Sustainable Finance

Feb 2025

Sustainability Office | Global Wholesale Banking | Malaysia

National Energy Transition Roadmap (NETR)

Bioenergy

Overview [NETR Extracts]

Bioenergy covers **biomass, biogas, and biofuels**, and offers a key source of renewable primary energy supply. **Biomass and biogas** are used as **zero-carbon energy supply sources for power generation**. Bioenergy is widely categorised based on the type of feedstock used to produce it:

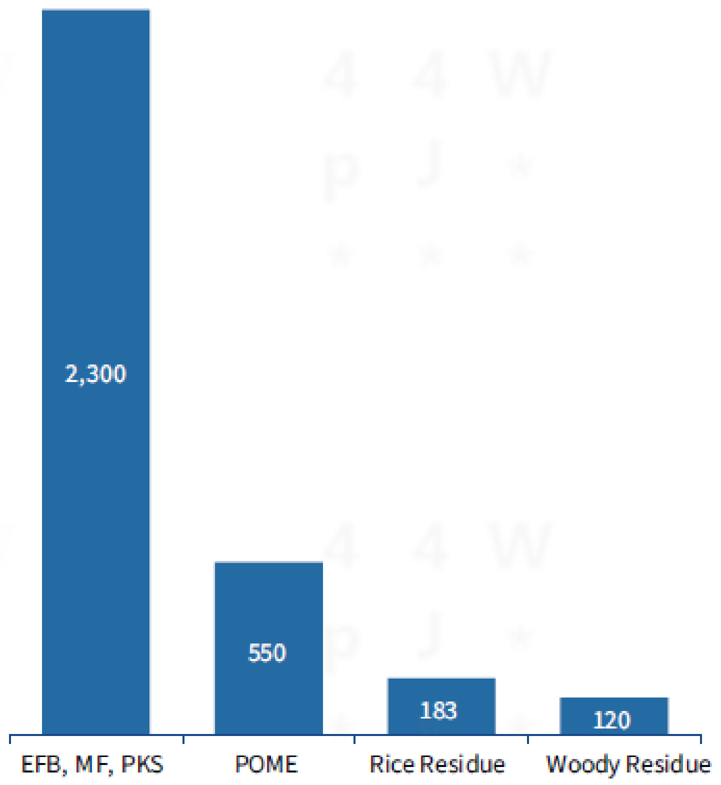
- **First-generation** bioenergy is primarily derived from food crops such as palm oil
- **Second-generation** bioenergy is derived from non-food biomass such as agricultural waste residue, forest residue, livestock waste, fisheries waste, used cooking oil (UCO), as well as municipal solid waste (MSW)
- **Third-generation bioenergy** is derived from algae, and reflects a technologically nascent industry that is not yet economically viable, but has the potential to emerge as a competing feedstock source of bioenergy

Due to concerns such as land competition and food security, **second generation feedstock** is viewed as the current **most favourable bioenergy feedstock**.

Key Initiatives

- **Enhance acceptance of palm oil biomass** (e.g. crude palm oil and palm oil mill effluent) to reduce indirect land use change (ILUC) charges
- **Facilitate biomass clustering** to catalyse aggregation and reduce aggregation cost
- Facilitate incentives through **Feed-in-Tariff (FiT)** or other mechanism for co-firing in coal power plant
- Explore expansion of de-risking revenue sources and co-funding of waste-to energy (WtE) plants to ensure financial sustainability

Bioenergy Generation Potential in Malaysia (MW)



Source: MyRER

NETR Target (for 2050)

Increase biomass and biogas power generation capacity to 1.4 GW

The Singapore-Asia Taxonomy

A classification system that aims to give a science-based and robust technical screening criteria for economic activities and projects that are aligned with Singapore and the region's overall environmental objectives.

5 objectives

- CLIMATE CHANGE MITIGATION
- CLIMATE CHANGE ADAPTATION
- POLLUTION PREVENTION AND CONTROL
- PROTECT HEALTHY ECOSYSTEMS AND BIODIVERSITY
- PROMOTE RESOURCE RESILIENCE AND CIRCULAR ECONOMY

10 sectors

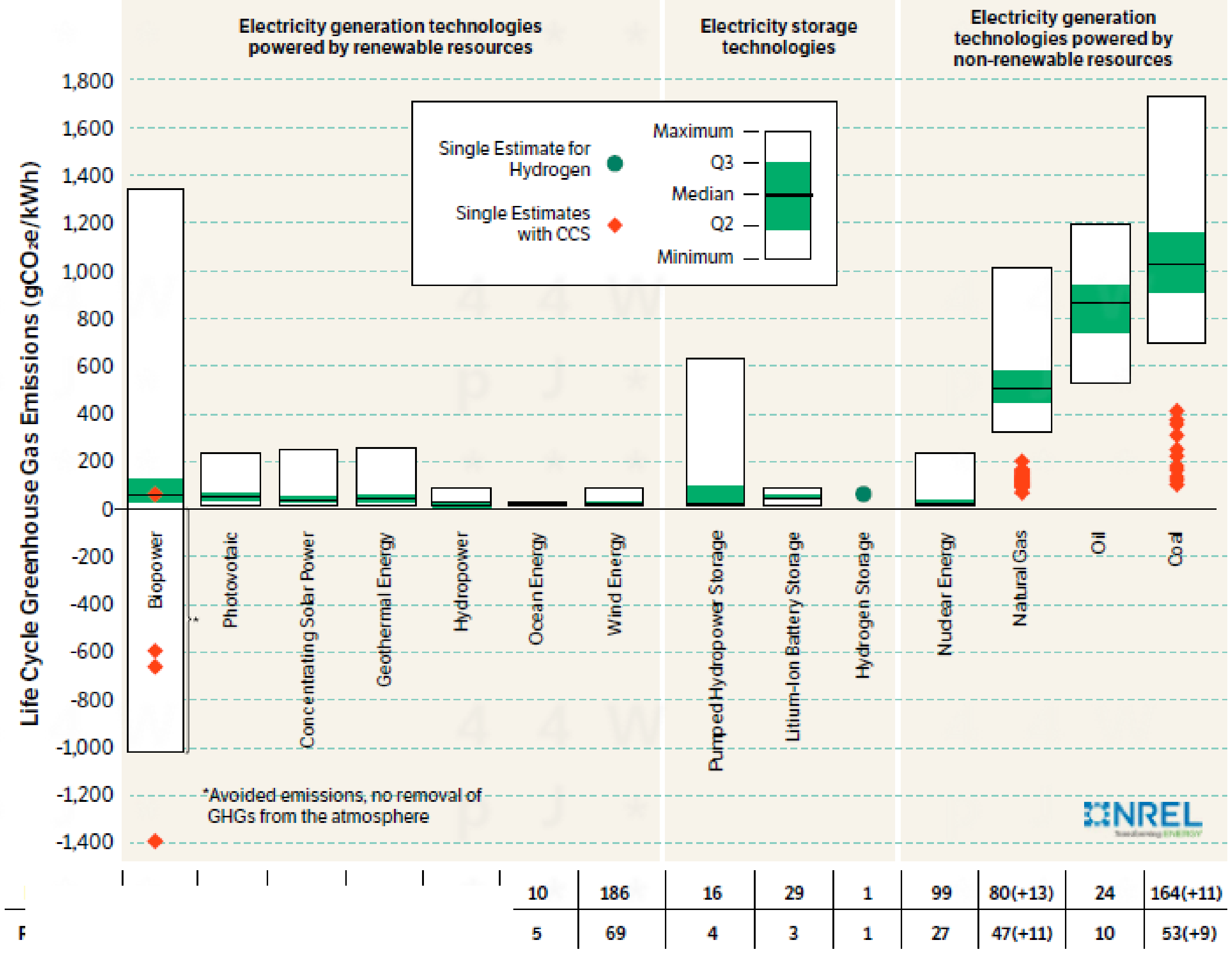
- ENERGY
- TRANSPORT
- REAL ESTATE/ CONSTRUCTION
- INDUSTRY
- FORESTRY
- CARBON CAPTURE AND STORAGE
- INFORMATION AND COMMUNICATIONS TECHNOLOGY
- WASTE
- WATER
- AGRICULTURE

TRAFFIC-LIGHT CLASSIFICATION SYSTEM

	LOAN ELIGIBILITY
GREEN ACTIVITIES Activities contributing substantially to climate change mitigation (near net zero/ 1.5 °C aligned pathway)	Green Loans
AMBER ACTIVITIES Activities not presently on 1.5 °C pathway but are moving towards a green transition pathway within a defined timeframe	Transition Loans
AMBER MEASURES Capex or asset investments that significantly reduce emissions in the near term, even though the underlying activity is not currently eligible as Green or Amber	Transition Loans
INELIGIBLE Do not comply with green or amber criteria	Not eligible for Green or Transition Loans

The Singapore-Asia Taxonomy

Lifecycle emission range for types of electricity generation



issions range for types of electricity generation[21]

Electricity generation from bioenergy power

Sector	Energy	
Activity	Bioenergy power generation (including electricity, heat, cool)	
ISIC Code	3510 Electric power generation, transmission and distribution	
ISIC Description	As above	
Objective	Climate change mitigation	
Traffic Light	**Criteria**	**Reference**
Green	Bioenergy power generation that complies with all of the criteria is eligible • Emission intensity measured during the lifecycle of the power plant is less than 100gCO₂e/kWh, and • Bioenergy produced from waste (e.g., agriculture, municipal sources) are eligible, or • Feedstock used for production of bioenergy should comply with one of the following standards: ◦ Forest Stewardship Council (FSC) ◦ Biomass Biofuels voluntary scheme (2BSvs) ◦ Bonsucro (Better Sugarcane Initiative) ◦ Roundtable of Sustainable Biomaterials (RSB) ◦ Round Table on Responsible Soy (RTRS) ◦ International Sustainability and Carbon Certification (ISCC and/or ISCC plus)	EU Taxonomy
Amber	All existing bioenergy power generation facilities that comply with all/or any or the criteria is eligible • Lifecycle emissions intensity meets amber criteria as defined in Table 1, and • Bioenergy produced from waste (e.g., agriculture, municipal sources) are eligible, or • Feedstock used for production of bioenergy should comply with one of the following standards: ◦ Forest Stewardship Council (FSC) ◦ Biomass Biofuels voluntary scheme (2BSvs) ◦ Bonsucro (Better Sugarcane Initiative) ◦ Roundtable of Sustainable Biomaterials (RSB) ◦ Round Table on Responsible Soy (RTRS) ◦ International Sustainability and Carbon Certification (ISCC and/or ISCC plus)	
Ineligible activities	• Facilities that do not meet Green or Amber criteria • Power plants dedicated to support fossil fuel infrastructure (e.g., operations of fossil fuel activities) are ineligible	

The Singapore-Asia Taxonomy

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Table 1 — Criteria for activities: Thresholds for electricity generation activities (gCO_2e/kWh)

	2023–2030 (gCO_2e/kWh)	2031–2035 (gCO_2e/kWh)	2036–2040*	2041–2050*	Justification
Green (lifecycle emissions)	**≤100**	**≤100**	**≤90**	**≤50**	**EU threshold applied**
Amber (direct emissions)	≤220	≤150	N.A.	N.A.	Based on TPI 2°C scenario where threshold is taken from intersection of line at end point year and rounded to nearest 10 (e.g. 2023–2028 uses 2028 intersection)
Ineligible activities	>220 Exclusions: All solid fossil fuels (coal, petcoke, lignite etc)	>150 Exclusions: All solid fossil fuels	>90	>50	

*Thresholds beyond 2035 are indicative but may be subject to change based on new technologies or evolving scientific views.

OCBC builds solid track records in Sustainable Finance

2018

Began our sustainable finance journey

Offering corporate clients sustainable finance solutions and acting as the sustainability advisor for deals across industries

2019

First Southeast Asian Bank to commit to stop funding new coal-fired power plants

First Southeast Asian Bank to announce a target for its sustainable financing portfolio

2020

Launched the OCBC SME Sustainable Finance Framework

Adopted the Equator Principles

Achieved S$10b sustainable finance target, set new target to reach S$25b by 2025

2021

First bank in Southeast Asia to adopt the Poseidon Principles

Achieved S$34 billion in sustainable finance commitments, ahead of 2025 target of S$25b

2022

Became a signatory to the United Nations-convened, industry-led Net-Zero Banking Alliance

Set new target for sustainable finance portfolio to $50b by 2025

2023

Announced Net Zero Targets

Launched 2 new innovative solutions – OCBC 1.5°C loan and green loan with carbon credits

Achieved S$56bn in sustainable financing commitment, ahead of S$50b by 2025 target

2024

Introduced 2 new programmes, the OCBC Women Unlimited Programme, the QUEST programme

As of Q3 2024, grew sustainable financing commitments to $64.7 b

Partnerships and industry development

Net Zero Banking Alliance

Singapore China Green Finance Taskforce

OCBC's Sustainable Finance Credentials

OUR EXPERIENCE WITH SUSTAINABLE FINANCE

#1 MLA
for Green and Sustainability-linked Loans in APAC ex Japan (Year to Q3) ranked by Bloomberg

#1 MLA
for ESG Loans in APAC ex Japan & Southeast Asia (Year to Q3) ranked by London Stock Exchange

#1 Sustainability Coordinator
Asian Banks ex-Japan for ESG Loans (Q2 2023 – Q1 2024) ranked by Environmental Finance

#1 Green vs. Fossil
ASEAN Green / Fossil Syndication Fee League Table in Q2 2024 ranked by Anthropocene Fixed Income Institute

SIGNIFICANT RECOGNITION

Best Bank for Sustainable Finance – Singapore
Awarded by Global Finance (2023)

Best Bank for Sustainable Finance – Hong Kong
Awarded by Global Finance (2024)

Best Bank for Sustainable Finance – Malaysia
Awarded by Global Finance (2024)

Steward Leadership 25 List
The only bank to be awarded for the third year in a row, recognised for innovativr SME Energy Efficient Assessment Tool (2024)

ESG Sustainability of the Year – Outstanding Award
Awarded by Bloomberg Businessweek Chinese Edition (2024)

Award for Innovation – Loan Structure
Awarded by Environmental Finance (2024)

Green Deal of the Year (Singapore and China) **& Syndicated Loan of the Year** (Hong Kong)
Awarded by Asian Banking & Finance (2024)

Best Deals by Country for Most Innovative Islamic Deal
Awarded by The Asset (2024)

Annual Excellent Green Finance Case
Awarded by The Golden Tripod Awards (2024)

3 Outstanding Awards of Green and Sustainable Loan Structuring Advisor – Visionary SLL Performance Metrics
Awarded by HKMA (2024)

Islamic Finance Deal of the Year - Malaysia
Awarded by Euromoney (2024)

>10 Sustainable Finance Awards across our key markets
Awarded by The Asset (2023)

What makes us unique

We lead in sustainable financing through innovative and credible solutions that meet our clients' needs

Our solid sustainable financing expertise

Ranked

#1 Asia ex-Japan*

Sustainable financing commitments grew 24% year-on-year to

S$64.7 billion (as of Q3 2024)

comprising

15% of our total customer loans (as of Q3 2024)

Recognised for our leadership in sustainable finance with

>20 awards in 2024

*OCBC is the top Mandated Lead Arranger for Green and Sustainability-linked Loans in APAC ex Japan (Year to Q3) ranked by Bloomberg and London Stock Exchange, and #1 Sustainability Coordinator Asian Banks ex-Japan for ESG Loans (Q2 2023 – Q1 2024) ranked by Environmental Finance

Our innovative solutions for corporates

First-in-market solutions
including OCBC's First 1.5°C Loan for a lodging trust

Pioneering credible sustainable finance
with Singapore's first green bond aligned with the Singapore-Asia Taxonomy with OUE Limited

Driving sustainable supply chains
with the QUEST programme, our commitment to support SingPost in their sustainable supply chain efforts

Supporting the just transition
with the OCBC Women Unlimited Programme and social financing to drive social impact

Our early and hands-on engagement of SME clients

>1,400 SMEs have taken up sustainable finance with OCBC

OCBC SME Sustainable Finance Framework to simplify access to green and social loans

10 Project Categories to make it simpler and less costly for SMEs to access sustainable finance

Engaging SMEs across the region
Officially launched the award-winning SME Energy Efficient Assessment in Malaysia, enabling SMEs easy access to green building certification and green finance

Simplified Sustainability Linked Loans to support SMEs' sustainability journeys

Supporting SMEs to measure, manage and report their Greenhouse Gas Emissions and obtain ESG Ratings, while incentivising their progress

ESGpedia by STACS NEXUS OF ESG

Global Compact Network Singapore

ecovadis

OCBC

A Strong Track Record

In Sustainable Finance Across Countries and Sectors.

Country	Year	Company	Amount	Type
Singapore	2024	ESR Group	USD 2.5 Billion	Sustainability Linked Loan
Hong Kong	2024	Hong Kong Housing Society	HKD 3 Billion	Social Loan
Singapore	2024	CapitaLand Ascott Trust	SGD 165 Million	OCBC 1.5°C Loan
Singapore	2024	OUE REIT	SGD 600 Million	Sustainability Linked Loan
Singapore	2024	SF REIT	HKD 2.2 Billion	Sustainability Linked Loan
Singapore	2024	GuocoLand	SGD 847.1 Million	Green Loan
Thailand	2024	Central Pattana	JPY 37 Billion	Sustainability Linked Loan
Singapore	2023	City Developments Limited	GBP 200 Million	OCBC 1.5°C Loan
Singapore	2023	Frasers Centrepoint Trust	SGD 419 Million	Green Loan with carbon credits
Indonesia	2024	Chandra Asri Group	USD 800 Million	Sustainability Linked Loan
Malaysia	2023	SK Nexilis	RMB 3.2 Billion	Green Loan
Hong Kong	2024	Guotai Junan International	HKD 500 million	Sustainability Linked Loan
China	2024	Zhejiang Zheshang Finance Leasing	RMB 450 Million	Sustainability Linked Loan
South Korea	2023	Industrial Bank of Korea	USD 200 Million	Social Loan
Malaysia	2024	RHB Bank	USD 175m	Islamic Green Loan
Hong Kong	2024	CR & CNIC	GBP 120 Million	Green Loan
Singapore	2024	CDB Aviation	USD 700 Million	Sustainability Linked Loan
Hong Kong	2023	Asian airlines company	USD 50 Million	Sustainability Linked Loan
Singapore	2024	COFCO International	USD 600 Million	OCBC 1.5°C Loan
Indonesia	2024	IMG Sejahtera Langeng PT	USD 450m	Green Loan
Singapore	2024	Vena Energy	JPY 87 Billion	Sustainability Linked Loan
Indonesia	2023	PT PLN (Persero)	USD 750 Million	Green Loan
Malaysia	2023	YTL Power	RMB 1.1 Billion	Islamic Green Loan
Singapore	2023	Singtel	SGD 535 Million	Green Loan
USA	2024	Intel Corporation	USD 7.0 Billion	Sustainability Linked Loan
China	2023	Sinopharm Finance Leasing	CNY 1.3 Billion	Sustainability Linked Loan
Denmark	2023	Cadeler A/S	EUR 550 Million and EUR 425 Million	Green Loan

OCBC

OCBC's Credentials in Green and Sustainability Bonds

Singapore — 2024
OUE Limited
SGD 150m
5-Year 4.00%
Green Notes
Joint Lead Manager, Bookrunner and Green Finance Structuring Bank

Singapore — 2024/ 2023
CapitaLand Integrated Commercial Trust
2024: SGD 300 million 10-Year Fixed Rate Green Notes
2023: SGD 400 million 7-Year Green Bond
Joint Lead Manager and Bookrunner

Singapore — 2024
Ho Bee Land
SGD 160m
5-Year 4.35%
Green Notes
Joint Lead Manager and Bookrunner

Singapore — 2024
OUE REIT
SGD 250m
3-Year 4.10%
Green Notes
Sole Global Coordinator, Sole Green Finance Advisor

Singapore — 2024
Capitaland Ascendas REIT
SGD 300m
10-Year Senior Unsecured Green Notes
Sole Green Finance Advisor, Joint Lead Manager and Bookrunner

Singapore — 2024/ 2023/ 2022
Housing Development Board
2024: SGD 800 million, 3-Year Senior Unsecured Green Notes
Joint Lead Manager and Bookrunner
2023: SGD 740 million, 5-Year Senior Unsecured Green Notes
Sole Lead Manager and Bookrunner
2023: SGD 1.1 billion, 5-Year
SGD 1 billion, 5-Year
SGD 1.2 billion, 5-Year
Senior Unsecured Green Notes
Joint Lead Manager and Bookrunner

Singapore — 2023
Industrial and Commercial Bank of China Limited, Singapore Branch
USD 1 billion
3-Year
Floating Rate Green Notes
Joint Lead Manager and Bookrunner

Singapore — 2023/ 2022
The Government of Singapore
2023: SGD 2.8 billion
50-Year 3.04% Green Singapore Government Securities
2022: SGD 2.4 billion
50-Year 3.00% Green Singapore Government Securities
Joint Lead Manager and Bookrunner

Singapore — 2023
Mapletree Pan Asia Commercial Trust
SGD 150 million
7-Year
Fixed Rate Green Notes
Sole Green Structuring Advisor, Joint Lead Manager and Bookrunner

Singapore — 2022
First Real Estate Investment Trust
SGD 100 million
5-Year
Guaranteed Senior Unsecured Fixed Rate Social Bonds
Joint Social Structuring Advisor, Lead Manager and Bookrunner

Top South-east Asia ESG bond bookrunner in 2023

Rank	Bank	Proceeds raised (US$ mil)	No. of issues	Market Share
1	OCBC	1,214.22	5	9.41%
2	CIMB	1,086.21	14	8.42%
3	StanChart	832.47	4	6.45%
4	Citi	659.8	3	5.12%
5	RBC Capital Markets	614.2	4	4.76%
6	Maybank	608.82	12	4.72%
7	DBS	577.8	4	4.48%
8	UOB	571.24	4	4.43%
9	Deustche Bank	504.85	3	3.91%
10	Bank Mandiri	418.91	6	3.25%

Source: London Stock Exchange Group

Experience of offering sustainability advice on inaugural bonds

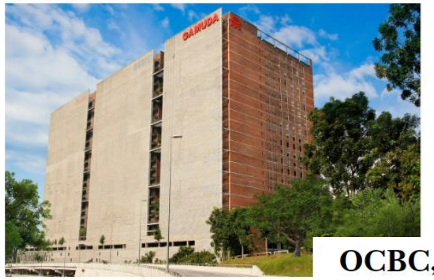
OCBC acted as sustainability advisor/ coordinator for below issuers:

Mapletree pan asia commercial; First REIT; Nanyang Technological University Singapore; Frasers Property; NUS National University of Singapore; Frasers Logistics & Commercial Trust; Sembcorp; Ascendas Reit

Our support to client's sustainability journey has been highlighted by mainstream media

Gamuda debuts first-of-its-kind Islamic ESG-linked financing with OCBC Malaysia

Syafiqah Salim / theedgemarkets.com January 09, 2023 | Updated 5 months ago



- The group is looking forward to this partners further reinforces the group's sustainability particularly its commitment to reducing carb emissions.

KUALA LUMPUR (Jan 9): Gamuda Bhd has partr Bank (Malaysia) Bhd and OCBC Al-Amin Bank B OCBC Malaysia) for its inaugural shariah-compli sustainability-linked financing facility with an e sustainable derivative solution.

OCBC Malaysia is the sole sustainability structu

Frasers Centrepoint Trust obtains $419m green loan with carbon credits from OCBC

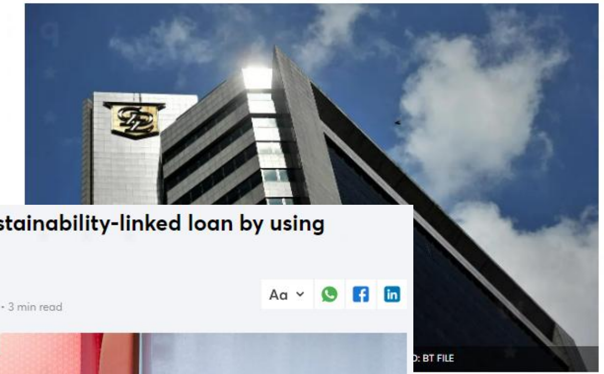
›curing energy-effici

s bagged a $419 of the deal.

's manager and mprises a gree

CDL secures £200 million sustainability-linked loan from OCBC

Michelle Zhu
Published Mon, Dec 04, 2023 · 11:42 am



: BT FILE

S$338.2 million) three-year ilised for refinancing,

ite to around S$6 billion, said

cing solution launched by the tives pegged to annual

OCBC, RHB enter into sustainability-linked loan and swap transactions

Michelle Quah
Published Tue, May 02, 2023 · 1:14 pm

The new solutions add to OCBC's sustainable financing portfolio, which stands at S$44 billion as at end-2022.
PHOTO: REUTERS

ESG | +

SINGAPORE'S OCBC Bank : O39 -0.3% and Malaysia's RHB Banking Group have entered into two sustainability-linked solutions that will boost RHB's efforts to integrate sustainability into its operations and add to OCBC's sustainable financing portfolio.

One of the solutions is a two-year S$150 million sustainability-linked loan and cross currency swap between the two banks. This is OCBC's first sustainability-linked derivative (SLD) transaction with a Malaysian financial institution, and the second for RHB, which structured Malaysia's first green cross currency swap in 2021.

OCBC awards $16 mil sustainability-linked loan by using ESGpedia

Jovi Ho
Thu, Nov 09, 2023 · 03:43 PM GMT+08 · · 3 min read

Aa

OCBC has extended a $16 million sustainability-linked loan to textile and apparel manufacturer Ghim Li, with data collected and verified by ESGpedia. Photo: STACS

Follow us on Facebook and join our Telegram channel for the latest updates.

Oversea-Chinese Banking Corporation (OCBC) has extended a $16 million sustainability-linked loan (SLL) to textile and apparel manufacturer Ghim Li, with data collected and verified by a local fintech company.

OCBC

OCBC Group's Net Zero Commitment

"We have now set **ambitious, quantitative and science-based Net Zero targets** and pathways for emissions that arise from our portfolio. In effect, we will partner with our corporate clients to meaningfully contribute to **a Net Zero ASEAN and Greater China by 2050** through a just and orderly transition"

Helen Wong
Group Chief Executive Officer

Our 6 in-scope sectors

Power | Oil and Gas | Real Estate | Steel | Aviation | Shipping

Material to our portfolio — Material to global emissions

42% of our corporate and commercial loan portfolio

Over: **75%** of annual global emissions

Pathways

Our targets are aligned to pathways which are:

- Internationally recognised
- Science based
- Geared towards net-zero by 2050

Power	IEA NZE
Oil and Gas	IEA NZE
Real Estate	CRREM
Steel	MPP – TM (regional)
Aviation	IATA Fly Net Zero
Shipping	IMO – PP

Key: Absolute (Abs.) Intensity (Int.) Alignment Delta (AD)

Sector	2030 Target	2050 Target
Power (Int.)	▼ 55%	▼100% by 2040
Oil and Gas (Abs.)	▼ 35%	▼ 95%
Real Estate (AD)	≤0%	≤0%
Steel (Int.)	▼ 13%	▼ 94%
Aviation (Int.)	▼ 66%	▼100%
Shipping (AD)	≤0%	≤0%

OCBC

UN environment programme finance initiative
Net Zero Banking Alliance

Introducing Sustainable Finance

OCBC

Bringing ESG Considerations into Banking Products

What is Sustainable Finance?

Environmental

- Climate Change
- Energy Use
- Waste Reduction
- Pollution

Social

- Diversity and Inclusion
- Employee Welfare
- Human Rights
- Access to Goods & Services

Governance

- Board Diversity and Governance
- Stakeholder Engagement
- Ethical Standards
- Directors’ Remuneration

Common Types of Sustainable Finance Solutions

Green or Social
Use of Proceeds

Proceeds from green or social financing is restricted to eligible green or social projects, **for example:**


Wind Farm


Green Buildings


Affordable Housing

Sustainability-Linked
KPIs and SPTs

Proceeds from sustainability-linked financing is not restricted and can be used for general corporate purposes. Margin reduction on ESG KPIs, for example:


Reducing Emissions


Improving Diversity


Employee Safety

Sustainable Finance – What and Why?

Reflecting where you are in sustainability journey and your funding needs, sustainable finance transactions can be designed to meet your specific needs.

	Bringing capital to green/ social projects		Promoting sustainable business practices
	Green/ Social/ Sustainable Bond	Green/ Social/ Sustainable Loan	Sustainability Linked Loan/ Bond
Product	Corporate bond	Any loan facility (typically Term Loan)	Any loan facility (typically RCF) or Corporate bond
Description	Bond or loan proceeds are exclusively used to finance green or social projects that are defined in a Sustainable Finance Framework.		Loan or bond of which margin or coupon rate is linked to pre-defined sustainability targets or external ESG ratings. Proceeds can be used for general corporate purposes.
Standard	ICMA GBP, SBP, SBG / ASEAN GBS, SBS	LMA/ APLMA/ LSTA Green Loan Principles Social Loan Principles	LMA/ APLMA/LSTA Sustainability Linked Loan Principles and ICMA Sustainability Linked Bond Principles
External Reviewers (Optional)	S&P Deloitte, EY, KPMG, PWC DNV GL		Sustainalytics Morningstar Moody's ERM

Well-designed Sustainable Finance transactions can help companies raise their sustainability profile by sending below messages:

1) Green/ Social/ Sustainable Loan or Bond: Corporates are investing in projects that creates positive environmental and/or social benefits.

2) Sustainability Linked Loan or Bond: Corporates are serious about their sustainability commitment and confident enough to link their funding cost to their sustainability progress.

OCBC

Sustainable Finance – Use of Proceeds vs Sustainability Targets

Sustainability Targets

Categories		
Environmental	**Social**	**Governance**
• Energy efficiency • Greenhouse gas emissions • Waste disposal • Renewable energy • Water consumption • Sustainable sourcing • Circular economy • Sustainable farming and food • Biodiversity • Global ESG assessment	• Human rights and community relations • Affordable housing • Data security • Employee health and safety • Employee engagement, diversity and inclusion • Employee training	• Business ethics • Building strong and corporate governance and transparency

Use of Proceeds

Green Projects	Social Projects
• Renewable energy • Energy efficiency • Green buildings • Pollution prevention • Sustainable management of living natural resources and land use • Terrestrial and aquatic biodiversity • Clean transportation • Sustainable water management • Eco-efficient and/or circular economy adapted products, production technologies and processes • Project approved under national sustainability or certified scheme*	• Access to basic infrastructure • Access to basic services (e.g., healthcare, education, financing) • Affordable Housing • Socioeconomic advancement

**Recognized as "Green/Transition" for the following government's scheme:*

- *Low Carbon Technology Fund (LCTF) by BNM*
- *Green Technology Fund Scheme (GTFS) by MGTC*
- *Domestic Investment Accelerator Fund – ESG Adoption by MIDA*

OCBC

Our Innovative Solutions

The OCBC 1.5°C Loan

Financing aligned with a corporate's net-zero trajectory

What is the OCBC 1.5°C Loan?

- Sustainability-Linked Loan with KPIs in line with a near-term 1.5-degree trajectory
- Eligible clients are those which are SBTi aligned (or aligned with other industry pathways)
- In line with the international Sustainability-Linked Loan Principles, requiring external verification, and an SPO where appropriate

What are the benefits for clients?

Commitment
By linking interest margins of the loan to their achievement of net-zero goals, it demonstrates a clear commitment to achieve net-zero targets

Credible
Aligned with credible, science-based decarbonization pathways

For our pioneering work, our loan to CDL was awarded
Best Sustainability-Linked Loan – Real Estate
at the Asset Triple A – Sustainable Finance Awards

Our impact

2023 City Developments Limited — First corporate to obtain the OCBC 1.5°C Loan

- Three-year, GBP200mn sustainability-linked loan
- Sustainability Performance Targets aligned with CDL's SBTi commitment

2024 CapitaLand Ascott Trust — OCBC's First 1.5°C Loan for a lodging trust

- SGD 165 million sustainability-linked multi-currency revolving credit facility
- Sustainability Performance Targets aligned with CapitaLand Investment's (CLI) SBTi commitment

中粮 COFCO — First financing facility with interest rate incentives tied to Science Based Targets initiative (SBTi)-validated FLAG targets for 1.5°C climate alignment

- USD 600m sustainability-linked revolving credit facility
- Incorporates two performance targets aligned with COFCO International's SBTi-validated Forest, Land, and Agriculture (FLAG) soy and corn emissions reduction targets
- FLAG is the world's first framework for companies in land-intensive sectors, including agriculture, to set science-based targets that include land-based emissions reductions and removals

Green Financing Solution with Carbon Credits

Case Study: Singapore's first green financing solution that comprises a green loan and carbon credits

What is Green Financing Solution with Carbon Credits?

- If the client has a green asset meeting eligible green criteria, they are already working towards reducing the emissions from this asset
- OCBC can provide a 'one-stop-shop' to help offset the residual emissions on this building over the lifetime of the loan
- To claim carbon neutrality for the asset, there must be a commitment to offsetting the entirety of emissions on this asset, over the lifetime of the loan

What are the benefits for clients?

- **Credible Offset** – OCBC can source carbon credits that meet the client's specifications, across a range of prices and vintages

For our pioneering work, our loan to FCT was awarded

Best Green Financing Solution
at the Asset Triple A – Sustainable Finance Awards

Award for Innovation – Loan Structure
at the Environmental Finance Sustainable Debt Awards

Green Deal of the Year – Singapore
at the Asian Banking and Finance Corporate & Investment Banking Awards

FCT and SG's first green financing solution with carbon credits

- The **S$419mn (~HK$ 2.5bn) green loan** will go towards eligible green activities for Tampines 1
- Carbon reduced will be **equivalent to the financed emission** associated with the green loan
- **FCT will further purchase additional carbon credits** to account for the residual and unavoidable Scopes 1 and 2 as well as energy-related Scope 3 emissions of the mall's carbon footprint

"**We are pleased to collaborate with OCBC** on this innovative green financing solution that enables us to make further energy-related Scope 3 emissions, hprogress in our sustainability journey, particularly as we tackle and-in-hand with our tenants, shoppers and suppliers

RICHARD NG, CHIEF EXECUTIVE OFFICER OF FCAM

As covered in

THE BUSINESS TIMES | THE EDGE | Environmental Finance | THE STRAITS TIMES | MINGTIANDI

Sustainability-Linked Trade

To support the purchase of sustainability certified goods/products

Agri Commodity

Timber / Paper Products

Sugar

Palm Oil

Soy

Rice

Generic / cross-commodity

Animal Food

Eggs

Seafood

Built Environment

Metals / Minerals

Steel

Aluminum

Copper

A Leading Bank in Sustainability for SMEs

Awareness

Equipping SMEs with knowledge to kickstart their sustainability journey

Sustainability webinars for SMEs to build sustainability literacy and facilitate action

Bringing together subject matter experts, solution providers and business leaders to share opportunities, common challenges and how to successfully navigate around them.

OCBC Emerging Enterprise Award

We celebrate and recognize emerging SMEs with business innovation, resilience excellence and sustainability.

Action

Connecting SMEs with right partners to kickstart their sustainability journey

Collaborating with Partners & Developing Tools

We develop our ecosystem of enabling partners to support our clients.

Global Compact Network Singapore

SLEB SMART HUB

ESGpedia by STACS NEXUS OF ESG

ecovadis

Banking on Our Enablers

We help our clients who are enablers and solution providers to scale by expanding them to OCBC network.

- Solar Developers
- Energy Service Companies (EaaS/ ESCO / CaaS)
- Electric Transport / Infrastructure
- Technology Providers
- Circular solution providers
- Biofuels / Alternative fuels

Access to Capital

Enable SMEs to access capital they need to finance their sustainability efforts

OCBC SME Sustainable Finance Framework

We set up this framework in 2020 to make it easier for SMEs to access sustainable financing.

Verified by Moody's

- Renewable Energy
- Energy Efficiency
- Built Environment
- Clean Transport
- Financing to woman-owned SMEs
- Circular Economy
- Pollution Prevention & Control
- Water Management
- Living Natural Resources and Land Use
- Climate Adaptation

We help SMEs tap on financial support, grants and financing, offered by government agencies.

Enterprise Singapore

National Environment Agency

Singapore Food Agency

OCBC

We Scale Impact for our SMEs in leading the sustainability transition

Focused programs for SMEs to have easy access to sustainable finance

Our Solutions for SMEs:

We have offered sustainable finance to **>1,200 SMEs** regionally since the launch of the SME Framework

Green and Social loans

10 Project Categories to make it simpler and less costly for SMEs to access to Green and Social Loans under OCBC SME Sustainable Finance Framework.

- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Sustainable Water Management
- Eco-Efficient & Circular Economy
- Pollution Prevention and Control
- Climate Adaptation
- Sustainable Management of Resources and Land

Built Environment

The SME Energy Efficient Assessment (SMEEA) Tool

Building and Construction Authority · OCBC

Enable SMEs to access green building certification in a simple and convenient manner

Financing to women-owned SMEs

OCBC Women Unlimited Programme

Empower, enable and engage women entrepreneurs to scale business through tailored financing, workshop, network and mentorship

Sustainability Linked Loans

Link financing with Greenhouse Gas Emissions reduction targets

We make it simpler and less costly for SMEs to measure, manage, report, and set credible targets on their Greenhouse Gas (GHG) emissions performance

ESGpedia by STACS NEXUS OF ESG · Global Compact Network Singapore

Link financing with improvements in your overall sustainability performance

We encourage SMEs to assess their overall sustainability performance on the EcoVadis platform, and link their financing with annual improvement in EcoVadis scores.

ecovadis

OCBC

Ecosystem partnerships to support clients in their net-zero transition

01 Measure

Carbon emissions measurement and reporting

Global Compact Network Singapore

ESGpedia by STACS NEXUS OF ESG

ESG assessments

ecovadis

02 Verify

Monitor and verify emissions performance

TEMBUSU Asia Consulting — Sustainability . Environmental . Engineering . Management

BUREAU VERITAS

03 Act

Simplified tools to enable action

E.g., SME Energy Efficient Assessment Tool (SMEEA)

Building and Construction Authority

04 Access to capital

Access credible sustainable finance with OCBC

OCBC

Access low-cost financing with government grants

MAS Monetary Authority of Singapore

Enterprise Singapore

National Environment Agency

Singapore Food Agency

OCBC

OCBC partners with solution providers to foster ecosystem solutions for our clients

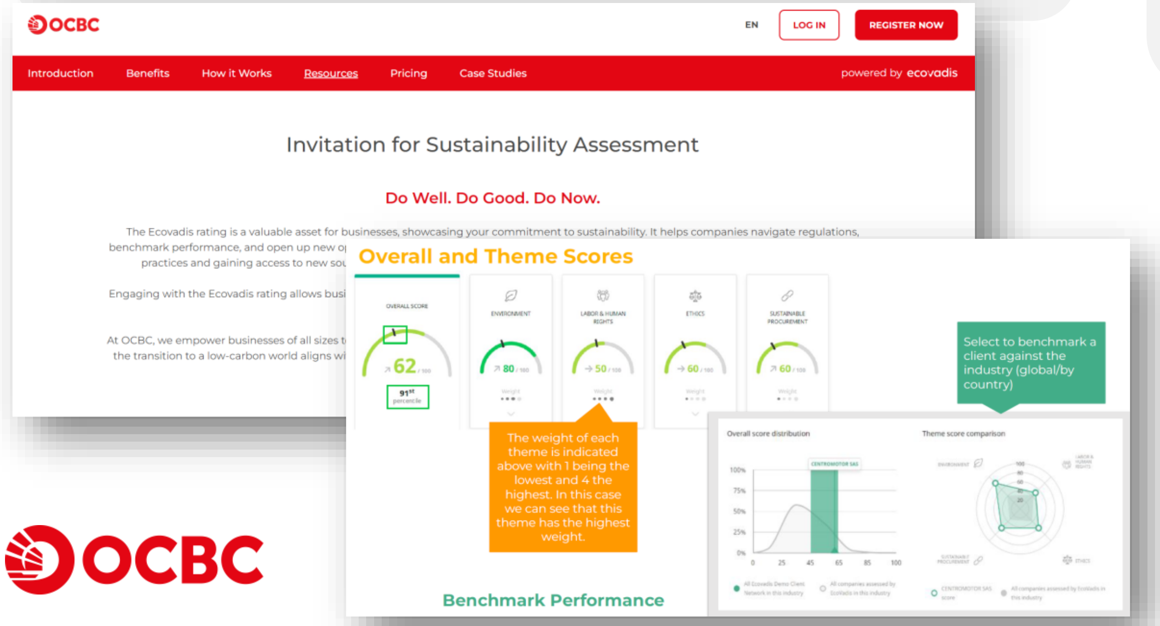
Enabling SMEs to achieve new heights with engagement on EcoVadis Rating

Encourage SMEs to conduct an ESG assessment on EcoVadis platform, offering Sustainability Linked Loans to incentivise progress

ecovadis

What is EcoVadis?

- An online tool that evaluates how well a company has integrated the principles of Sustainability into their business.
- Methodology built on international sustainability standards covering 4 themes: Environment, Labour & Human Rights, Ethics and Sustainable Procurement
- EcoVadis scorecard highlights the borrower's score and benchmark performance with industry peers.



OCBC

What are the benefits for clients?

Communication
Communicating their ESG performance to their customers or buyers gives differentiated competitive advantage.

Credible
Receive recognition for good sustainability performance based on a robust globally recognised methodology

Awareness
Understand and set strategy to improve their sustainability performance

Economical
Clients who improve their ESG scorecard and meet the targets for SLL would be eligible to interest discounts

Our impact

Credible sustainability credentials are enabling new business opportunities and strengthening partnerships for SMEs

RUSHOWL

With a credible sustainability accreditation, RushOwl is now able to expand its business and has made great strides in acquiring customers in India, where its transport pooling services are now being used in business parks.

anywheel

Enabled Anywheel to further its commitment to environmental stewardship and social responsibility. Its ability to quantify its sustainability performance with a credible tool has helped them secure new business contracts in 2024.

Collaborating with partners for ESG assessments

OCBC partnered GoHoldings to obtain an ESG assessment from EcoVadis, allowing it to meet increasing demands on sustainable procurement by suppliers

How was the SLL structured?

- Singapore-based Go Holdings is one of the leading cullet suppliers in Southeast Asia.
- To meet the increasing demands on sustainable procurement by its buyers, the company work with OCBC to seek ESG rating assessment on EcoVadis. OCBC offered a sustainability-linked financing to support Go Holdings' commitment to improve its rating.

What are the benefits for the client?

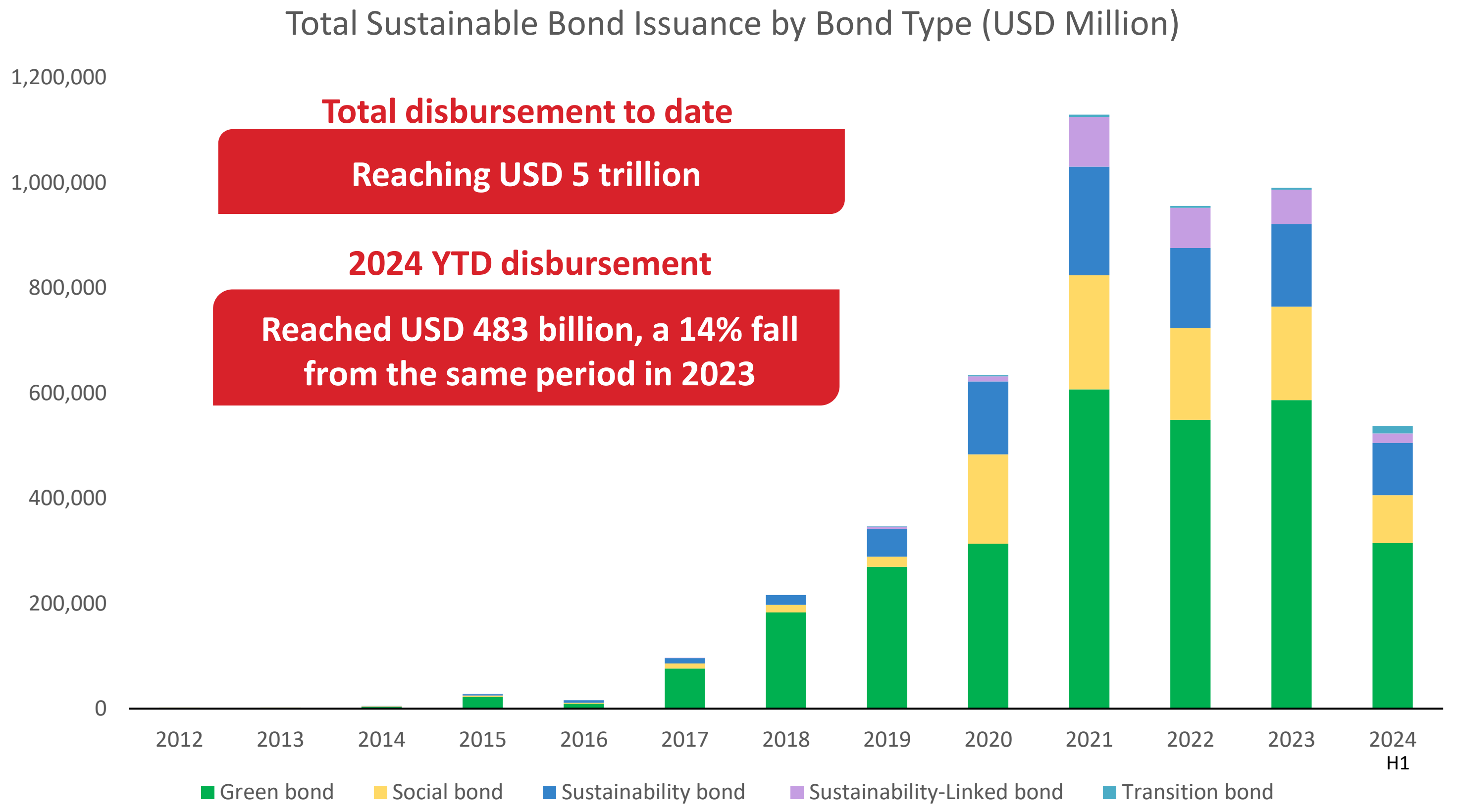
- Demonstrate Go Holding's commitment to sustainability to its suppliers
- Incentivize client to improve its overall sustainability performance through the EcoVadis ESG rating assessment

Go Holdings Is Ecovadis Certified!

We're proud to reveal that Go Holdings Pte Ltd (Group) ranks 60th among companies assessed by Ecovadis in the Wholesale category, covering waste, chemicals, fertilizers, agrochemicals, and related items. This reflects our dedication to responsible business and enhances our reputation among stakeholders who value ethics and sustainability.

Optimistic Growth in Global Green Bond Issuances

Overall sustainable bond issuance is expected to increase modestly this year, driven largely by Green Bonds. Transition Bonds are expected to gain traction in the market during 2024, as seen from the drastic increase (+1000%), largely driven by issuances in Japan. Sustainability Linked Bonds fell significantly (-46%) largely due to greenwashing concerns.

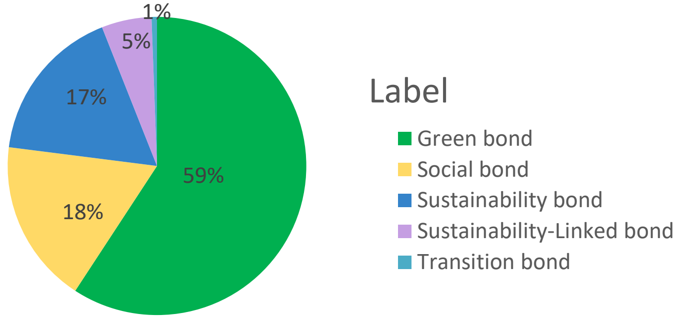


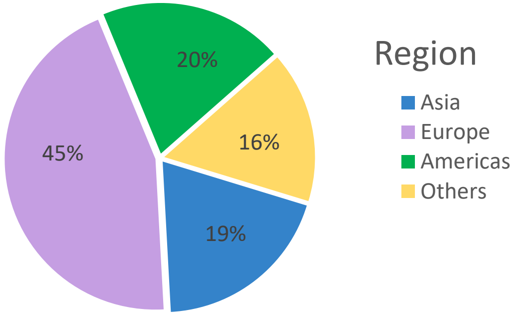
Total disbursement to date

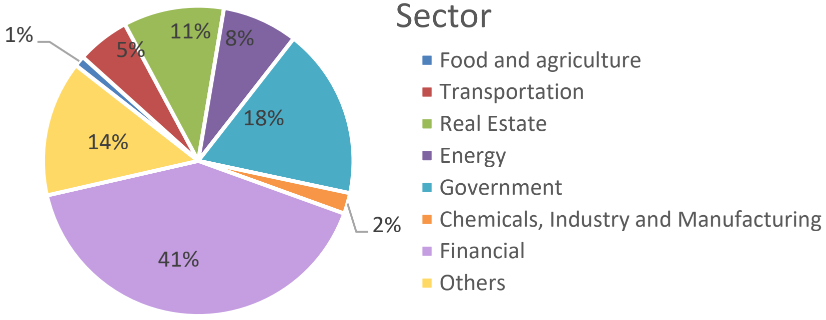
Reaching USD 5 trillion

2024 YTD disbursement

Reached USD 483 billion, a 14% fall from the same period in 2023







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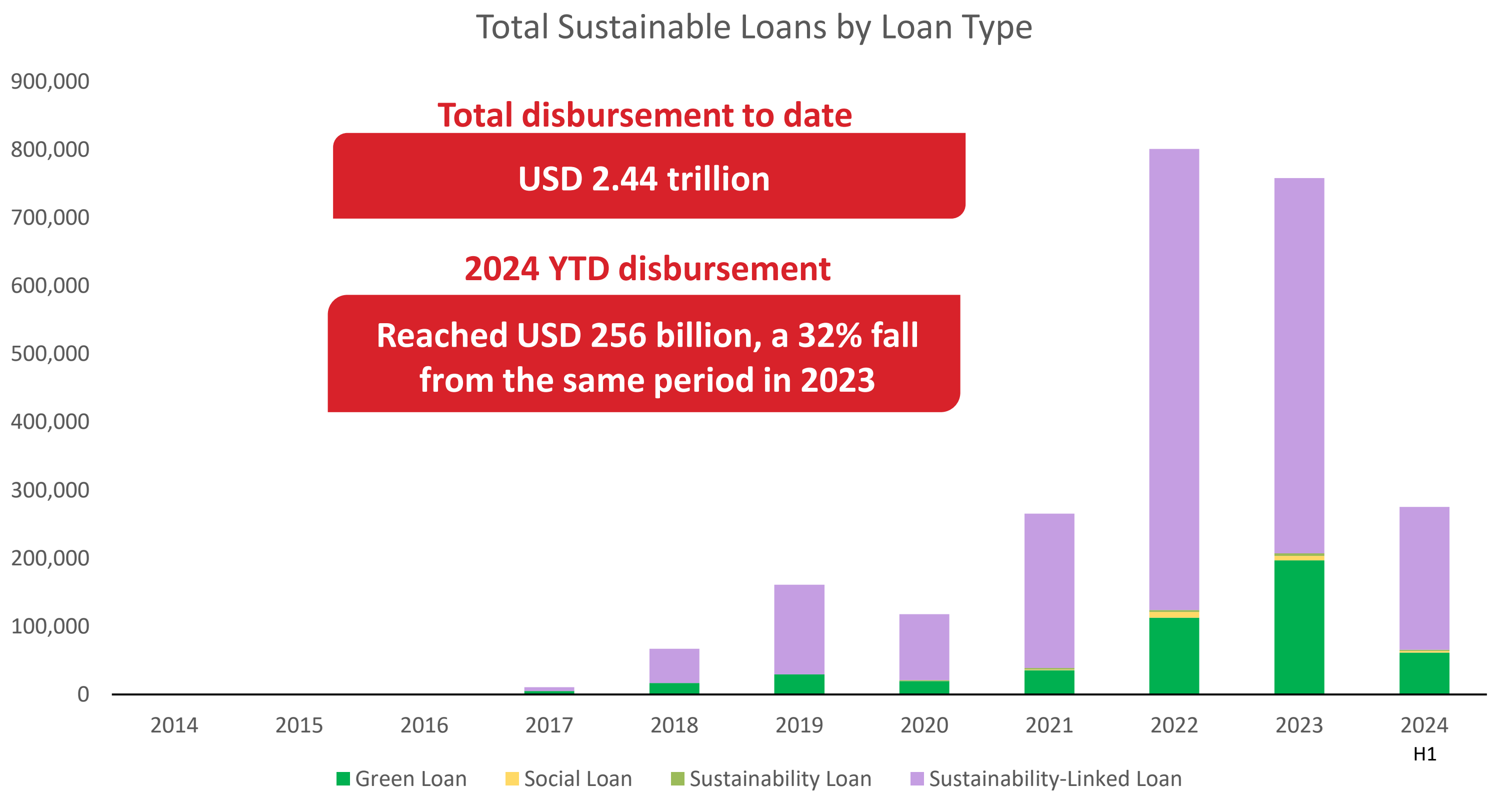
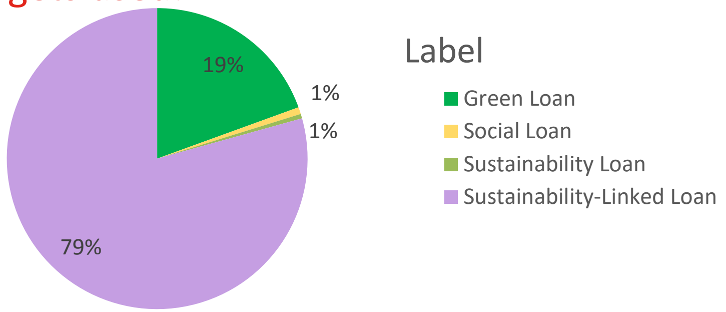
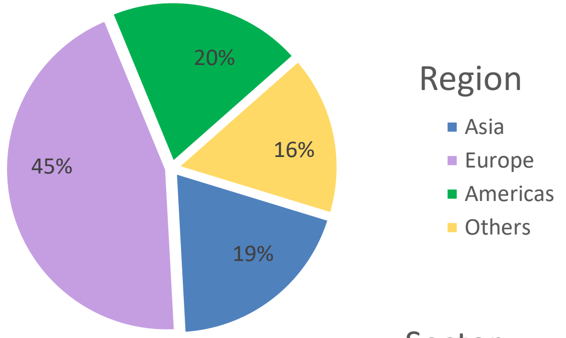
Source: Environmental Finance Database (as at 30 June 2024)

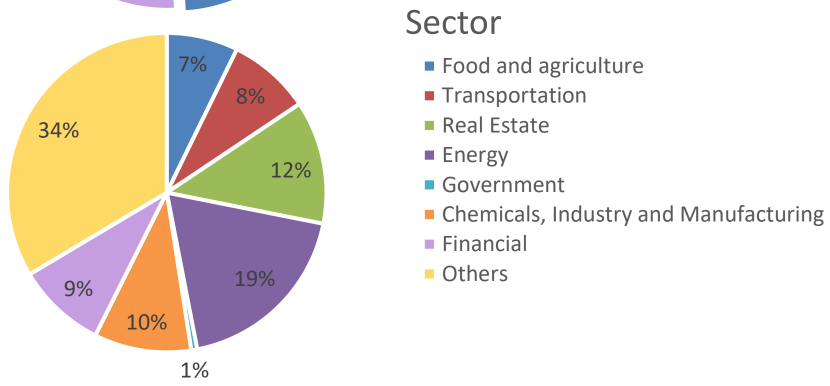
Asian Sustainable Loan Market shows resilience despite headwinds

Well Sustainable Loans fell globally, the momentum in Asia remained strong, driven by real estate, energy and transportation. Sustainability-linked loans has continued to fall sharply (-36%) in 2024 from the same period last year, due to concerns over greenwashing, including the materiality and ambitiousness of Sustainability Performance Targets used.









Source: Environmental Finance Database (as at 30 June 2024)

Thank you

OCBC's mangrove restoration projects of around 18,000 trees can absorb more than 30 million kg of CO_2 in their lifetimes and protect our shorelines against erosion and storm surges

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