABITAT

## Issue 81

WEEKLY UPDATES

## ESG IN REAL ESTATE



# New Electricity Tariff Reflects Malaysia's Energy Sector Reforms

The government's new electricity tariff schedule, effective July 1, reflects major reforms aligned with the National Energy Transition Roadmap (NETR). Communications Minister Datuk Fahmi Fadzil said the reforms support increasing renewable energy use and cutting carbon emissions by 2050.

Under the new schedule, 85% of domestic consumers will see stable or reduced electricity rates if usage stays below 1,000 kilowatt-hours per month. The initiative is a coordinated effort by the government, Ministry of Energy Transition and Water Transformation, Energy Commission, and Tenaga Nasional Bhd to deliver tangible benefits.

The Energy Commission confirmed that over 23.6 million users in Peninsular Malaysia will benefit from fairer rates under the Incentive-Based Regulation framework. The new tariff includes a slightly reduced average base rate of 45.40 sen/kWh, representing up to a 19% reduction compared to the previous period, supporting the government's commitment to energy affordability and sustainability. [READ MORE](#)





# Hektar REIT Expands Into Solar With Perlis Land Acquisition

Hektar Real Estate Investment Trust is set to acquire a 90% stake in Terramark Sdn Bhd for RM26 million. Terramark owns a 197.76-acre leasehold land in Chuping, Perlis, earmarked for a private solar farm. MTrustee Bhd, on behalf of Hektar REIT, entered into a sale and purchase agreement with Darul Modal Sdn Bhd and Wan Realty Sdn Bhd, the main shareholders of Terramark. The land, once a sugarcane plantation, will be converted to industrial use by the vendors, enabling its development under the Corporate Renewable Energy Supply Scheme.

A 25-year triple net master lease will be signed between Terramark and a third-party lessee, ensuring long-term income with an average yield of 9.55%. Additionally, the lease includes a 10% rent escalation every three years, offering inflation protection and supporting future growth in distribution per unit. The acquisition will be fully funded by internally generated funds, with completion targeted by year-end.

This move is aligned with Hektar REIT's ongoing diversification strategy, following recent acquisitions in education and light industry. It marks the REIT's first step into renewable energy, expanding its presence beyond retail.

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# Penampang Council Sets New Standard in Green and Smart Governance

The Penampang Municipal Council has become the first government building in Sabah to receive Green Building certification, marking a key milestone in sustainable governance. The certification, announced by Deputy Chief Minister II Datuk Seri Panglima Dr Joachim Gunsalam, reflects the council's commitment to energy efficiency through solar panels, LED lighting and other green technologies. This move aligns with the Sabah Maju Jaya Development Plan's focus on environmental and community well-being.

Dr Joachim praised the council's efforts, noting that adopting sustainable practices not only reduces long-term operational costs but also supports broader climate action goals. He urged other local authorities in Sabah to follow suit and embrace sustainability-driven transformation in both policy and infrastructure.

In tandem with the certification, PMC launched a new e-Complaint app and a Command Centre to enhance municipal services. These upgrades aim to boost transparency, improve responsiveness, and promote a data-driven, citizen-focused governance model. [READ MORE](#)



# IGBC 2025 to Drive Green Innovation and Sector Collaboration

The International Green Build Conference (IGBC) 2025, the largest since its 2019 debut, will bring together over 800 participants including policymakers, developers, academics and more than 25 local authorities. Co-organised by Rehda Institute and GreenRE, the event will focus on strengthening climate action leadership and embedding sustainable practices in urban planning. Themed Adaptation through Sustainable Innovation, it will be held on August 19 at One World Hotel, Petaling Jaya.

Speakers and organisers underscored the urgent need for alignment across stakeholders to accelerate sustainability adoption. IGBC 2025 will feature real-world solutions, policy discussions, and best practice sharing, supported by an interactive exhibition. With Malaysia taking on global leadership roles, the conference aims to position the construction sector as a climate action leader.

A RM100,000 university collaboration initiative will sponsor key students and academics to attend. Ministers Nga Kor Ming and Fadillah Yusof are expected to deliver keynote addresses alongside global experts in green development.

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# Malaysia Eyes Uzbekistan as Strategic Gateway into Central Asia

Malaysia sees Uzbekistan as a key entry point for expanding its presence in Central Asia, following Deputy Prime Minister Datuk Seri Fadillah Yusof's four-day working visit. Both nations agreed to boost trade and investment, particularly in energy, palm oil, sukuk, and semiconductors. The visit builds on last year's engagement by the Prime Minister and aims to deepen bilateral cooperation, with Malaysia also offering expertise in water security and clean water access.

Uzbekistan invited Malaysia to collaborate in renewable energy, smart grid systems, and carbon trading, aligning with shared sustainability goals. Fadillah proposed the country work with the Malaysian Palm Oil Council to become a regional export hub, supported by awareness programmes to promote palm oil. Additionally, both sides are set to strengthen Islamic finance collaboration, with Uzbekistan keen to learn from Malaysia's sukuk leadership.

Connectivity will improve with a new AirAsia X route starting in October. Fadillah also confirmed deeper semiconductor collaboration and ongoing technical training under the MTCP initiative. [READ MORE](#)



# Australia Strengthens Green Economy Ties with Malaysia Mission

Australia is advancing its economic engagement in Southeast Asia with a targeted trade and investment mission to Malaysia, led by Trade and Tourism Minister Senator Don Farrell. The mission supports the Albanese government's strategy to deepen trade in priority markets, aligning with Southeast Asia's projected rise as the fourth-largest global economy by 2040. The delegation includes 30 representatives from 21 Australian organisations, focusing on green economy partnerships.

Malaysia is emerging as a regional hub for renewable energy, making it a key partner in areas like solar, hydrogen, and waste-to-energy. The delegation will also take part in the 2025 Energy Asia Conference in Kuala Lumpur, featuring the Australian Energy Innovation Showcase, academic collaborations and curated business-matching sessions. These efforts aim to foster long-term innovation and investment.

This initiative complements broader regional moves including the A\$2 billion Southeast Asia Investment Financing Facility, record A\$1 billion trade outcomes, and an upgraded ASEAN-Australia-New Zealand Free Trade Agreement. [READ MORE](#)



# Baker Hughes Launches Sustainability Centre to Support Energy Transition

Baker Hughes has officially opened its Sustainability Solutions Centre in Kuala Lumpur, advancing its commitment to environmental, social, and governance (ESG) standards. The Centre provides verified ESG data on Baker Hughes' products and services to support global customers amid rising sustainability reporting demands. This aligns closely with Malaysia's National Energy Transition Roadmap and Hydrogen Economy initiatives, reinforcing the country's leadership in sustainable energy.

The company aims to cut operational emissions by 50% by 2030 and reach net zero by 2050. Its "Carbon Out" program has reduced emissions by nearly 30% since 2019 through practical upgrades like electric boilers and hybrid fleets. Baker Hughes also collaborates with clients on emissions reduction projects, providing lifecycle emissions data to support transparency and reporting.

With over 1,200 employees in Malaysia and a long-standing presence, the new Centre cements Kuala Lumpur as a strategic hub for Baker Hughes' global sustainability efforts and regional energy transition leadership. [READ MORE](#)





# Sabah Targets 80 Percent Renewable Energy by Year 2050

Sabah is shifting its energy mix from 80 percent gas to 80 percent renewable energy by 2050, driven by its Sabah Energy Roadmap and Master Plan 2040 (Se-Ramp 2040). Energy Commission of Sabah (ECoS) CEO Datuk Ir Abdul Nasser Abdul Wahid highlighted this vision during the Energy Asia 2025 conference. Flagship projects include the 100MW/400MWh Battery Energy Storage System in Lahad Datu, expected to be Southeast Asia's largest, which will support grid stability and solar integration by mid-2025.

To improve energy security, three fast-tracked projects will raise Sabah's reserve margin above 25 percent by Q3 2025. New solar and hydro developments are planned, alongside exploration of geothermal, wind, biomass, and advanced technologies like OTEC and SMRs. The state also supports regional grid integration and transmission upgrades for greater resilience.

Tariff reform remains crucial, with ECoS pursuing a sustainable model. Despite challenges, Sabah remains committed to a just, inclusive and carbon-neutral energy future. [READ MORE](#)



# Maybank Backs CP Group's Renewable Energy Expansion in Malaysia

Maybank is financing Charoen Pokphand Group's renewable energy arm, Altermim, as it makes its Malaysian debut. Acting as the sole bilateral lender for Altermim's first green loan, Maybank will fund rooftop solar installations at 28 Lotus's Malaysia hypermarket branches. The initial phase aims to deliver up to 20 megawatts of installed capacity, generating nearly 24.7 million kilowatt-hours of clean energy annually and offsetting 433,958 tonnes of carbon dioxide emissions over the project's lifespan.

This financing aligns with Maybank's Sustainable Product Framework and supports its regional goal to accelerate the energy transition across Southeast Asia. John Chong, Maybank's global banking CEO, highlighted the longstanding partnership with CP Group and their shared vision for a low-carbon economy.

The collaboration also complements Malaysia's broader efforts to increase renewable energy adoption, strengthening both parties' commitments to sustainability and clean energy growth. [READ MORE](#)





# Bank Islam Launches IFIRST to Support Sustainable Business Growth

Bank Islam Malaysia has introduced IFIRST, a new sustainable financing solution designed to help SMEs and mid-tier companies adopt resilient and environmentally friendly practices. IFIRST, which stands for Ihsan Financing for Business Resilience, Sustainability and Green Transition, aims to provide equitable access to funding for businesses transitioning to a low-carbon economy. The solution supports carbon-intensive sectors and offers access to Bank Negara Malaysia's Low Carbon Transition Facility.

Group CEO Datuk Mohd Muazzam Mohamed highlighted that IFIRST reflects Bank Islam's commitment to an inclusive green transition, supporting both large companies and smaller ecosystem partners in reducing carbon emissions. The financing aligns with shariah principles and the bank's environmental, social and governance commitments.

Bank Islam has achieved 93% of its RM28 billion sustainable finance target for 2025 and plans to implement its Climate Transition Plan to reach net zero emissions by 2050. The bank's shares rose 3.11% to close at RM2.32, reflecting investor confidence. [READ MORE](#)



# Alliance Bank Launches Sarawak SME ESG Report to Drive Sustainability

Alliance Bank Malaysia launched the Sarawak SME ESG Report, a key initiative to promote Environmental, Social, and Governance practices among Sarawak's small and medium enterprises. Developed with support from the Sarawak government, InvestSarawak, Monash University, and the UN Global Compact Network, the report highlights ESG awareness, adoption, and challenges, offering practical guidance for businesses.

Premier Datuk Patinggi Abang Johari reaffirmed Sarawak's commitment to embedding sustainability within its Post Covid-19 Development Strategy 2030. The report shows strong momentum, with 60% of SMEs aware of ESG issues and 66% already adopting practices. Despite barriers like limited resources and complex frameworks, nearly all non-adopters intend to act within two years.

Alliance Bank CEO Kellee Kam emphasized the report's value in addressing local business realities. Monash University's Professor Datuk Adeeba Kamarulzaman highlighted the collaborative research's role in shaping policies to enhance SME resilience and support Sarawak's sustainable growth. [READ MORE](#)



# TIME Launches Malaysia's First Community Solar Programme For Data Centres

Time Energy, the renewable arm of TIME dotCom, has introduced Malaysia's first community solar initiative for data centres, with AIMS Group as the inaugural anchor customer. The programme, under the Community Renewable Energy Aggregation Mechanism (CREAM), leverages residential rooftop solar to meet data centres' rising clean energy needs while allowing households to earn from solar generation.

CEO Arjun Arasu explained that CREAM enables homes within a 5km radius of AIMS' Cyberjaya data centre to lease rooftops to Emit Solar for system installation and maintenance. The aggregated solar energy is then sold to AIMS, powering its data centres. AIMS CEO Chiew Kok Hin highlighted that CREAM advances ESG goals while fostering community engagement.

This pioneering initiative supports Malaysia's renewable energy transition and empowers households, including low electricity users, to participate directly in the clean energy economy. Time Energy and AIMS also signed a memorandum of understanding for initial small-scale deployment, witnessed by a ministry official. [READ MORE](#)





# NanoMalaysia and CIMA Partner to Develop Graphene-Enhanced Concrete

NanoMalaysia and Cement Industries of Malaysia (CIMA) have partnered to create graphene-enhanced concrete that uses carbon capture and nanotechnology to improve construction materials and reduce greenhouse gas emissions. Supported by the Ministry of Science, Technology and Innovation, this project aims to boost Malaysia's infrastructure sustainability.

NanoMalaysia CEO Dr Rezal Khairi Ahmad said the concrete embeds solid carbon from the air, making it stronger and more durable while capturing carbon. The project is at Technology Readiness Level 3 and plans to advance with research support from Universiti Teknologi PETRONAS and application by CIMA.

This innovative concrete meets national green standards and supports carbon neutrality goals. While cost and scaling remain challenges, the team focuses on local production and policy alignment. The Asia-Pacific graphene concrete market is expected to reach US\$54.9 million by 2030, placing Malaysia at the forefront of green construction innovation. [READ MORE](#)



# Taylor's Education Group Champions ESG Across Southeast Asia Campuses

Taylor's Education Group has embedded environmental, social and governance (ESG) principles across its institutions in Malaysia, Singapore and Vietnam. This includes three higher education institutions and seven international schools. The group's efforts align with the United Nations Sustainable Development Goals, particularly climate action. Chairman Datuk Loy Teik Ngan highlighted that sustainability is now a core mindset, shaping daily operations and student culture.

The ESG strategy is built on three pillars: measurable impact, sustainable learning environments and operational integration. A centralised dashboard tracks emissions and performance while enabling student-led research. Campuses are being transformed through initiatives such as the Green Classroom, Sustainable Transport Plan and Net-Zero Energy Campus pilots, in line with Unesco's Education for Sustainable Development framework.

Further actions include green procurement, transparent leadership, and staff welfare. The ESG Festival gathered over 230 participants, uniting education, business and social leaders to drive regional sustainability and impact. [READ MORE](#)





# Malaysian Timber Industry Adopts ESG Framework to Meet Global Standards

About three years ago, the Malaysian Timber Association (MTA) recognized the growing global demand for deforestation-free and ESG-compliant timber products. In response, it developed an industry-wide ESG framework published in March, guiding timber companies on sustainable practices, greenhouse gas reporting, labor policies, and community impact. The framework aligns with international standards like the EU Deforestation Regulation and aims to unify diverse regional practices across Malaysia.

Although voluntary, the framework supports timber companies in preparing for future regulations and improving sustainability, with strong industry and NGO collaboration during its creation. It also promotes better relations between timber producers and conservationists by emphasizing sustainable forest management.

The MTA is now focused on encouraging broad adoption of the framework and is working toward national policies for sustainable tree plantations. This would balance forest conservation with economic benefits, helping the timber sector reduce environmental impact while supporting local communities. [READ MORE](#)





# HLIB Maintains Neutral on Plantation Sector Amid ESG Progress

Hong Leong Investment Bank (HLIB) maintains a Neutral call on the plantation sector while reiterating Buy ratings on Sime Darby Plantation, Jaya Tiasa Holdings, and IOI Corporation with target prices of RM5.17, RM1.35, and RM4.24 respectively. The outlook reflects steady environmental and social improvements, though governance progress remains uneven.

In FY24, most planters reduced greenhouse gas emissions and water usage through initiatives like biogas and green energy. Social efforts focused on better labour conditions and community engagement. However, governance challenges persist, with mixed board independence and gender diversity results. Only some firms improved board independence, while others declined, and four out of eight planters fall short of the 30% female board representation target.

ESG compliance and disclosure have improved, driven by regulations like the EU Deforestation Regulation and Bursa Malaysia's mandates. HLIB keeps crude palm oil prices assumptions stable but with slight upside potential. Its top picks remain well placed to benefit from ongoing ESG integration and sector reforms. [READ MORE](#)



# Solarvest Commits RM112 Million for Brunei's Largest Solar Project

Solarvest Holdings Bhd announced a BND34 million (RM112.4 million) investment for a 30MWac solar power project in Brunei, mostly financed through bank loans. Its subsidiary, Atlantic Blue Sdn Bhd, will fully fund its equity share using internal funds.

The project, backed by a 25-year power purchase agreement signed with Brunei's Department of Electrical Services, will be Brunei's largest solar facility upon completion by end-2026. It will be built on a 33.29-hectare remediated landfill and is expected to generate 64.47 million kWh of renewable energy annually.

Developed through a joint venture, Seri Suria Power (B) Sdn Bhd, Solarvest holds a 34% stake, while Brunei's Khazanah Satu and Serikandi Oilfield Services hold 30% and 36% respectively. The project aligns with Brunei's goal of achieving a 30% renewable energy mix and reducing greenhouse gas emissions by 20% by 2030. [READ MORE](#)

