



# HONG LEONG INVESTMENT BANK BERHAD

## ▪ GREEN BOND FRAMEWORK

**SECOND OPINION REPORT**  
**23 May 2024**

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## RAM SUSTAINABILITY'S SECOND OPINION APPROACH

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RAM Sustainability has assessed Hong Leong Investment Bank Berhad's (HLIB or the Issuer) **Green Bond Framework (the Framework)** against sustainability responsibilities and disclosure requirements under the following guidelines and standards:

- The ASEAN Capital Market Forum's (ACMF) **ASEAN Green Bond Standards (GBS)**
- The International Capital Market Association's (ICMA) **Green Bond Principles (GBP)**

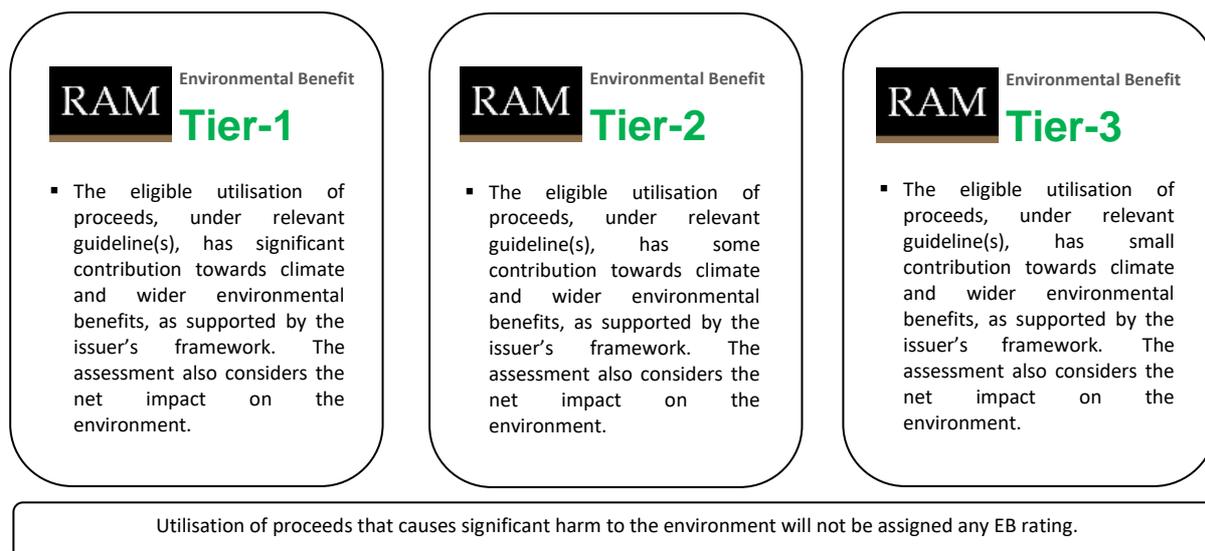
Our assessment relies on both public information and data provided by HLIB. We have not undertaken any audit or other related activity to ascertain the validity or accuracy of the information provided.

RAM Sustainability classifies green, social or sustainability bond frameworks as *Weak*, *Aligned*, *Strong* or *Advanced*, in comparison to applicable regulations and guidelines or best practices.

Level	Framework Characteristics
<b>Weak</b>	Not observable in the framework.
<b>Aligned</b>	Observable in the framework, but is below best practice.
<b>Strong</b>	Observable in the framework and in line with best practice.
<b>Advanced</b>	Observable in the framework and is more stringent, comprehensive, and establishes a new benchmark and new best practice.

## RAM SUSTAINABILITY'S ENVIRONMENTAL BENEFIT ASSESSMENT AND DEFINITION

The ultimate objective of green bonds is to facilitate the financing of environmentally friendly solutions that can help mitigate the effects of climate change and/or create value for the surrounding ecosystem. RAM Sustainability's green bonds evaluation is a qualitative and quantitative assessment of the contributions of a project or financing facility to a low-carbon, sustainable future. The transparency and disclosure strength of the green bonds is also a key consideration. RAM Sustainability's Environmental Benefit (EB) rating definitions are as follows:



## SUMMARY OF SECOND OPINION ON THE FRAMEWORK

RAM Sustainability is of the view that HLIB's Framework is consistent with the transparency and disclosure requirements of the ASEAN GBS and GBP. The Framework describes the core components such as the intended use of proceeds, the process for project evaluation, the method of management of proceeds and HLIB's future reporting commitments.

HLIB may issue green bonds of up to RM1.0 billion (or its equivalent in other currencies) in nominal value of Tier 2 Subordinated Notes (Green Bond Issuance) under its Multi-Currency Subordinated Notes Programme of 25 years from the first issue date (the Programme). The proceeds from HLIB's Green Bond Issuances will be utilised for a broad range of eligible projects. We have assigned the following Environmental Benefit (EB) ratings to HLIB's eligible project categories:

**Table 1: RAM Sustainability's EB Assessment of HLIB's Eligible Project Categories**

No.	Eligible Project Category under the ASEAN GBS and GBP	HLIB's Eligible Project	RAM Sustainability EB Rating
1	Clean Transportation	<p>Transportation:</p> <ul style="list-style-type: none"> <li>- Infrastructure (for public use)</li> <li>- Technology</li> </ul> <p>- Freight/Passenger Transportation (excluding retrofit with hybrid technologies)</p>	
<p><b>Rationale:</b> HLIB's Green Bond Issuance proceeds may be utilised for development and operation of urban mass transit systems, design and construction of climate resilient/climate-proofed transport network, vehicle fleet energy efficiency technology, fleet optimisation and route management, and fleet retrofit with hydrogen and electric technologies. These are necessary elements to accommodate the build-out of clean energy transportation vehicles and a low-carbon future.</p>			
2	Clean Transportation	<p>1. Transportation:</p> <ul style="list-style-type: none"> <li>- Freight/ Passenger Transportation (retrofit with hybrid technologies)</li> </ul> <p>2. Green Technology/Manufacturing:</p> <ul style="list-style-type: none"> <li>- Low carbon transport vehicles, equipment and infrastructure, electric rail supply chain</li> </ul>	
<p><b>Rationale:</b> Vehicle, rail or boat fleet utilising hybrid technologies have non-zero tail pipe emissions and may still consume fossil fuel. This moderates the financing of hybrid vehicles to a lower EB Rating than electric vehicles with zero tail-pipe emissions. Despite HLIB's limit of 75 gCO<sub>2</sub>e per km per passenger for hybrid vehicles, no relevant test procedures to ensure the vehicles meet this threshold were elaborated in the Framework, as part of its criteria/assessment procedure.</p>			
3	Pollution Prevention and Control	Waste Management	
<p><b>Rationale:</b> HLIB may invest in projects in waste minimisation, collection, management, recycling, re-use, processing disposal, infrastructure, technologies and solutions of various types of waste. These are important pollution prevention and control strategies which will ultimately result in avoidance of final waste disposal i.e., landfilling. Given the wide range of waste management for different type of wastes such as solid waste, hazardous waste, and recyclables, the contribution towards environmental benefit would vary significantly depending on technologies and mitigation activities being implemented.</p>			

4	Renewable Energy	Renewable Energy – Solar, Hydropower, Tidal or Wave, Geothermal energy generating facilities	
<p><b>Rationale:</b></p> <p>The Green Bond Issuance proceeds will be used for the production, manufacturing, operation and maintenance of renewable energy sources/infrastructure for solar, hydro, tidal, wave and geothermal energy. HLIB has a criteria limiting the lifecycle GHG emissions from the electricity generation to 425 gCO<sub>2</sub>/kWh for all except solar energy. However, for hydropower, this only applies when financing new hydropower plants.</p> <p>The deployment of renewable energy solutions displaces the use of fossil fuel and decarbonises the energy system, showcasing a clear climate mitigation benefit and alignment to the goals of a low-carbon future. That said, the Framework lacks specific criteria to address the risks associated with each type of renewable energy project which may limit the net environmental benefit.</p>			
5	Renewable Energy	Renewable Energy – Production of zero carbon fuels, Bioenergy	
<p><b>Rationale:</b></p> <p>HLIB’s Green Bond Issuance proceeds will be used to invest in infrastructure of zero carbon fuel, e.g., hydrogen and ammonia, production and bioenergy-related sources, treatment and facilities. For bioenergy, there is a criteria limiting the lifecycle GHG emissions from the electricity generation to 425 gCO<sub>2</sub>/kWh. HLIB has confirmed that co-generation plants using biomass or biogas must exclude power generation from coal or fuels derived from coal.</p> <p>According to management representation, HLIB will prioritise the following projects:</p> <ul style="list-style-type: none"> <li>▪ Biomass: projects utilising steam-based electricity generation with higher electrical efficiency or gasification technology;</li> <li>▪ Biogas: projects utilising high efficiency engines and minimal emission of sulphur gas;</li> <li>▪ Zero carbon fuels production facilities: projects that do not require carbon capture, utilisation and storage.</li> </ul> <p>Despite this, concerns with regards to the technology and feedstock for these projects are not addressed. The criteria remain broad without technical and feedstock specification nor environmental mitigation measures for the different types of technology available.</p>			
6	Renewable Energy	Green Technology/Manufacturing - Energy storage equipment or solutions	
<p><b>Rationale:</b></p> <p>Energy storage is a necessary element to accommodate the build-out of renewable energy systems (such as solar) and a low-carbon future. However, due to the environmental and social impacts from mining of metals used in batteries, we do not observe any sustainable procurement practices required in the criteria.</p>			
7	Sustainable Water and Wastewater Management	<p>Water Resources:</p> <ul style="list-style-type: none"> <li>- Sustainable Water and Wastewater Management</li> <li>- Flooding Mitigation (increase of water storage capacity)</li> </ul>	
<p><b>Rationale:</b></p> <p>In our view, HLIB’s eligible projects under this category may improve the production and distribution of water supply through efficient resource consumption and pollution prevention. For the building of dams to increase water storage capacity, HLIB requires an Environmental Risk Assessment (EIA) to be conducted with the risk management solutions in place to ensure long term benefit that outweighs the costs to the environment and impacted communities. However, we do not observe a threshold for reservoir size and a restriction on inundation.</p>			
8	Environmentally Sustainable Management of Living Natural Resources and Land Use – Environmentally Sustainable Forestry, Fisheries and Aquaculture	<p>1. Forestry:</p> <ul style="list-style-type: none"> <li>- Agriculture, Forests and Land Conservation (except development of technology for climate-vulnerable farmers)</li> <li>- Soil Management</li> <li>- Sustainable Forestry</li> </ul> <p>2. Aquaculture:</p> <ul style="list-style-type: none"> <li>- Fisheries (adoption of environmentally sustainable fishers and aquaculture)</li> </ul>	
<p><b>Rationale:</b></p> <p>These projects involve environmentally sustainable forestry, fisheries and aquaculture practices. HLIB prohibits any projects that reduces existing natural carbon sink without replacement. Where applicable, to meet Land Use, Land-use Change and Forestry (LULUCF) regulation,</p>			

carbon stocks shall:

- increase above the carbon baseline over a period of 20 years for afforestation and reforestation projects;
- increase over the rotation period for reforestation projects; and
- be maintained or increased in the case of existing forest management and conservation forests.

Projects in this category may contribute to the reduction and avoidance of GHG emissions as well as the conservation of natural carbon sinks. However, given the wide range of activities that may be applied under this category, the Framework not specify or require any relevant certifications/standards for which the practices are verified to be environmentally sustainable and without any social impact.

9	Energy Efficiency	<p>1. Energy Efficiency</p> <p>2. Green Technology/Manufacturing:</p> <ul style="list-style-type: none"> <li>- Smart grid and energy internet</li> <li>- Energy efficient retail/industrial appliances</li> </ul>	
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**Rationale:**

Energy efficiency projects demonstrate environmental benefits through carbon emissions avoidance via reduction in energy use and indirect emissions. According to the International Energy Agency (IEA), energy renovations must reduce energy intensity by 30% to 50% to achieve a 2-Degree Scenario (2DS)<sup>1</sup>. The Green Bond Issuance proceeds may be utilised for energy efficiency projects in public services and utilities, energy saving technology and appliances in public, commercial and domestic services and manufacture and procurement of components and/or services that enable energy efficiency technology. HLIB has set a minimum 30% improvement in energy performance for eligible energy efficiency projects, in line with market practice.

10	Green Building	Green Building	
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**Rationale:**

The Framework’s eligibility criteria for Green Buildings are buildings certified with LEED Gold, GBI Gold, GreenRE Gold and GreenMark GoldPlus and above. These are ambitious certification levels to ascertain a building’s environmental performance against a baseline and higher certification levels are typically associated with better environmental performance, particularly in the area of energy performance and indoor environmental quality.

However, the Framework lacks a criteria addressing the building’s energy use intensity which may limit its environmental benefit. According to the IEA, the operations of buildings consumed 30% of global final energy and contributed to 26% of global energy-related emissions in 2022<sup>2</sup>. A building’s operational phase accounts for 80-90% of its total lifecycle emissions due to required energy use<sup>3</sup>. To meet the 2050 Net Zero Emissions target called for in the Paris Agreement, energy reduction must be at least 35% in 2030 compared to 2021. Green buildings also require recertifications every three years. Given that HLIB has not set a lookback period for refinancing, it is not established in the Framework if refinancing of green buildings would require an active green building certification.

11	Carbon Capture and Storage	<p>Green Technology/Manufacturing:</p> <ul style="list-style-type: none"> <li>- Deployment of Carbon Capture and Utilisation or Carbon Capture and Storage</li> </ul>	
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**Rationale:**

The IEA identified carbon capture and storage and atmospheric carbon dioxide removal as one of the four pillars in the Credible Pathways to 1.5°C report<sup>4</sup>, stating that it is required to mitigate and compensate hard-to-abate residual emissions. HLIB’s Green Bond Issuance allows financing for the deployment of Carbon Capture and Utilisation (CCU) or Carbon Capture and Storage (CCS) technologies, including in sectors/activity where CCU/CCS technology will enable the primary activity to operate in compliance within the threshold, e.g., steel, cement and electricity production<sup>5</sup>. That said, HLIB has not include other eligibility criteria to ensure all technological and environmental risks of CCU/CCS are addressed or can be mitigated. CCU/CCS are still seen as a nascent technology and has limited viability on an industrial scale; the deployment must be done to capture residual emissions rather than as the main carbon emission reduction strategy to ensure hard-to-abate sectors are first exhausting all climate change mitigation initiatives.

<sup>1</sup> IEA (2020), Building Envelopes, Analysis

<sup>2</sup> Buildings Tracking Report – July 2023 (IEA, 2023) [Source: <https://www.iea.org/reports/buildings>]

<sup>3</sup> Common Carbon Metric for Measuring Energy Use & Reporting Greenhouse Gas Emissions from Building Operations (UNEP SBCCI) [Source: <https://c2e2.unepccc.org/wp-content/uploads/sites/3/2016/09/unep-sbcci-common-carbon-metric.pdf>]

<sup>4</sup> Credible pathways to 1.5°C: Four pillars for action in the 2020s (IEA, 2023) [Source: <https://www.iea.org/reports/credible-pathways-to-150c>]

<sup>5</sup> Note: fossil fuel power generation is prohibited from being funded by the Green Bond Issuance proceeds as per the exclusion criteria.

12	Climate Adaptation	<p>1. Water Resources: - Flooding Mitigation (except increase of water storage capacity) - Coastal Areas</p> <p>2. Green Technology/Manufacturing: - Construction</p> <p>3. Forestry: - Agriculture, Forests and Land Conservation (development of technology for climate-vulnerable farmers only)</p> <p>4. Aquaculture: - Fisheries (research and development into the range of fish species and monitoring of fish stocks)</p>	
<p><b>Rationale:</b> HLIB has identified eligible climate adaptation projects in water systems, infrastructure, agriculture and fisheries. Given the potential effects of climate change, it is necessary to mitigate these climate risks and prevent large environmental and financial impact. While the projects listed are sound climate adaptation solutions, HLIB has not stated additional criteria and/or assessment requirement for the different types of adaptation solutions to verify that the areas are vulnerable to climate risk and that the solutions will improve resiliency long-term.</p>			

We find the Framework to have a primarily *Aligned* level of disclosure, incorporating details that we view to be in line with best practices. Our key assessment areas are illustrated in Table 2 below.

**Table 2: RAM Sustainability's Assessment of HLIB's Framework**

Components	GBP	ASEAN GBS	RAM's Overall Opinion
<b>Utilisation of Proceeds (By Asset/Project Category):</b>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
i) Eligibility Criteria Disclosure Quality	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
ii) Indicative Proceeds Allocation	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
iii) Exclusion List:			
- Issue Transaction-level	<i>Strong</i>	<i>Aligned</i>	<i>Strong</i>
- Group-level	<i>There are general exclusions regarding biodiversity protection, fishing practices and forced labour.</i>		
<b>Project Evaluation &amp; Selection</b>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
<b>Management of Proceeds</b>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
<b>Reporting Commitments:</b>			
i) Allocation reporting	<i>Strong</i>	<i>Aligned</i>	<i>Strong</i>
ii) Impact reporting	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>

## 1. CORPORATE PROFILE

HLIB is an investment banking company that provides investment banking and stockbroking services. It is a wholly owned subsidiary of Hong Leong Capital Berhad (HLCB or the Group), operating in Menara Hong Leong, Kuala Lumpur. HLCB is an investment holding company listed on Bursa Malaysia's Main Market and is part of the Hong Leong Financial Group conglomerate. Apart from HLIB, the Group's subsidiaries, Hong Leong Asset Management and Hong Leong Islamic Asset Management, are involved in unit trust and fund management.

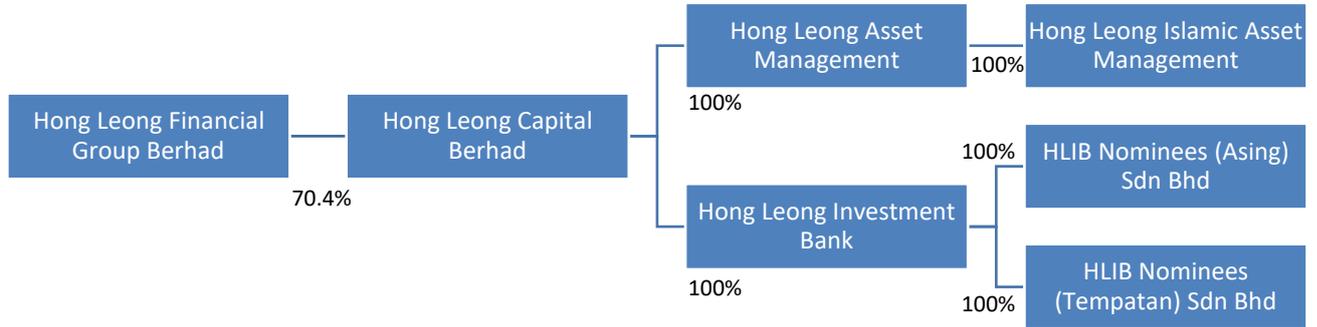


Figure 1: HLIB's Corporate Structure

Source: Hong Leong Financial Group website

Under the existing Programme, HLIB completed the first issuance of RM50.0 million nominal value of Tier 2 Sub-Notes and a second issuance of RM100.0 million nominal value of 10 year non-callable 5 years Sub-Notes.

## 2. REVIEW OF THE FRAMEWORK

Our review examines the four core components embedded in the **ASEAN GBS** and the **GBP**:

- (i) Utilisation of Proceeds
- (ii) Project Evaluation and Selection
- (iii) Management of Proceeds
- (iv) Reporting Commitments

For a detailed review, please refer to **Appendix 1** for the ASEAN GBS Checklist and **Appendix 2** for the GBP External Review Form.

### 2.1. Utilisation of Proceeds

The ASEAN GBS and GBP recognise several categories of eligible green projects. Broadly defined, green projects refer to innovative, climate-friendly solutions that help deliver clear environmental benefits. The eligible categories within the Framework include eligible green activities under the ASEAN GBS and GBP (Table 1).

Proceeds from HLIB's Green Bond Issuances will be used to subscribe to new or existing bonds/Sukuk and/or finance or refinance new or existing projects which meet the eligibility criteria outlined in the Framework. For renewable energy, waste management, green technology and energy efficiency projects, the Green Bond Issuance proceeds may also be used to fund HLIB's own initiatives within its operations. Where relevant, the Green Bond Issuance proceeds may also be invested in companies that derive 80% or more of their revenue from eligible projects. For the avoidance of doubt, the Green Bond Issuance proceeds may not be utilised for any projects that do not comply with the eligibility criteria set forth in the Framework.

The indicative proceeds allocation of future issuances by each eligible project category and percentage of refinancing has yet to be determined at this juncture. These will be determined by HLIB on a case-to-case basis subject to the availability of eligible projects and bond/sukuk. The immediate issuance will be utilised to refinance previous issuances.

## Ineligible Projects

Consistent with the ASEAN GBS, the Framework prohibits any Green Bond Issuance proceeds to be used as funding for projects related to fossil fuel.

## 2.2. Project Evaluation & Selection

The Framework describes an evaluation and selection process that HLIB undertakes to ensure that selected projects or assets are eligible for green financing. Eligibility considerations include project adherence to the eligibility criteria, risk assessments, as well as technical and financial viability.

Relevant business units such as the Fixed Income Desk of the Treasury & Market department will screen projects using the eligibility criteria as part of the credit evaluation process. HLIB’s Sustainability Steering Committee will then review and approve the projects proposed by the relevant business units to ensure compliance with the Framework. As part of the evaluation, HLIB will try to obtain the EIA reports of eligible projects to be funded under the Framework and evaluate the track record of the related developer and/or contractors (where available and possible).



**Figure 2: HLIB’s Credit Evaluation Process for Application of New Bond Limits and Approval of Green Bonds**

Any eligible projects found to no longer be in compliance with the Framework may be replaced with other selected eligible projects, subject to the same evaluation and selection process.

In our view, the processes employed by HLIB are in line with the requirements for the evaluation of eligible projects for green financing.

## 2.3. Management of Proceeds

HLIB has defined the internal processes linked to the management of proceeds. According to information provided by the Issuer, the proceeds will be credited into HLIB’s general operating account. The portfolio of eligible projects and its allocation will be monitored and maintained by the relevant business units. The Risk Management Department will monitor the proceeds allocation at consolidated level on a quarterly basis. The proceeds allocated will be tagged in HLIB’s internal treasury system for ease of identification with other funding sources.

In the event that an eligible project no longer fulfil the criteria of the Framework, the Issuer shall identify other eligible projects in replacement, and reallocate the proceeds as soon as is practicable. Any unallocated proceeds may be held in cash, cash equivalents and/or invested in other liquid marketable instruments in HLIB’s liquidity portfolio. According to management representation, the permitted liquid marketable instruments are money market instruments.

## 2.4. Reporting Commitments

Issuers are required to establish a formal process to communicate the allocation of proceeds and the positive impact created. HLIB is committed to annual allocation reporting as long as there are outstanding HLIB Green Bonds issued under the Framework. HLIB will also report on selected impact metrics by project or aggregated by project, where relevant and possible. The report may include the following information:

**Table 3: HLIB's Reporting Commitments**

<p><b>Allocation Reporting</b></p>	<ul style="list-style-type: none"> <li>▪ Allocated proceeds by eligibility criteria, together with a description of the types of projects and businesses that are being financed.</li> <li>▪ The remaining balance of unallocated proceeds at the end of the reporting period.</li> <li>▪ Additional information or examples of financed projects or businesses (subject to consideration such as confidentiality agreements and competition issues).</li> </ul>
<p><b>Impact Reporting</b></p>	<ul style="list-style-type: none"> <li>a. Transportation <ul style="list-style-type: none"> <li>▪ Number of electric/fuel cell/hybrid vehicles financed</li> <li>▪ Passengers served by transit</li> <li>▪ Information on transit projects (i.e. km of rail, number of buses)</li> <li>▪ Air quality improvements</li> </ul> </li> <li>b. Waste Management <ul style="list-style-type: none"> <li>▪ Tonnes of recycled waste</li> <li>▪ Tonnes of waste diverted from landfill</li> </ul> </li> <li>c. Renewable Energy <ul style="list-style-type: none"> <li>▪ Energy generated per year (MWh)</li> <li>▪ GHG emissions reduced/avoided per year (tCO<sub>2</sub>e)</li> </ul> </li> <li>d. Water Resources <ul style="list-style-type: none"> <li>▪ Volume of water treated (m<sup>3</sup>)</li> <li>▪ Description of flood control works installed</li> <li>▪ Volume of water diverted (m<sup>3</sup>)</li> <li>▪ Floods avoided data (frequency and capacity)</li> </ul> </li> <li>e. Forestry <ul style="list-style-type: none"> <li>▪ Areas covered/protected or covered by sustainable agricultural land management practices (ha)</li> <li>▪ GHG emissions reduced/avoided per year (tCO<sub>2</sub>e)</li> <li>▪ Number of new trees planted per hectare</li> </ul> </li> <li>f. Energy Efficiency <ul style="list-style-type: none"> <li>▪ Energy saved per year (MWh)</li> <li>▪ GHG emissions avoided per year (tCO<sub>2</sub>e)</li> </ul> </li> <li>g. Green Building <ul style="list-style-type: none"> <li>▪ List of third party green or environmental certifications received</li> </ul> </li> <li>h. Green Technology/Manufacturing <ul style="list-style-type: none"> <li>▪ Building assets by type and green building certification level</li> <li>▪ Energy savings per year (MWh)</li> <li>▪ GHG emissions avoided per year (tCO<sub>2</sub>e)</li> </ul> </li> <li>i. Aquaculture <ul style="list-style-type: none"> <li>▪ Increase in tonnes of sustainable seafood production</li> </ul> </li> </ul>

The annual reporting will be reviewed and approved by HLIB's Sustainability Steering Committee and Board Audit and Risk Management Committee. The Issuer may also appoint independent auditors or other third parties to verify its management of proceeds in accordance with the Framework.

The Framework, this Second Opinion Report, and the annual reports will be made publicly available on HLIB’s corporate website (<https://www.hlib.com.my>). In addition, this Second Opinion Report will be available on RAM Sustainability’s website (<https://www.ram.com.my/sustainability>).

### 3. SUSTAINABILITY ASSESSMENT

#### 3.1. National-Level Drivers

RAM Sustainability opines that HLIB’s Green Bond will support the following national-level objectives and plans that are related to the areas defined under the eligible asset/project categories:

**Table 4: National-Level Objectives and Plans**

Category	National-Level Objectives and Plans
Renewable Energy	<p><u>Increasing RE generation</u></p> <p>Under the 12<sup>th</sup> Malaysia Plan (12MP), the Government of Malaysia (GoM) has targeted to achieve 31% RE of total installed capacity by 2025. The GoM has also introduced incentives to encourage corporate consumers to buy green energy. Such incentives include the Green Tariff Rider and Renewable Energy Certificate.</p> <p>Under the National Energy Transition Roadmap (NETR), the GoM has committed to achieving 70% RE installed capacity by 2050 with a solar PV installation target of 59 GW of installed capacity by 2050. The GoM also targets an increase in bioenergy power generation capacity to 1.4 GW by 2050.</p>
Energy Efficiency	<p><u>Increasing energy savings</u></p> <p>Under the 12MP, the GoM plans to enhance EE within the country by regulating high-intensity consumers in the industrial and commercial sector. Energy audits and retrofits were also conducted in 18 government buildings which are labelled under the National Building Energy Intensity (BEI) labelling initiative. The GoM also provides Energy Audit Conditional Grants and Energy Performance Contracting to support the National Energy Efficiency Action Plan 2016-2025 target of achieving 8% savings in electricity consumption.</p> <p>Under the National Energy Policy 2022-2040 (DTN), the GoM established the Low Carbon Nation Aspiration 2040 which includes a target to achieve EE savings in industrial and commercial facilities by 11%.</p> <p>Under the NETR, the GoM aims to achieve 21% of energy savings by 2040 and 22% of energy savings. Some of the key initiatives identified to achieve these targets are enforcing mandatory audits for large commercial and industrial buildings, establishing mandatory green building codes that outline EE parameters for energy-intensive residential and commercial buildings and launching a major EE retrofit initiatives in government buildings.</p>
Clean Transportation	<p><u>Promoting sustainable transportation systems</u></p> <p>Under the DTN, the GoM has set a target of achieving 38% share of electric vehicles in its Low Carbon Nation Aspiration 2040. Electric vehicle charging infrastructure is identified as an enabler of achieving this target.</p> <p>Under the NETR, the GoM has targets which are aligned with the Low Carbon Mobility Blueprint such as increasing public transportation modal share to 60% and increasing share of electric vehicles in the market to 80% by 2050, among others. Currently, 85% of GHG emissions are due to the land transport segment, equating to 55 MtCO<sub>2</sub>eq.</p>

Category	National-Level Objectives and Plans
Pollution Prevention and Control	<p><u>Strengthening waste management to move towards zero-waste</u></p> <p>Under the 12<sup>th</sup> Malaysia Plan, the GoM aims to strengthen solid waste management through enforcement of existing standards and scheduled waste through implementing environmentally sound management of chemical and hazardous substances. It will support the development of integrated waste management facilities to optimise waste management to enable proper treatment, recycling and disposal of solid and scheduled waste. The GoM targets a 40% household waste recycling rate and 35% scheduled waste recycling rate by 2025.</p> <p>Under the NETR, the GoM currently recognises second-generation bioenergy sources derived from non-agriculture biomass, including municipal solid waste, as the most favourable feedstock for bioenergy due to land competition and the expected increase in municipal solid waste (MSW). Currently, 13.9 million tonnes of MSW are generated annually in Malaysia. MSW is recognised for its potential for power generation through waste-to-energy. The GoM targets an increase in bioenergy power generation capacity to 1.4 GW by 2050.</p>
Sustainable Water and Wastewater Management	<p><u>Supporting efficient water resource management</u></p> <p>In 1978, Malaysia implemented the National Water Resources Policy which aimed to promote sustainable water management through integrating water resource planning and management across all sectors. Further to that, accelerating adoption of Integrated Water Resources Management (IWRM) remains a key strategy in the 12MP. The IWRM aims to address water security challenges and maximise socioeconomic benefits while conserving the freshwater ecosystem. Efficient water resource management is in line with the Malaysia's goals for 98% of coverage access to clean water in rural areas and to keep non-revenue water level at 25% threshold. The Water Sector Transformation 2040 is Malaysia's long-term agenda to turn water management into a drive of economic growth by 2040. Under the first phase of this transformation plan, implementation of circular economy in the water sector and scaling up of water efficiency were highlighted as key initiatives.</p>
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p><u>Responsible management of natural resources</u></p> <p>Land and river water quality may worsen due to increased industrialisation and unsustainable use of natural resources. Sustainable land and river management is hence crucial as it reduces pollution and contributes positively to fundamental ecosystem services including regulation of water cycles, carbon sequestering and biodiversity preservation.</p>
Green Building	<p><u>Emphasis on green buildings</u></p> <p>Under the National Energy Policy 2022-2040, green buildings are included in the emphasis on low carbon activities as part of Key Economic Growth Activities (KEGA) 12: Green Economy. The National Energy Efficiency Action Plan 2015 further identifies Energy Audits in Buildings and Industries and Energy Efficient Building Design as key initiatives in the government's target to achieve an 8% reduction in energy demand from the baseline. The proposed Energy Efficiency Conservation Act will require office buildings exceeding 8,000 sqm to ensure their energy intensity performance complies with energy efficiency ratings prescribed by the Energy Commission, the failure of which would require an energy audit and energy improvement plan.</p>
Carbon Capture and Storage	<p><u>Enabling energy transition agenda</u></p> <p>Malaysia has recognised the importance of carbon capture, utilisation, and storage (CCUS) as a key strategy in mitigating greenhouse gas emissions and addressing climate change. It aims to deploy CCUS technologies as a regional hub to reduce carbon dioxide (CO<sub>2</sub>) emissions from various sectors, including industry, power generation, and transportation. National goals regarding CCUS include fostering research and development to advance CCUS technologies, promoting investment in CCUS infrastructures, and integrating CCUS into national climate change policies and strategies. According to the NETR, three CCUS hubs are envisaged to be developed by 2030 with total storage capacity of up to 15 million tonnes per annum.</p>

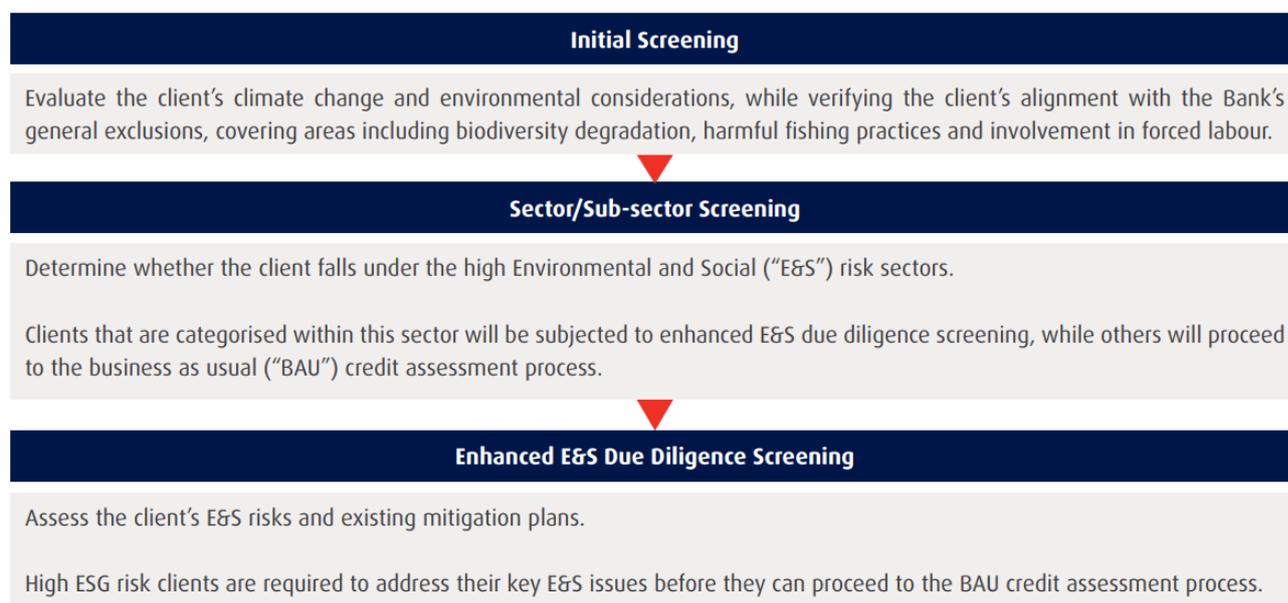
Category	National-Level Objectives and Plans
Climate Adaptation	<p><u>Developing resilient cities</u></p> <p>The Malaysia Smart City Framework (MSCF) established is a national-level guide for local authorities, state governments, and other stakeholders to develop smart cities throughout Malaysia. The MSCF highlights technological solutions to address urban challenges, improve quality of life, promote economic growth, and create a sustainable and secure environment. The recently announced National Adaptation Plan (NAP) highlights measures to bolster adaptive capacities in the priority areas and strengthen a climate-resilient society. According to the Minister of Natural Resources, Environment and Climate Change, the NAP would guide city design and planning to mitigate challenges resulting from climate change.</p>

## 3.2. Entity-Level Assessment

### Sustainability Strategies

United Nations Global Compact (UNGC) lists ten principles aligned with fundamental responsibilities encompassing environmental, social and governance (ESG) areas. Despite not being a UNGC Participant, HLIB has mapped its sustainability initiatives to Principle 7, Principle 8 and Principle 9 with regards to its environmental practices.

HLIB has integrated Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy requirements into its Core Credit Risk Policy and applies an ESG Assessment Screening to assess ESG risk in its lending, underwriting and bond investments decisions.



Source: HLCB’s Annual Report 2023

**Figure 3: HLIB’s ESG Assessment Screening**

## 3.3. Group-Level Assessment

### Sustainability Governance

HLCB’s Board of Directors have ultimate oversight over the Group’s sustainability strategy, including oversight of the Sustainability Framework, supported by the Board Audit and Risk Management Committee (BARMC). The Sustainability Steering Committee (SSC), led by the Group Managing Director and Chief Executive Officer at HLIB, and the Sustainability Working Committee (SWC), chaired by the newly appointed Chief Sustainability Officer at HLIB, leads the sustainability management and oversees the implementation of sustainability initiatives across the Group.

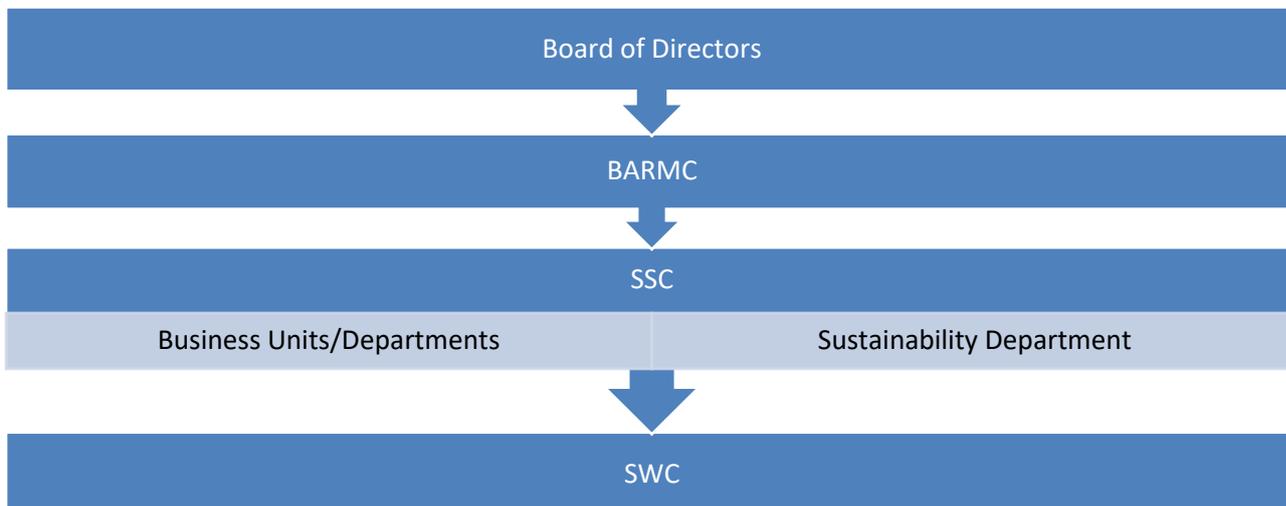


Figure 4: HLCB's Sustainability Governance Structure

### Sustainability Strategies

In support of a low carbon economy, HLCB's Sustainability Framework features four central pillars, namely, Engaging on Sustainability, Addressing Climate Change, Strengthening Internal Capabilities and Impact Digitalisation. The Sustainability Framework guides the Group's overarching sustainability strategy



Source: HLCB's Annual Report 2023

Figure 5: HLCB's Sustainability Framework

The Group has begun to track emissions from employee travels as part of Scope 3 emissions and plans to include more Scope 3 elements into its GHG emissions reporting as well as improve on its materiality assessment.

### Controversy Scan

Based on publicly available information up to 23 May 2024 on HLCB, HLIB and its subsidiaries, there were no controversies pertaining to the entities' ESG practices.

# APPENDIX 1

## APPENDIX 1: ASEAN GBS CHECKLIST

### Reference:

ASEAN Capital Markets Forum – ASEAN GBS

Item	No.	Requirement	Alignment	Comment
Eligible Issuers and Issuance	3.1	(i) Must be an ASEAN Issuer; or (ii) In the case of a Non-ASEAN Issuer, the eligible Green Projects must be located in any of the ASEAN countries.	Yes	HLIB is an entity incorporated in Malaysia, a member of ASEAN.
	3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	Yes	The green bond to be issued under the Framework will originate from Malaysia.
Eligible Green Projects	4.1.5	There are several broad categories of eligibility for Green Projects which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control. The categories include renewable energy and energy efficiency.	Yes	The proceeds from the Green Bond Issuance under the Framework may be utilised to subscribe to new or existing bonds/Sukuk and/or finance or refinance new or existing investments and projects which meet the eligibility criteria outlined in the Framework.
Ineligible Projects	4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	Yes	HLIB has stipulated in the Framework that projects utilising fossil fuel for power generation are not eligible for funding.
Continuous Accessibility to Information and Reporting	4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors –  (i) The environmental sustainability objectives; (ii) The process by which the Issuer determines how the projects fit within the eligible Green Projects categories identified above; and (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green Projects.	Yes	The Issuer will use the Green Bond Issuances to invest in projects aligned to the Group's Sustainability Framework.  The process for the evaluation and selection of the eligible project is detailed in the Framework.
	4.2.5	The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of ASEAN Green Bonds:  (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	Yes	HLIB has committed to publishing the Framework on its corporate website ( <a href="http://www.hlib.com.my">http://www.hlib.com.my</a> ). The Framework includes information describing the project evaluation process, the intended use of proceeds and the requirement to obtain a second opinion to confirm the validity of the Framework. The second opinion report will be made publicly available on its corporate website, and RAM's website ( <a href="http://www.ram.com.my">www.ram.com.my</a> ).
	4.3.1	Prior to the issuance of the ASEAN Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	Yes	HLIB has established internal process for managing the proceeds of the Green Bond Issuances. The allocation of the proceeds shall be monitored by the relevant business units under the Issuer.
	4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	Yes	HLIB will hold any unutilised funds in cash, cash equivalents and/or any investments in other liquid marketable instruments that are in accordance in HLIB's portfolio. According to management representation, the permitted liquid marketable instruments are money market instruments.

Item	No.	Requirement	Alignment	Comment
	4.4.5	The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the ASEAN Green Bonds.	Yes	HLIB is committed to publish its allocation report on an annual basis as long as there are outstanding HLIB Green Bond Issuances. The impact report will also be published annually. The allocation and impact reports will be made publicly available on the Group's corporate website.
Encourage More Frequent Reporting	4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	Yes	HLIB is committed to publish its allocation report on an annual basis until full allocation of its proceeds. The impact report will also be published annually. The allocation and impact reports will be made publicly available on the Issuer's corporate website.
External Review	5.1	Issuers are recommended to appoint external review providers for their ASEAN Green Bonds issuances.	Yes	RAM Sustainability has been appointed to provide a second opinion of the Issuer's Framework. The review covers an assessment of the Group's Framework against disclosure requirements of the ASEAN GBS and the GBP, as well as the Issuer's sustainability responsibilities.
	4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	Yes	The second opinion report by RAM Sustainability covers project evaluation and selection.
	4.3.5	It is recommended that the Issuer's management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Green Bonds proceeds.	-	This is a voluntary process. HLIB may appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the Green Bond Issuances.
	4.3.6	Where the Issuer appoints an auditor or other third party to verify the Issuer's management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of issuance of the ASEAN Green Bonds.	-	This is a voluntary process. HLIB may appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the Green Bond Issuances.
	4.4.4	It is recommended that the Issuer's annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	-	This is a voluntary process. HLIB has not stated any intention to appoint an external reviewer to confirm the accuracy of its annual reporting on the use of proceeds.

# APPENDIX 2

## Green, Social and Sustainability Bonds External Review Form

*This form complements the Bond Information Template that should have been filled in by the issuer. It provides additional information on the role of the External Reviewer when assessing the issuer's sustainability framework. This form may be used or adapted, where appropriate, to summarise the scope of the review.*

### Section 1. Basic Information

**Issuer name:** Hong Leong Investment Bank Berhad

**Bond ISIN<sup>6</sup>:** Not Available

**Independent External Review provider's name:** RAM Sustainability Sdn Bhd

**Completion date of this form:** 23 May 2024

**Date of the review:** 23 May 2024

### Section 2. Overview

#### SCOPE OF REVIEW

The review:

- assessed the 4 core components of the Principles (**complete review**) and confirmed the alignment with the GBP.
- assessed only some of them (**partial review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*); please indicate which ones:
  - Use of Proceeds
  - Process for Project Evaluation and Selection
  - Management of Proceeds
  - Reporting
- assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones: **ASEAN GBS**

#### ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- Second Party Opinion
- Verification
- Other (*please specify*):
- Certification
- Scoring/Rating

Does the review include a sustainability quality score<sup>7</sup>?

- Of the issuer
- Of the project
- Of the framework
- Other (*please specify*):
- No scoring

<sup>6</sup> The ISIN code is mandatory for publishing the form in the Sustainable Bond Issuers Database.

<sup>7</sup> The external review may indicate the provider's opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.

## ASSESSMENT OF THE PROJECT(S)

### Does the review include:

- The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?
- The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?
- The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

## ISSUER'S OVERARCHING OBJECTIVES

### Does the review include:

- An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

## CLIMATE TRANSITION STRATEGY<sup>8</sup>

### Does the review assess:

- The issuer's climate transition strategy & governance?
- The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- The credibility of the issuer's climate transition strategy to reach its targets?
- The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways<sup>9</sup> that are deemed necessary to limit climate change to targeted levels?
- The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically<sup>10</sup>?

### Overall comment on this section:

<sup>8</sup> Where issuers wish to finance projects towards implementing a net zero emissions strategy aligned with the goals of the Paris Agreement, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#).

<sup>9</sup> GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a [Methodologies Registry](#) which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories..

<sup>10</sup> Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer's climate policy engagement.

## Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

#### Does the review assess:

- the environmental/social benefits of the project(s)?
- whether those benefits are quantifiable and meaningful?
- for social projects, whether the target population is properly identified?

#### Does the review assess if the issuer provides clear information on:

- the estimated proceeds allocation per project category (in case of multiple projects)?
- the estimated share of financing vs. re-financing (and the related lookback period)?

#### Overall comment on this section:

HLIB's Green Bond Issuances will be used to finance the following eligible green projects:

- (i) Renewable energy
- (ii) Energy efficiency
- (iii) Clean transportation
- (iv) Pollution prevention and control
- (v) Green building
- (vi) Environmentally Sustainable Management of Living Natural Resources and Land Use
- (vii) Sustainable water and wastewater management
- (viii) Climate adaptation
- (ix) Carbon capture and storage

The proceeds from the first Green Bond Issuance are intended to be used to refinance previous tranches issued under the Tier-2 sub-notes programme. However, the refinancing and proceeds allocation for the other eligible projects will be determined on a case by case basis.

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

#### Does the review assess:

- whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones.<sup>11</sup>
- whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?
- the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?
- the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?
- any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

#### Overall comment on this section:

Please see Section 2.2 Project Evaluation & Selection.

<sup>11</sup> The EU Taxonomy, CBI Taxonomy, UK Taxonomy, China catalogue, etc.

### 3. MANAGEMENT OF PROCEEDS

**Does the review assess:**

- the issuer's policy for segregating or tracking the proceeds in an appropriate manner?
- the intended types of temporary investment instruments for unallocated proceeds?
- Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

**Overall comment on this section:**

The portfolio of eligible projects and its allocation will be monitored and maintained by the relevant business units. The Risk Management Department will monitor the proceeds allocation at consolidated level on a quarterly basis. The proceeds allocated will be tagged in HLIB's internal treasury system for ease of identification with other funding sources.

In the event that an eligible project no longer fulfil the criteria of the Framework, the Issuer shall identify other eligible projects in replacement, and reallocate the proceeds as soon as is practicable. Any unallocated proceeds may be held in cash, cash equivalents and/or invested in other liquid marketable instruments in HLIB's liquidity portfolio. According to management representation, the permitted liquid marketable instruments are money market instruments.

### 4. REPORTING

**Does the review assess:**

- the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?
- the frequency and the means of disclosure?
- the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

**Overall comment on this section:**

HLIB has committed to disclosing the necessary information on its corporate website (<https://www.hlib.com.my>). The Issuer will report on the allocation of proceeds and impacts of its eligible projects annually as long as there are outstanding Green Bond Issuances.

## Section 4. Additional Information

**Useful links** (e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)

The allocation and impact reports, along with the Framework and second opinion report, will be made publicly available on HLIB's corporate website (<https://www.hlib.com.my/>).

**Analysis of the contribution of the project(s) to the UN Sustainable Development Goals:**

**Additional assessment in relation to the issuer/bond framework/eligible project(s):**

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1) **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2) **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4) **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

## ABOUT RAM SUSTAINABILITY

RAM Sustainability Sdn Bhd (RAM Sustainability) is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of ESG ratings and second opinions and has the distinction of being the first Registered Observer of ICMA’s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles in ASEAN. It was a member of ICMA’s Advisory Council to the GBP and SBP Executive Committee for three consecutive terms. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard & Certification Scheme after having been awarded the status by the Climate Bonds Standards Board. For further details, please refer to <https://www.ram.com.my/sustainability>.

### About the RAM Group

The RAM Group is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Formerly known as Rating Agency Malaysia Berhad, the RAM Group was established in November 1990 as a catalyst for the domestic debt capital market and as the nation’s first credit rating agency. On 1 July 2007, its rating operations were novated to RAM Rating Services Berhad (RAM Ratings). RAM Ratings is a wholly owned subsidiary of the RAM Group.

RAM Ratings is the leading and largest credit rating agency in both Malaysia and ASEAN. Established in 1990 by the central bank of Malaysia as part of the “institutional infrastructure” to support the development of Malaysia’s bond market, RAM Ratings has rated over USD473 billion of bonds issued by over 800 entities. Its rating portfolio encompasses corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations.

RAM Ratings is also the world’s leading rating agency for securities issued under Islamic principles, or sukuk. RAM Ratings’ experience in and contributions to the fast-growing sukuk market has won numerous awards, including the GIFA Power Award (Islamic Rating) at the Global Islamic Finance Awards (GIFA) 2023. This is the third consecutive win for RAM Ratings. RAM Ratings also bagged The Best Islamic Rating Agency (Malaysia) by The Asset Triple A Islamic Finance Awards 2022. Apart from these awards, RAM Ratings won an award at the FocusEconomics Analyst Forecast Awards 2022, coming in third for accurately forecasting the Malaysian inflation rate in 2021. On 26 May 2016, RAM Ratings joined the line-up of pioneer credit rating agency signatories to the United Nations-supported Principles for Responsible Investment’s Statement on ESG in Credit Ratings. The Statement on ESG in Credit Ratings is a way for RAM Ratings to communicate its commitment to a more systematic and transparent incorporation of ESG into credit ratings and analysis.

RAM Solutions, with effect from 1 March 2023, has integrated sustainability solutions to its existing credit opinion business, working independently of any second opinion providers or external reviewers. As a subsidiary of RAM Holdings, Bond Pricing Agency Malaysia Sdn Bhd is the sole provider of bond-pricing and valuation data on the Malaysian bond market. For further details, please refer to <https://www.ram.com.my>.





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