

Sharing and experience on sustainable finance product development



Joint Committee
on Climate Change



Presented by
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Towards Sustainable Future Through **Sustainable Finance**

24 June 2021

Malaysia's Journey - Driving the ESG Revolution

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|  Established the Green Technology Funding Scheme |  Inaugural 'target-linked' social impact Sukuk  Sustainability Reporting requirement |  World's 1 st Green Sukuk  Guidelines on SRI Funds & Launch of the revised MCCG  Tax incentives for SRI Funds |  SC's SRI Roadmap  Discussion Paper on CCPT Climate Change Principle-based Taxonomy (CCPT) |  World's 1 st Sovereign USD Sustainability Sukuk  Issuance of CCPT  SRI Sukuk & Bond Grant Scheme |
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|  SRI Sukuk Framework   Launch of FTSE4Good Bursa Malaysia Index Sustainable and Responsible Investment (SRI) |  Tax incentives for SRI Sukuk Issuers |  SRI Sukuk Grant Scheme  Implementation Guide for VBI Value-based Intermediation (VBI) |  VBI Assessment Framework Sectoral Guides  World's 1 st Islamic Multi-Currency Sustainability-linked Financing  Net Zero Carbon Emission Target by 2050 |
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Parallels in Philosophy: Islamic Finance vs Sustainable Finance



Malaysia - Worldwide recognition for pioneering Islamic banking and finance since 1983



Principles



Values



Integrates the underlying Shariah principles and values into ESG criteria to create sustainable positive impact to the environment and society

“Analysis of the 6,554 companies under Refinitiv’s global database indicates a higher ESG score by 5.9% for Shariah-compliant companies”

REFINITIV
Islamic Finance ESG Outlook 2019



Available Product Offerings

Green / Social / Sustainable Financing

Sustainability-Linked Financing

Sustainability-Linked Bonds

Directly linking sustainability goals with financing costs

Transition Financing

Funding platform to migrate towards sustainable business

Sustainable Supply Chain Financing

End-to-end sustainability adaptation within the entire supply value chain

Green Asset Securitisation

Liquidity platform for diverse asset portfolios

Sustainable Agriculture

Using finance to catalyse sustainable practices

Carbon Exchange Initiative

Market based trading to reduce carbon emissions

Potential Initiatives

Taxonomic Structure Adaptation in Malaysia

Embracing sustainable financing standards and principles to deliver value-accretive sustainable financing solutions

Alignment of Standards

October 2019
MYR245 million



ASEAN Sustainability SRI Sukuk

- Sukuk Sustainability Framework Adviser
- Sole Principal Adviser & Lead Arranger

Use-of-Proceeds Standards



Target-Linked Principles



Key Highlights

- ★ World's 1st Socio-Agricultural Sukuk for a Solar PV project
- ★ 1st ASEAN Sustainability SRI Sukuk in Malaysia



- ★ Best ASEAN Sustainability SRI Sukuk (Malaysia & Regional) 2020
- ★ Best Islamic Finance Deal (Asia-Pacific) 2020
- ★ Best SRI Sukuk 2019
- ★ Malaysia Capital Markets Deal 2019

May 2020
USD800 million



Sustainability-Linked Financing

- Sustainability Structuring & Shariah Adviser
- Lead Coordinator

- ★ World's 1st Syndicated Islamic Sustainability-linked financing
- ★ Largest Syndicated financing in 2020 Malaysia loan markets



- ★ Green & Sustainable Finance Award 2021
- ★ Green Project 2020
- ★ Best ESG Green Financing SEA (Malaysia) 2020
- ★ Islamic Finance Deal of The Year 2020

We Do **WELL**



by Doing **GOOD**

Thank You