



Financing for a green future

BY TAN ZHAI YUN

The latest reports by the Intergovernmental Panel on Climate Change (IPCC) have set a deadline for the world. If the goal is to limit global warming to about 1.5°C and prevent irreversible damage to the environment, global greenhouse gas emissions must be reduced by 43% by 2030, and reach net zero by the early 2050s.

But more investments are needed to reach that goal. The United Nations estimates that US\$125 trillion would be needed to reach net zero by 2050, which means a tripling of investments during the period of 2021 to 2025 compared with the previous five years.

The good news is that many of the technologies required to reach this goal are already available. For instance, since 2010, there has been a sustained decrease of up to 85% of the cost for solar and wind energy, according to the IPCC.

This financing gap also presents business opportunities for businesses. *The Edge* ESG Forum 2023 will bring together experts from various sectors at the Mandarin Oriental Hotel on July 10 to highlight the trends and potential in Malaysia.

The forum is being held in collaboration with UOB Bank (M) Bhd and BMW Group Malaysia. The keynote speech will be given by Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz, who will share how Malaysian companies can navigate and benefit from the green transition.

The government has introduced many incentives and programmes for companies to adopt renewable energy and other technologies that are useful for the transition to the green economy.

Meanwhile, Arina Kok, Malaysia Climate Change and Sustainability Services leader and partner at Ernst & Young Malaysia, will share about the latest regulations and developments related to sustainable finance in the country.

"Regulations and developments in sustainable finance form the foundation of a pragmatic and transformative journey," she says. "They navigate the intricate intersection of economic vitality and environmental preservation, fostering a future where sustainable growth and responsible financial practices coexist, creating a world that thrives in harmony."

Banks play a key role in facilitating this transition to a greener future. UOB Malaysia country head of wholesale banking Andy Cheah will provide examples and share how the bank is financing the sustainability agenda through various programmes.

"As Malaysia aims to achieve net zero greenhouse gas emissions by 2050, the business community has a key role to play in taking decisive steps to support the nation in achieving this target," says Cheah.

"Businesses that incorporate the ESG [environmental, social and governance] framework will contribute to a more progressive and sustainable path for the country's development. We are proud to be part of this inaugural forum that highlights the success of ESG enablers and cements the ESG agenda on every business core strategy."

In March, UOB Malaysia launched U-Solar 2.0, an expansion of its existing U-Solar programme, which provides financing for solar energy projects to businesses and individuals. The latest version extends sustainable finance to local solar engineering, procurement, construction and commissioning contractors.

One of UOB Malaysia's partners in the programme is Pekat Solar Bhd, whose executive director Chin Soo Mau will also be speaking at the forum. He will share the company's efforts in expanding the solar photovoltaic (PV)



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market for residential and commercial customers, and in advancing the development of the electric vehicle (EV) charging infrastructure.

"There are various solar PV models that businesses can adopt, which includes those enabled by various government initiatives and incentives, specifically tailored to encourage businesses to transition towards renewable energy sources," says Chin.

"Also, with the EV trend in Malaysia steadily growing, Pekat, as a company with the expertise to contribute to the country's green future, strives to educate audiences in adopting renewable energy for long-term cost savings, [achieving] energy independence, environmental sustainability and in creating a cleaner and more resilient energy system for the future together."

To further delve into case studies on how companies can access green financing, a fire-side chat session will be held with guests Renard Siew, head of corporate sustainability at Yinson Holdings Bhd, and Sashi Ambihapahan, head of corporate communications and sustainability at BMW Malaysia.

Although Yinson is in the oil and gas industry, it has invested in renewable energy assets and technologies, and received sustainability-linked loans tied to environmental key performance indicators.

"Financing for a green future is not just any ordinary investment; it is an investment in hope, in resilience and in the well-being of our future generations. Dreaming about a green future alone is insufficient. It requires concrete actions and committed financial support," says Siew.

"We need visionaries who understand the imperative of investing in impactful projects, green infrastructure and sustainable businesses. When we channel funds towards these initiatives, we can catalyse a green revolution that transcends borders and shape the trajectory of our future."

As a major automotive company, BMW Group Malaysia has committed to including



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at least one fully electric model in all of its relevant series. In May, it partnered with EV charging solutions provider EV Connection in Malaysia to develop a mobile EV charging vehicle, powered by repurposed BMW and MINI EV batteries.

"As a leading automaker driven by technology and innovation, we are committed to assisting companies on this journey and



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have been doing so for more than a decade now," says Sashi.

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The forum, which is by invitation only, is fully booked.