



# The Social Edge of Sustainable Finance: Regulation, Innovation, and Impact

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“Capitalism has the power to shape society and act as a powerful catalyst for change.”

**Larry Fink** | Chairman & CEO, BlackRock

# Market Drivers



1

## Asia-Pacific (APAC)

## Europe, Middle East & Africa (EMEA)

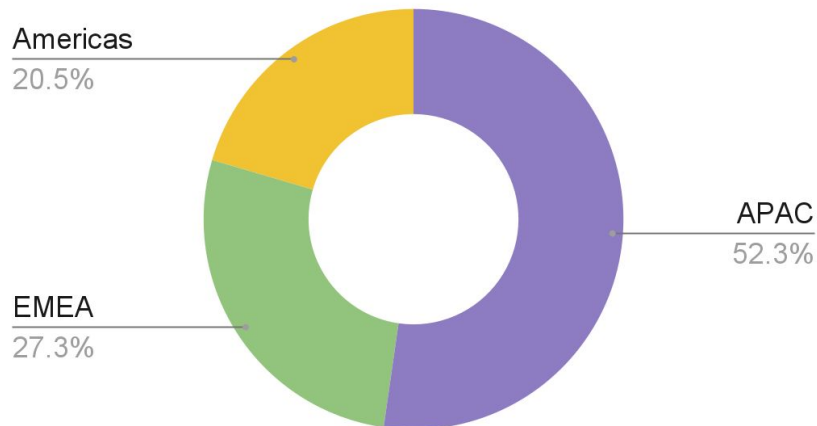
## Americas

<a href="#">China Mainland</a>	<a href="#">EU</a>	<a href="#">Colombia</a>
<a href="#">Hong Kong</a>	<a href="#">Georgia</a>	<a href="#">Panama</a>
<a href="#">South Korea</a>	<a href="#">Ghana</a>	<a href="#">Chile</a>
<a href="#">Azerbaijan</a>	<a href="#">Rwanda</a>	<a href="#">Brazil</a>
<a href="#">Mongolia</a>	<a href="#">Kenya</a>	<a href="#">Mexico</a>
<a href="#">ASEAN</a>	<a href="#">South Africa</a>	<a href="#">Costa Rica</a>
<a href="#">Malaysia</a>	<a href="#">Egypt</a>	<a href="#">Peru</a>
<a href="#">Indonesia</a>	<a href="#">Ethiopia</a>	<a href="#">Ecuador</a>
<a href="#">Thailand</a>	<a href="#">Senegal</a>	<a href="#">Canada</a>
<a href="#">Vietnam</a>	<a href="#">UAE</a>	
<a href="#">Cambodia</a>	<a href="#">Jordan</a>	
<a href="#">Philippines</a>	<a href="#">Israel</a>	
<a href="#">Singapore</a>		
<a href="#">Australia</a>		
<a href="#">Kyrgyzstan</a>		
<a href="#">Uzbekistan</a>		
<a href="#">Kazakhstan</a>		
<a href="#">India</a>		
<a href="#">Nepal</a>		
<a href="#">Bangladesh</a>		
<a href="#">Pakistan</a>		
<a href="#">Sri Lanka</a>		
<a href="#">Turkey</a>		

-  Regions or Countries with taxonomies **launched**
-  Regions or Countries with taxonomies **under development**

# Taxonomies: The Building Blocks of Sustainable Finance

Sustainable Finance Taxonomy Breakdown by Region



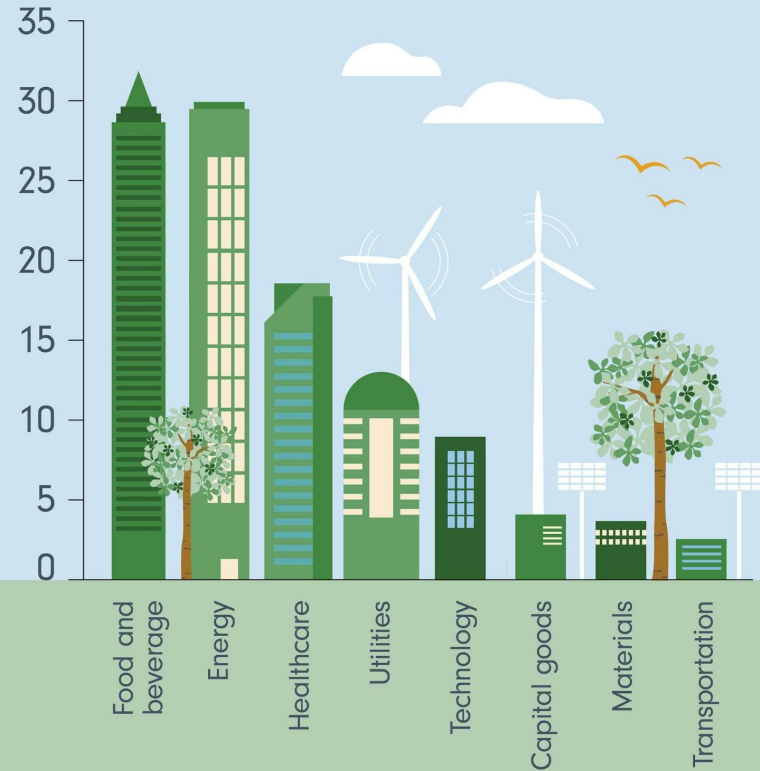
Data by July 2025

# From Corporate Finance to Fund Performance: ESG's Proven Financial Benefits

- A research looked at more than 100 academic studies of sustainable investing around the world and found **100%** of the academic studies agree that companies with high ratings for CSR and ESG factors have a **lower cost of capital** in terms of debt (loans and bonds) and equity. **89%** of the studies examined show that companies with high ratings for ESG factors exhibit **market-based outperformance**.
- The World Economic Forum's Transformational Investment report cites the example of New Zealand's state pension fund, which adopted a sustainable finance strategy. The fund has **outperformed comparable investments by 1.24%** a year since its inception in 2003 – a **total difference of \$7.24 billion** (NZD10.65 billion).
- Analysis by BlackRock found that during the height of the COVID-19 pandemic in 2020, more than **8 out of 10** sustainable investment funds **performed better** than share portfolios not based on ESG criteria.

## ESG companies offer better returns

Outperformance of ESG stocks over industry peers (%)



Source: Kumar et al (2016), Journal of Sustainable Finance & Investment.

# Why Companies Embrace Sustainable Finance

- Help provide funds for sustainability initiatives at a lower capital cost
- Disclosure requirements help communicate the sustainability narrative
- Enhances company reputation and confirms its sustainability commitments
- Internal integration between finance and sustainability teams
- A doable learning curve for finance teams
- Meet increasing demands from investors



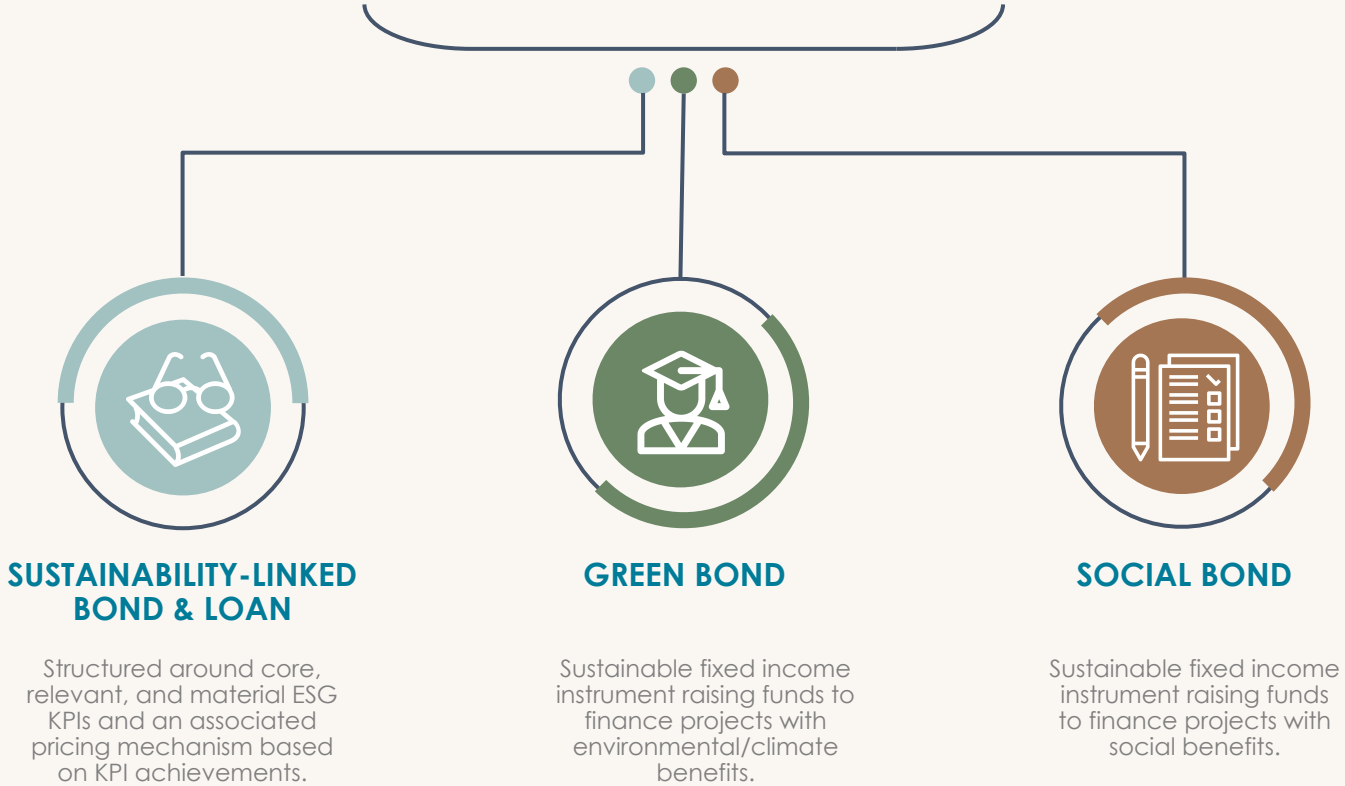
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# Market Landscape

**“Unlike traditional ROI studies that take years to evaluate, sustainable loans and bonds embed cost savings as they mature—accelerating financial benefits and strengthening the case for responsible investment.”**

*— adapted from IWBI, Investing in Health Pays Back Report (2025),  
Sustainable Finance Section*

# Sustainable Debt Financing Landscape



Total Sustainable Debt Issuance reached **\$1,740b** in 2024 representing a **12%** increase compared to volumes of **\$1,547b** seen in 2023.

# Sustainable Debt Market

Global issuance of green & sustainable debt (\$bn)



Source: Dealogic, Bloomberg (via [Natixis GSH, 2025](#))

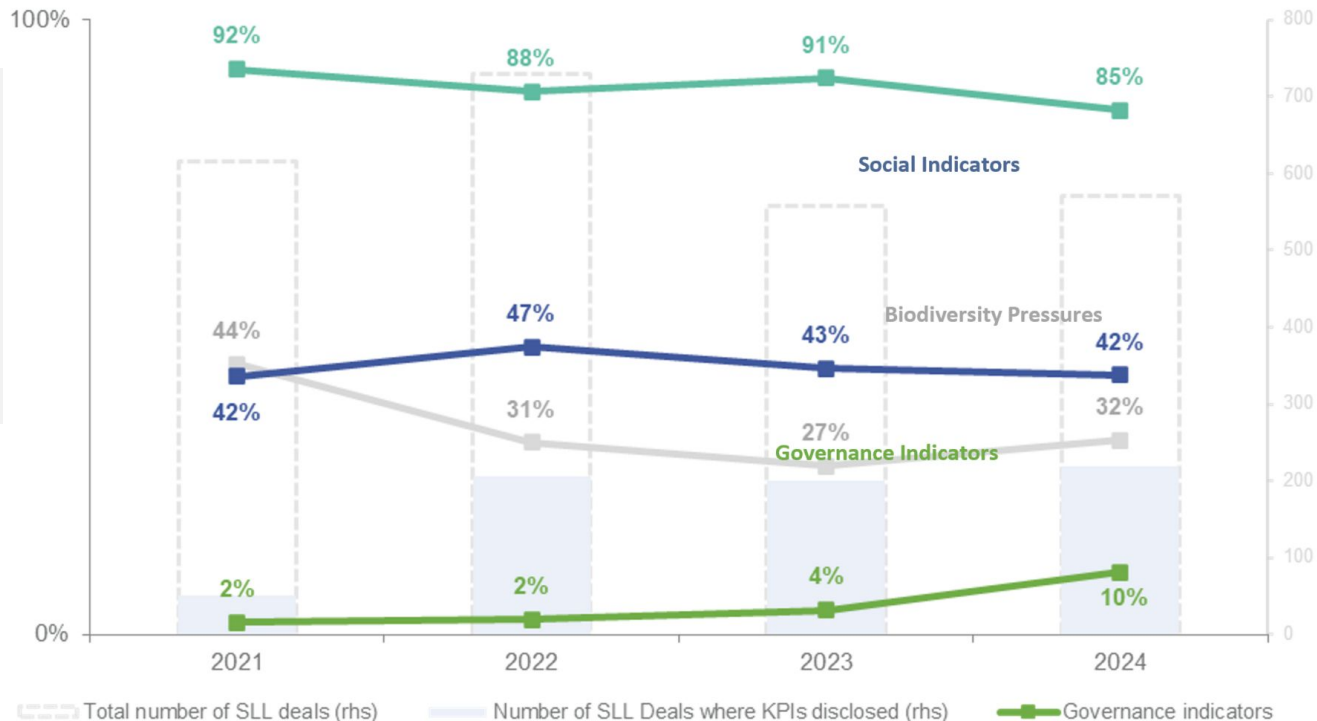
# Sustainable Debt Market

## KPI Usage by Category

Share of Deals with KPIs disclosed (%)

Carbon Emissions / Energy

In 2024, **carbon/energy KPIs** featured in **85%** of SLLs (down from 91% in 2023), while **social KPIs** (diversity, health & safety, training, etc.) appeared in **42%** (43% in 2023).



# Current State of Social Sustainability in Sustainability-Linked Finance

- Since the launch of SLF in 2017, the adoption of social KPIs has grown but still lags behind environmental metrics. Carbon emissions remain the dominant focus, supported by established methodologies and benchmarks (Jones & Cameron-Johansson, 2023).
- Transactions to date that include social KPIs typically feature **gender equality** and **worker safety** metrics. The creation of alternative social KPIs, such as measures of workplace diversity that go beyond gender, measures related to quality and accessibility of public services and infrastructure, and supply chain performance on social aspects, has received little attention (IFC, 2023).

# Market Principles



3

# Sustainable Finance Principles (Bond)



Total sustainable bond issuance globally in 2024:

**947 USD bn**

Aligned with ICMA supported standards:

**916 USD bn**

The Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP) have become the leading framework globally for the issuance of sustainable bonds.

The International Capital Market Association (ICMA) serves as Secretariat to the Principles providing support while advising on governance and other issues.

# Sustainability-Linked Bond Principles - KPI Registry Examples

Sector	Sustainability theme (Social)	Potential KPIs	SDGs	EU Objective
Construction	Occupational Health & Safety	Occupational accident/incident rate including employees, temporary workers and subcontractors	8	Decent work (including value-chain workers)
Consumer goods	Value Chain	Metrics (share of purchases, number of suppliers) on suppliers audited by third party for international guidelines or standard or code of conduct with respect to human rights and labour rights risks	8	Decent work (including value-chain workers)
Financial Institutions	Working conditions (employee engagement, labor practices and labor rights)	Proportion of Companies/PMI financed with more than 1,000 employees who have made a commitment regarding disability going beyond local legal requirements	8, 10	Inclusive and sustainable communities and societies

Source: ICMA, [Sustainability-linked Bond Principles](#), 2024

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# Sustainability-Linked Bond Principles - KPI Registry Examples

Sector	Sustainability theme (Social)	Potential KPIs	SDGs	EU Objective
Food & Beverages	Access & affordability	Increased/decreased positive/negative nutrients (sodium, sugar, bad fats vs protein, fiber) per kg or tons or m3 of product	3	Adequate living standards and wellbeing of end-users
Healthcare	Community and Human Rights	Service medical rendu, targeted therapies	3, 10	Adequate living standards and wellbeing of end-users
Maritime	Diversity, Equity, and Inclusion	Share of female seafarers	5	Decent work (including value-chain workers)
Metals & Mining	Just transition	Investment (m€ or %) dedicated to reskilling/upskilling previously high-emitting facility workers beyond depolluting or dismantlement minimum legal requirements	8	Decent work (including value-chain workers)

# Sustainable Finance Principles (Loan)

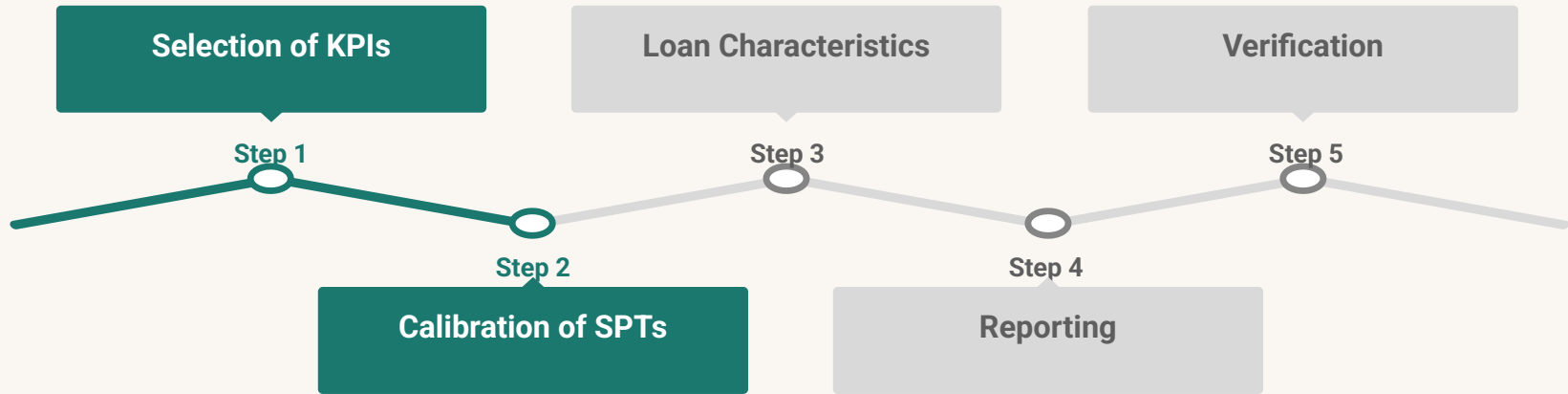
## Sustainability-Linked Loan Principles

Supporting environmentally and socially sustainable economic activity



In light of the staggering increase in the volume of Sustainability-Linked Loans (SLLs) and the rapid evolution in the incorporation of ESG principles into deal documentation, the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications & Trading Association (LSTA) updated the [Sustainability-Linked Loan Principles](#) in March 2025 to reflect emerging market trends, which also aligns with ICMA's Sustainability-Linked Bond Principles.

# Sustainability-Linked Loan Principles



## f) Can a third party ESG rating serve as a KPI for an SLL?

In principle, a borrower's ESG rating as provided by an external sustainability/ESG rating agency may serve as a KPI for an SLL. Borrowers should clarify if they are using either an ESG rating as a whole, or specific E and/or S and/or G-related components of the overall rating as their target KPIs. Given diverging and evolving rating methodologies and rating scales, as well as other characteristics (e.g. subjectivity), where an ESG rating is not accompanied by other KPIs, borrowers are expected to explain why an ESG rating may be the best indicator to reflect their core business ESG challenges and disclose the kind of rating (solicited vs unsolicited). In addition, borrowers should be aware that they may hold limited direct influence on the evolution of their ESG ratings, which could also be driven by methodology changes. There may also be regulatory or licensing constraints to using ESG ratings as KPIs that the borrower should consider.

Where an external and independent ESG rating is used, the rating will not need to be verified by an additional external reviewer for the purposes of the SLLP.

# WELL in Sustainable Finance

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# UN Global Compact Network USA Sustainable Finance Report Featuring IWBI



- To encourage companies to close the existing SDG Financing Gap, UN Global Compact Network USA developed a report on [Driving Progress: Sustainable Finance for the Advancement of the SDGs](#)
- The report highlights how organizations- of any size or industry- can leverage sustainable finance to drive positive change while enhancing their competitiveness
- This report includes three compelling case studies from Citi, the **International WELL Building Institute (IWBI)**, and International Motors, highlighting their leadership and pioneering efforts in the space

# Global adoption of WELL in sustainable finance

**84**

cases

**5**

continents

**29**

countries

**14**

industries

**13**

financial  
instruments



## China

- Swire Properties
- New World
- Champion REIT
- Link REIT
- China Overseas
- Hongkong Land
- Sino-Ocean
- Sino Land
- Agile
- Redco
- Minmetals
- Hang Lung
- Nan Feng
- Henderson Land
- Great Eagle Holdings
- Wuxi Jinyuan Industry Investment Development Group
- Kerry Properties
- White Peak
- ChinaChem Group
- SLG Office Trust

## APAC

- ASEAN Taxonomy Board
- Shimizu
- Obayashi
- Kajima
- Yanlord
- MUFG
- Lendlease
- Arthaland
- Frasers
- CBUS Property
- Sime Darby Property
- UEM Sunrise
- Pelaburan Hartanah Berhad
- Mitsubishi Estate
- The Victoria State Government, Australia
- Central Pattana
- Oxford Properties
- Urban Development Authority
- KPJ Healthcare Berhad
- Keihan Holdings
- Mori Building
- CapitaLand Development
- Investa
- One Bangkok
- Keppel REIT

## Europe

- Prologis
- Aviva Investors
- Jernhusen
- AXA
- Lamda
- Gecina
- CNP Assurances
- Great Portland Estates
- Futereal
- CA Immo
- GMP
- Prodea Investments
- Vesteda
- HGR Property Partners
- HB Reavis
- Castellum
- Eaglestone
- Platzer
- Tatra banka

## North America

- TD Bank
- Colliers
- Canadian Imperial Bank of Commerce
- California Infrastructure and Economic Development Bank
- Pfizer
- Mather
- Micron
- BMO Financial Group
- National Bank of Canada
- Starwood Property Trust
- USAA
- Ministry of Finance and Public Credit, Mexico

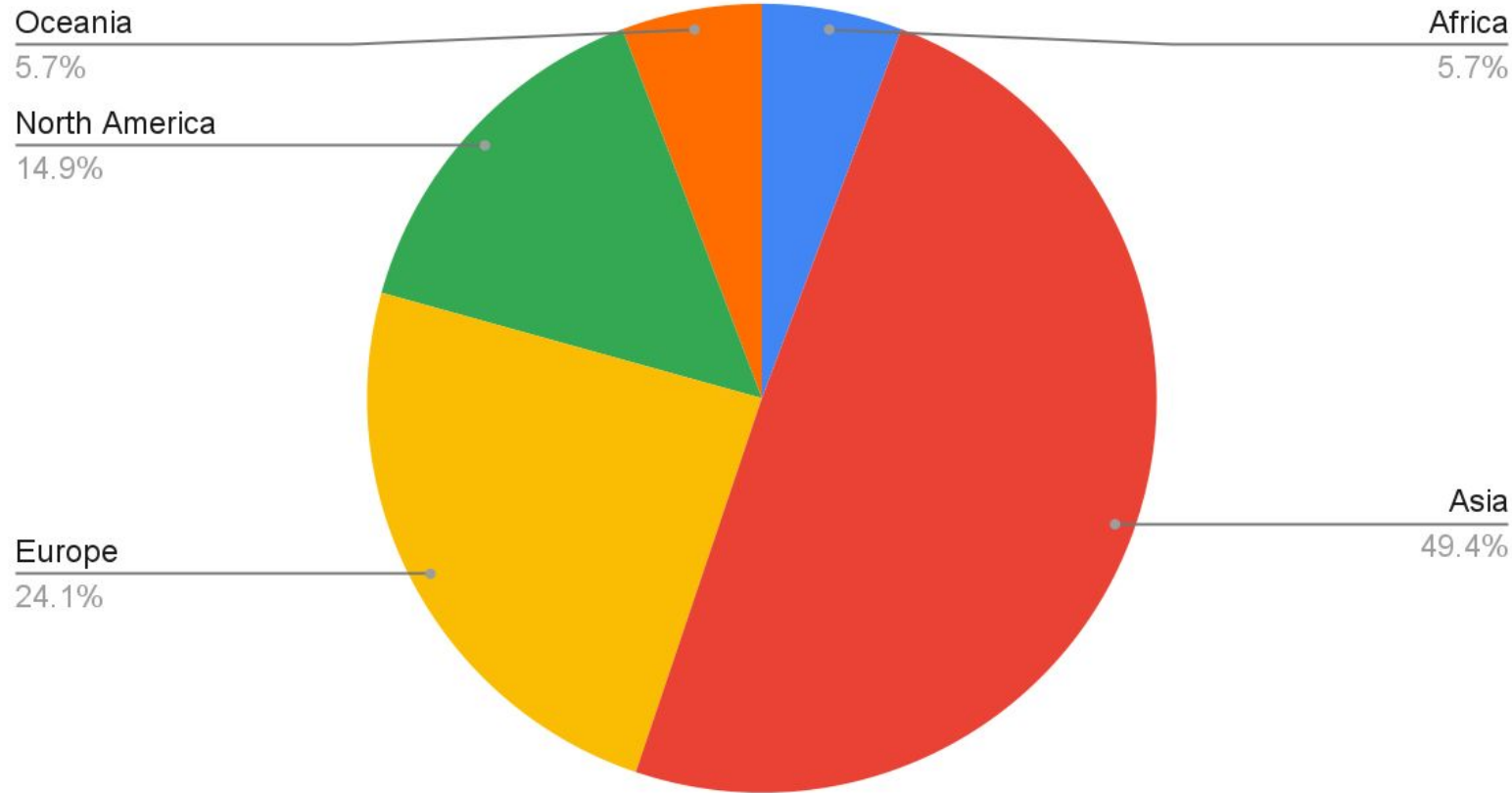
## Middle East & Africa

- First Abu Dhabi Bank
- Qatar National Bank (QNB)
- OMNIYAT
- Ghana Ministry of Finance
- FirstRand Bank
- Redefine Properties
- Majid Al Futtaim
- Growthpoint Properties

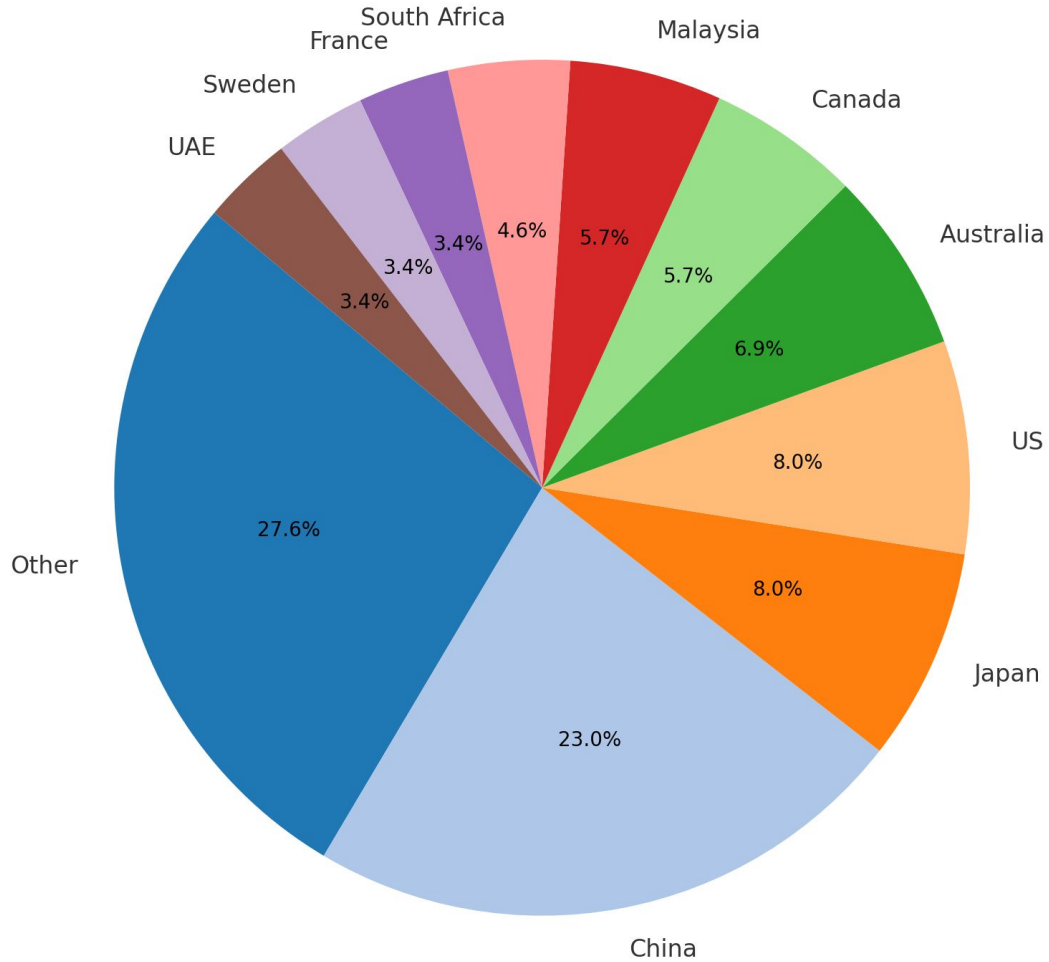
# Global Adoption of WELL in Sustainable Finance

Data by August 2025

# WELL Use Cases Breakdown by Region

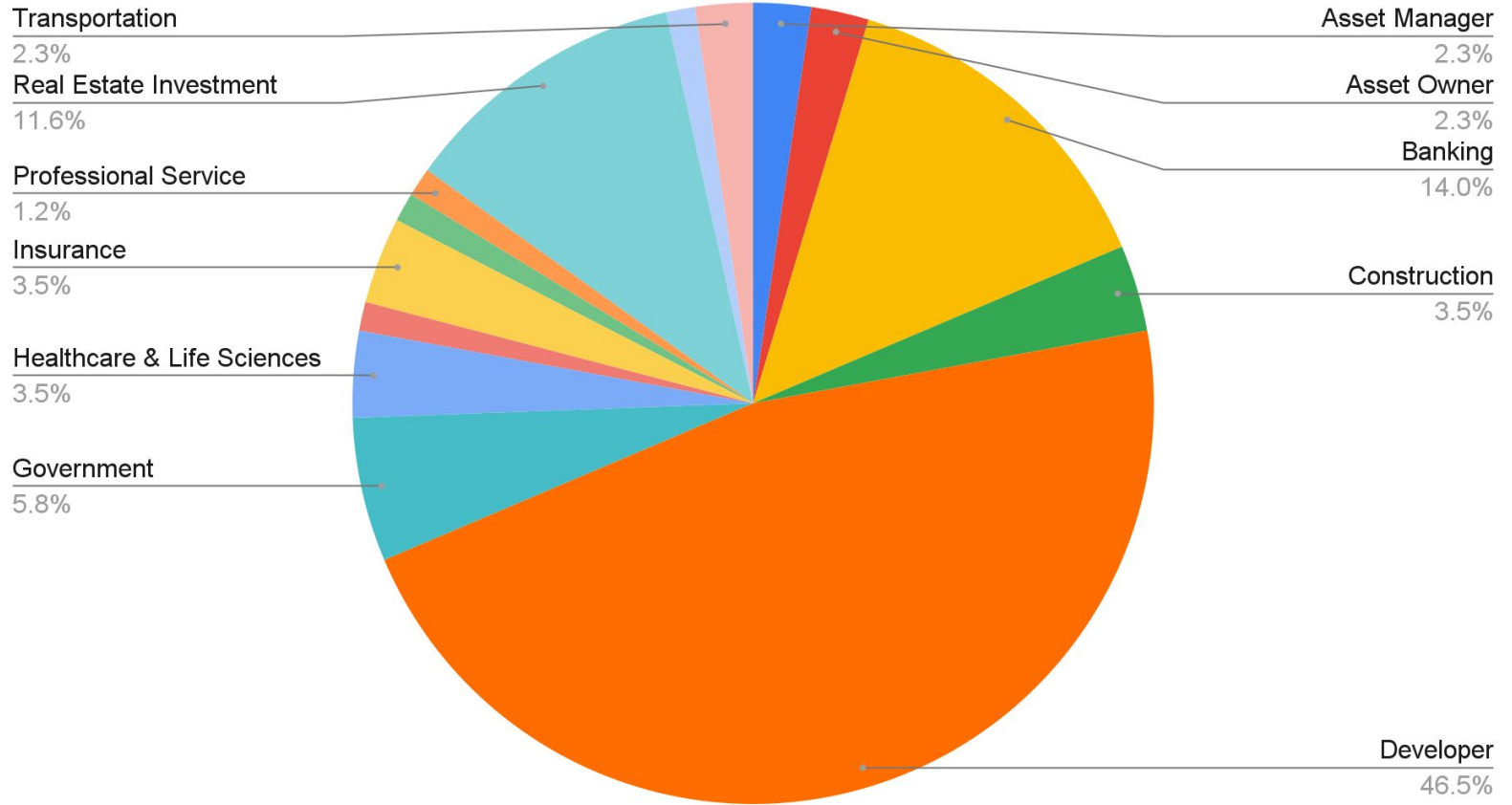


# WELL Use Cases Breakdown by Country (Grouped)



Data by August 2025

# WELL Use Cases Breakdown by Industry



Data by August 2025

# Global Adoption of WELL in Sustainable Finance

Financial Instruments with WELL Use Cases	
Green Bond	Sustainability Bond
Green Lease Revenue Bond	Sustainability Sukuk
Green Loan	Sustainability-linked Loan
Green Sukuk	Sustainability-linked Credit Facility
Green CMBS	Sustainability Transition Loan
Hybrid (Subordinated) Bond	ESG-Linked Credit Facility
Social Bond	



Phase 1

# GHANA GREEN FINANCE TAXONOMY

GUIDING INVESTMENTS  
TOWARDS A SUSTAINABLE AND  
CLIMATE-RESILIENT ECONOMY

MINISTRY OF FINANCE  
OCTOBER, 2024



## Ghana Green Finance Taxonomy

- In October 2024, **Ministry of Finance, Ghana** launched its Ghana Green Finance Taxonomy (Phase 1) — becoming the **first country in West Africa** and the **fourth on the African continent** (after South Africa, Kenya, and Rwanda) to introduce such a framework.
- Ghana's Taxonomy doesn't just define "green" through carbon and kilowatts. It goes further — broadening the scope to include health and well-being as part of what sustainability truly means.
- Under the Technical Screening Criteria for "Green Roofs". It explores the human side of design — how green roofs can support cleaner air, better water, and mental restoration — and even points to specific **WELL Building Standard** strategies under **Air, Water, and Mind** that contribute to these benefits.

Source: Ministry of Finance, Ghana, [Ghana Green Finance Taxonomy \(Phase I\)](#) 2024

## ASEAN TAXONOMY FOR SUSTAINABLE FINANCE

VERSION 3



ASEAN TAXONOMY BOARD

**Table 6: Credible and acceptable GBC programs (non-exhaustive)<sup>10</sup>**

International Schemes	National Schemes
<ul style="list-style-type: none"> <li>• Leadership in Energy and Environmental Design (LEED)</li> <li>• Building Research Establishment Environmental Assessment Method (BREEAM)</li> <li>• EDGE (Excellence in Design for Greater Efficiencies)</li> <li>• WELL Building Standard</li> <li>• NGBS</li> <li>• Green Globes</li> <li>• Other globally recognised GBC schemes<sup>11</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Green Mark</li> <li>• GreenRE</li> <li>• Thai's Rating for Energy and Environmental Sustainability (TREES)</li> <li>• GREENSHIP</li> <li>• Green Building Index (GBI)</li> <li>• Building for Ecologically Responsive Design Excellence (BERDE)</li> <li>• LOTUS</li> <li>• Other nationally recognised GBC schemes for buildings<sup>12</sup></li> </ul>

# ASEAN Taxonomy for Sustainable Finance

- The ASEAN Taxonomy is a guide designed to enable a just transition towards sustainable finance adoption by ASEAN member states.
- Version 3, effective on **20 December 2024**, is structured around four objectives: Climate Change Mitigation, Climate Change Adaptation, **Protection of Healthy Ecosystems** and Biodiversity, and Resource Resilience and the Transition to a Circular Economy.
- The **WELL Building Standard** is included under the International Schemes in the "Credible and acceptable GBC program" section, alongside other established green building rating systems.

Source: [ASEAN Taxonomy for Sustainable Finance Version 3](#)



**Taxonomía  
Sostenible  
De México**



GOBIERNO DE  
**MÉXICO**

HACIENDA  
SECRETARÍA DE ECONOMÍA

# Mexico's Sustainable Taxonomy

- In March 2023, The Ministry of Finance and Public Credit of Mexico published a finalized version of the country's **Sustainable Taxonomy**. It aims to provide clarity, transparency and improved monitoring to the capital flows destined to sustainability.
- According to the Mexican government, this Taxonomy is the first in the world to consider both environmental and social objectives.
- In addition to environmental objectives, Mexico identified the key social objectives as well including **Gender Equality, Access to Basic Services Related to Sustainable Cities, Health, Education and Financial inclusion**.
- **WELL Standard** is listed as an eligible certification for three economic activities in the Taxonomy.

Source: Ministry of Finance and Public Credit of Mexico, [Sustainable Taxonomy](#), 2023

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## SUSTAINABILITY-LINKED LOAN

# CapitaLand Development

- In October 2024, CapitaLand Development (CLD) has successfully secured two pioneering bilateral sustainability-linked loans (SLLs) totalling **S\$600 million** with DBS Bank Ltd. (DBS) and Oversea-Chinese Banking Corporation Limited (OCBC). These loans are among the first-of-its-kind to be aligned with both **WELL Certification** for human well-being and Green Mark certification for environmental sustainability, across a selected real estate portfolio.
- The SLLs link financial incentives to CLD's achievement of sustainability milestones, including enhancements to the **well-being of building occupants** and environmental efficiency of the developer's portfolio.

Source: [CapitaLand Press Release 2024](#)



## SUSTAINABILITY-LINKED LOAN

# CapitaLand Development

"Amid a growing emphasis on sustainable development in the region, more developers are looking to deliver spaces that are **both good for the environment and the people that use them**. With this in mind, CLD worked with DBS to combine these two key elements into one loan facility. We are honoured to have advised CLD on this innovative loan structure which links performance to both the **WELL** and Green Mark Certifications. We believe **this marks an important milestone in the real estate sector** and look forward to working with developers like CLD to create **healthier, more resilient spaces for people to live, work and play in**."

— Chew Chong Lim, Group Head of Real Estate, Institutional Banking Group, DBS

Source: [CapitaLand Press Release 2024](#)



## SUSTAINABILITY-LINKED LOAN

# CapitaLand Development

“We are glad to partner CLD on this ground-breaking sustainability-linked loan tied to both **WELL** and Green Mark certifications. With some **90% of our time being spent in buildings**, it is critical that buildings are built to standards that are **not only good for the environment but also beneficial to human health**. This loan exemplifies CLD’s and OCBC’s joint commitment to **investing in a healthier, more sustainable world that prioritises the well-being of both people and the environment**; it also reflects the **holistic approach** that we take to supporting our clients’ **ESG ambitions**.”

— Elaine Lam, Head of Global Corporate Banking, OCBC

Source: [CapitaLand Press Release 2024](#)



## 6. Wellbeing

Targets that make buildings inclusive, safer, resilient and sustainable:

- Increase on-site refurbishment initiatives that improve employee/occupier/ wellbeing by at least 15%; or
- Improve occupier and staff wellbeing through certification towards the WELL Building standard, a performance-based certification scheme developed to put occupant health in building design

Example indicators:

- % of material by total weight/volume/value
- % of material certified for their sustainable qualities
- % of reused or recycled material
- % of dedicated parking spaces for electrical and hybrid vehicles
- **Certified WELL Building Standard**

SUSTAINABLE  
TRANSITION LOAN

# Aviva Investors

- The objective of AVIVA's Sustainable Transition Loan Framework is to further support the long-term objective to lower carbon emissions across the portfolio, strengthen the efforts to engage borrower clients on ESG factors, and to support a transition to a low-carbon economy.
- AVIVA set a target of originating at least **£1bn** of Sustainable Transition Loans accredited to this Framework **by 2025**
- It set a list of KPIs including **achieving the WELL Building Standard** under the Wellbeing criteria.

# Qatar National Bank (QNB Group)

- Qatar National Bank (QNB Group) is one of the largest banks in the Middle East and Africa. QNB Group defines sustainability as the delivery of long-term value in financial, environmental, social and ethical terms for the benefit of customers, shareholders, employees, and communities.
- The QNB Group Sustainable Finance and Product Framework directly supports QNB's strategic focus on sustainable finance and helps maintain the bank's leading position in the MEASEA region.
- Under the Green Bond Use of Proceeds Eligibility Criteria of the Framework, **WELL Building Standard™ (WELL™)** is included alongside traditional green building certifications.

## Green bond category

## Eligibility criteria

## UN SDG<sup>30</sup>

### Green buildings



- **New and existing buildings** that meet the minimum external green building certification level of either:
  - LEED<sup>31</sup> 'Gold',
  - BREEAM<sup>32</sup> 'Very Good',
  - GSAS<sup>34</sup> '3-4 star'
  - HQE<sup>35</sup> 'Very good',
  - BCA Green Mark 'Gold plus'
  - Passive Haus (carbon neutral) or equivalent certifications
  - WELL 'Silver'<sup>36</sup>
- **New and existing buildings** that are within the top 15% more energy efficient buildings in their respective region, as determined through, for instance, a specialist study<sup>37</sup>
- **Refurbished buildings** that achieve a minimum 30% improvement in energy use or carbon emissions, or at least a two-step improvement in EU Energy Performance Certificate (EPC)<sup>38</sup>

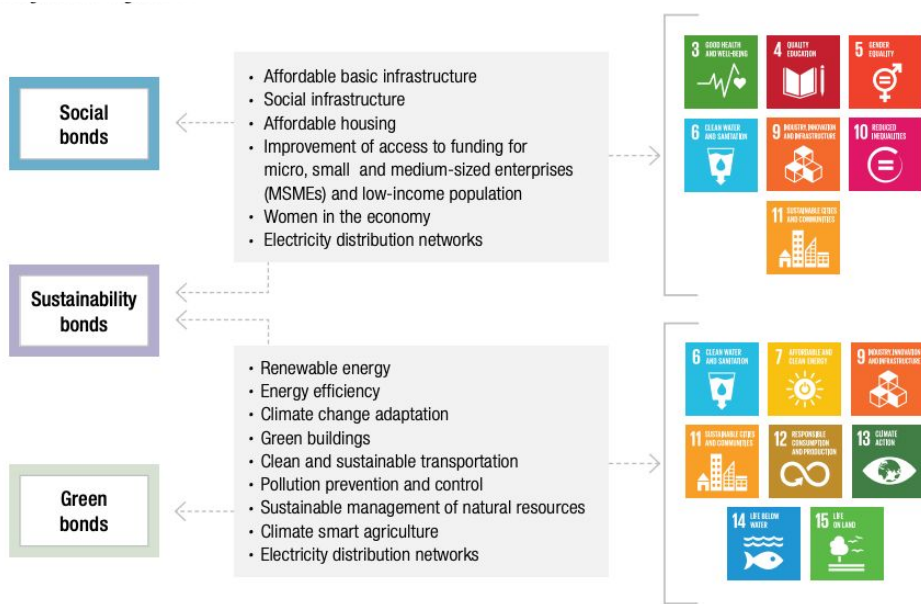




## SUSTAINABILITY BOND

# National Bank of Canada (NBC)

- Environmental, social and governance considerations play a key role in the business and operational decisions of National Bank of Canada (NBC). In 2020, NBC has established the Sustainability Bond Framework to set forth the principles guiding the issuance of Sustainability Bonds.
- Throughout 2019, 2020 and 2021, NBC issued Sustainability Bonds aimed at financing projects that advance United Nations Sustainable Development Goals with a total of **CAD \$3.13 billion** use of proceeds outstanding by the end of 2021.
- Under the Eligibility Criteria - Sustainable Building category of the Framework, **buildings with the WELL certification that promote improving health and wellness** is included, as long as they meet the LEED Silver environmental certification or equivalent.



## SUSTAINABILITY BOND

# FirstRand Bank

- FirstRand is committed to the effective management of the environmental and social risk associated with its lending and investment decisions, product and service offerings, own organizational impacts, and in promoting responsible practices through its value chains.
- Under Green Building Criteria in its Sustainability Bond Framework, it includes **WELL Building Standard** as additional certification focused on the health and well-being of tenants to be considered.



## SUSTAINABILITY-LINKED LOAN

# HB Reavis

- In Feb 2024, HB Reavis was granted ING's **€30 million** Sustainability Linked Loan,
- ING granted the Sustainability Linked Loan based on HB Reavis' dedication to achieving the following 4 KPIs:
  - to reduce scope 1 & 2 GHG emissions in line with their SBTi pathway
  - to reduce scope 3 GHG emissions in line with their SBTi pathway
  - to increase the number of new buildings which are EU Taxonomy aligned for the environmental objective climate change adaptation
  - the number of projects achieving a certain **WELL Building Standard** certification level
- Furthermore, HB Reavis has already committed to **target WELL Building Standard certification for all of their projects** in 2018.



## SUSTAINABILITY-LINKED CREDIT FACILITY

# Colliers

- In May 2022, Colliers International Group Inc. announced that it has extended and increased its unsecured multi-currency revolving credit facility for a new five-year term maturing in May 2027.
- Borrowing capacity under the new Credit Facility has been increased to **\$1.5 billion**, up from \$1.0 billion.,
- The new Credit Facility is sustainability-linked and includes **pricing adjustments** tied to the achievement of performance targets over time aligned with Colliers' Elevate the Built Environment framework. These targets include:
  - 1) reducing greenhouse gas emissions consistent with the Science-Based Targets initiative ("SBTi");
  - 2) increasing female representation in management roles and
  - 3) ensuring Colliers-occupied offices obtain the **WELL Health-Safety Rating**.



# ChampionREIT

## 冠君產業信託

### SUSTAINABILITY-LINKED LOAN

## Champion REIT

- Champion REIT has signed its first **HK\$ 3 billion** unsecured sustainability-linked terms and credit facilities in June 2021.
- Champion REIT will receive **a discount on the loan's interest rate** once it has achieved the pre-determined sustainability-linked performance targets of ESG, including:
  - **Environmental:** Achieving reduction of carbon intensity;
  - **Social:** Attaining the **WELL Building Standard**
  - **Governance:** Retaining its listing on the Hang Seng Corporate Sustainability Benchmark index.
- The above targets are aligned with Champion REIT's **2030 ESG plan**, established in 2019

Source: [Champion REIT Secures First Sustainability-Linked Loan](#)



SWIRE PROPERTIES

## GREEN BOND

# Swire Properties

- Swire Properties launched their first green bond in January 2018, raising **US\$ 500 million** at a coupon rate of 3.5% due 2028.
- The 10-year green bond was issued under their **US\$ 4 billion** Medium Term Note (MTN) program and was rated A2 by Moody's Investors Service and A by Fitch Ratings.
- Part of the proceeds were used to finance their Grade-A office development, One Taikoo Place, a core component of the **US\$ 1.9 billion** Taikoo Place redevelopment project, which pursues **WELL Certification**.
- Swire Properties' 10-year green bond is the first in Hong Kong to obtain Pre-issuance Stage Certification under the newly launched **Green Finance Certification Scheme** by the Hong Kong Quality Assurance Agency (HKQAA).

## CASE STUDY

# One Taikoo Place

**Location:** Quarry Bay, Hong Kong

**Gross Floor Area:** 1,012,969 square feet  
(square meters)

**Floors:** 48

**Certification:**

- Certified Platinum for WELL Core & Shell v1
- Pre-certified Platinum for LEED BD+C: Core & Shell v2009
- Provisional Platinum for BEAM Plus New Buildings v1.2

**Occupancy Rate:** 100%





New World China Land Limited

## GREEN BOND

# New World

- New World China Land Limited (NWC), the flagship mainland China property arm of New World Development Company Limited, announced the closing of the sale of its **US\$ 310 million** green bond which has been subscribed by two times.
- This tranche of green bond carries a coupon rate of 4.75% and a five-year maturity due 2023. It was issued under the New World Development Green Finance Framework and NWC's **US\$ 2 billion** Medium-Term Note (MTN) program.
- NWC intends to use proceeds from the green bond to finance two eligible green projects in the Greater Bay Area. Both projects pursue national and international building pre-certifications including **WELL**.

## CASE STUDY

# Qianhai CTF Finances Tower

**Location:** Shenzhen Qianhai Free Trade Zone

**Gross Floor Area:** 1,938,580 square feet (180,100 square meters)

**Floors:** 43 (North Tower) and 25 (South Tower)

**Certification:**

- Pre-certified Gold for WELL Core & Shell v1
- Pre-certified Gold for LEED BD+C: Core & Shell v2009

**Completion Due:** 2021





## GREEN BOND

# Sino Land

- Sino Land Green Loan 2018, in the amount of **HK\$ 2 billion**, was the first green loan raised by Sino Land under its Green Finance Framework. The proceeds were fully allocated to St. George's Mansions, the Group's new residential project at 24A Kadoorie Avenue, Kowloon, for implementing sustainability elements.
- The project will incorporate the following wellness features:
  - The development is targeted to achieve **WELL Core v2™ Gold Certification**.
  - Large balconies for all units will ensure fresh air in habitable spaces.
  - Indoor air quality sensors will be installed at clubhouse to ensure all spaces are well ventilated.
  - An integrated design with acoustic fins will mitigate noise to city-facing units.



## SUSTAINABILITY-LINKED LOAN

# Sino Land

- Sino Land has converted a five-year **HK\$ 1 billion** loan to a sustainability-linked loan in June 2021, marking Sino Land's first financing arrangement directly linked to its sustainability targets.
- The proceeds will be used for funding sustainability- and ESG-related initiatives as part of its Sustainability Vision 2030 ('SV2030').
- Sino Land will **receive a discount on the loan's interest rate** upon the achievement of the sustainability goals in SV 2030, including:
  - Achieve BEAM Plus certification for all of their new buildings in Hong Kong
  - **Seek to achieve WELL™ certification for all of their new buildings in Hong Kong**
  - Continue to adopt sustainable building standards and invest in improvements across their portfolio



CHINA OVERSEAS  
LAND & INVESTMENT

## Green (Carbon Neutral) CMBS

- China Overseas Land & Investment issued the largest ever green (carbon neutral) commercial mortgage-backed securities (CMBS) product in China in March 2022, which has been oversubscribed.
- On March 29, the "CITIC Securities-Shanghai China Overseas International Center Green Asset Support Special Plan (for Carbon Neutrality)" was officially established, with CITIC Securities as the manager and CICC as the sales agency.
- The CMBS issuance is **5 billion CNY** with a term of 3+3+3+3+3+3 years. Both the issuer and the product are rated **AAA**, and the interest rate is **3.35%**
- It features projects pursuing **WELL Health-Safety Rating** in addition to green building certifications.

## SUSTAINABILITY BOND

# Obayashi Corporation

Green Bond Principles 2018 category	Social Bond Principles 2018 category	SDGs Contribution	Projects name
Green building	Promoting Well-being residence and work environment		Obayashi Technical Research Institute ZEB
			Obayashi Next-Generation Training Facility

- Obayashi Corporation has issued Sustainability Bond (Obayashi's 24th Series of Unsecured Bonds) through a public offering in the Japanese domestic bond market.
- The proceeds shall be allocated to projects including - **Environmentally friendly "Wellness Building"** under the concept "smart buildings that are good for all people";
- **Social impact:** Promoting well-being residence and work environment
  - Obayashi Technical Research Institute ZEB (**WELL Certified™** at Gold Level in 2017).
  - Obayashi Next-Generation Training Facility (Acquired precertification of **WELL** in 2020 and scheduled to acquire certification within 2022).



## GREEN BOND

# Shimizu Corporation

- Shimizu Corporation issued a **10 billion yen** green bond in Dec, 2019 with a 5-year term to maturity, **A+** rating from Rating and Investment Information, Inc. (R&I), and an interest rate of **0.110%**.
- All proceeds from financing will be used for refinancing the construction loan for YOKOHAMA GRANGATE, a rental office building under construction in Minato Mirai, Nishi-ku, Yokohama City.
- YOKOHAMA GRANGATE is pursuing **WELL Certification** in addition to green building certifications.
- By issuing and using the proceeds from these green bonds, Shimizu is demonstrating the commitment to building a sustainable society for a wide range of stakeholders. This also further advances **ESG management** of the Shimizu Group.

Source: Shimizu Corporation website:  
<https://www.shimz.co.jp/en/company/csr/environment/greenbond/>



## GREEN BOND

# Arthaland

- Arthaland Corporation, the foremost sustainable developer in the Philippines, successfully issued and listed **PHP 3 billion** ASEAN Green Bonds on the Philippine Dealing & Exchange Corporation (PDEX) in Feb 2020.
- The 3 billion PHP issuance is the first tranche of Arthaland's **PHP 6 billion** ASEAN Green Bond Program under shelf registration with the SEC.
- Arthaland's firm commitment to sustainability is manifested in its development portfolio which is composed entirely of certified sustainable projects. Since 2019, Arthaland has expanded its sustainability commitment by pursuing the **WELL Building Standard™ (WELL™)** in addition to green building certifications

Source: Arthaland ASEAN Green Bonds Impact Report 2021

Arthaland press release:

<https://www.arthaland.com/in-the-know/arthaland-successfully-lists-p3b-asean-green-bonds-first-non-bank-issuer-philippines>

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## CASE STUDY

# Arthaland Century Pacific Tower

**Development Type:** Premium grade office

**Location:** Bonifacio Global City, Taguig

**Gross Floor Area:** 34,295 square meters

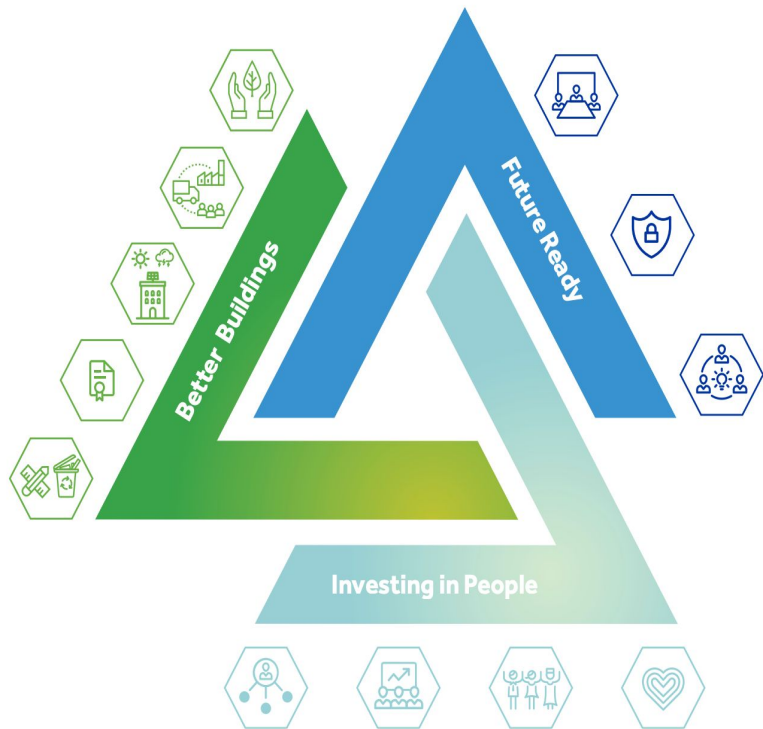
**Floors:** 30

**Certification:**

- WELL Health-Safety Rating: on track for WELL Certification
- LEED Platinum
- BERDE 5-Stars
- EDGE Zero Carbon

**Status:** Fully leased in 2019





## SUSTAINABILITY FINANCE

# CBUS Property

- Cbus Property is committed to creating healthy, happy, and inclusive communities for people to work and live, and being ready to tackle the opportunities and risks of the future.
- In 2021, Cbus Property refreshed its Sustainability Strategy and set out a series of ambitious targets including enrolling in the **WELL at Scale** to implement the **WELL Building Standard™ (WELL™)** across the entire managed commercial office portfolio by 2025.
- Under the Cbus Property Sustainable Finance Framework, **WELL** has been selected as a Key Performance Indicator for creating sustainability-linked loans.



## SUSTAINABILITY-LINKED LOAN

# Frasers Property

- In May 2022, Frasers Property Limited announced that it has secured a **A\$600 million** five-year corporate syndicated sustainability-linked term loan and revolving credit facility, which has a **price reduction** structure with interest cost savings upon achieving sustainability targets.
- One of Frasers' sustainability goals is to finance the majority of their new sustainable asset portfolio with green or sustainable financing by 2024. Frasers has secured over **S\$8 billion** of green or sustainable financing since their first green loan in September 2018.
- Central Place Sydney is a joint venture between Frasers Property Australia and Dexus. The **~\$3 billion** workplace of the future will be the 'beating heart' of the NSW Government's globally significant technology and innovation hub 'Tech Central', which is pursuing the **WELL Core & Shell Certification at Platinum level**.

Source: Frasers Property press release  
<https://www.frasersproperty.com/press-releases/2022/may/frasers-property-secures-fourth-green-sustainable-financing-for-its-australia-business>



## GREEN BOND

# Prologis

- Prologis European Logistics Fund (PELF), sponsored and managed by Prologis, Inc, issued its third Green Eurobond for **€ 500 million** in July 2019.
- The 2019 Green Bond has been well received, demonstrated by the high-quality order book and demand from fixed income investors with focused **ESG allocations**.
- Part of the proceeds were used to finance their sustainable building portfolio incorporating various sustainable design features including the **WELL Building Standard**.
- PELF's **WELL Certified** design features focus on health and wellbeing promoting a productive working environment for their customers and employees. PELF's **WELL-Gold certified** facility in Tilburg, the Netherlands, is the first logistics project in the world to receive this certification.



## GREEN LOAN

# GMP

- Gmp is the first Spanish Socimi to obtain green certification for one of its loans. The purpose of this green loan is to finance the emblematic Castellana 77 building and Castellana 81.
- Beyond environmental sustainability, Gmp has positioned itself as the pioneer real estate company in Spain committed to the **well-being and health** of the occupants of its buildings. Castellana 81 is the first WELL building in Spain and the fifth in Europe to obtain the **WELL Building Standard** Gold certification in the Core & Shell category.
- GMP strengthened their commitment to sustainability with the formalization of a €525 million green loan in 2020.
- In December 2020, Gmp was the first real estate company in Spain to certify **all its multi-tenant buildings** according to the **WELL Health Safety Rating**.

Source: [GMP 2021 Annual Report](https://www.gerenciadedifacios.com/en/2018121010407/news/enterprises/bbva-and-gmp-sign-green-loan-in-the-real-estate-sector.html)  
<https://www.gerenciadedifacios.com/en/2018121010407/news/enterprises/bbva-and-gmp-sign-green-loan-in-the-real-estate-sector.html>

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## Green Bond Framework 2021

A 100% GREEN BOND PROGRAM, IN LINE WITH OUR AMBITION ON OUR ASSETS

gec1na

GREEN BOND

# Gecina

- As the leading office real estate company in Europe, with the largest private residential portfolio in Paris, Gecina's main focus is sustainable performance at the heart of urban life. Its CSR policy is based on four pillars including the **Comfort and Well-Living of occupants**.
- In Jan 2022, it places a 500 million euro Green Bond issue with an 11-year maturity at 0.875%.
- By June 2022, Gecina has net debt of **€ 7 billion** in which **80%** is Green Bond.
- Gecina's Green Bond Framework further validated the value of the WELL Standard: "**100% of assets** under development bearing the **WELL Building Standard®** at Silver level or higher, which is the **highest label for well-living**, used by only 28% of the market."



## SUSTAINABILITY BOND

# Pfizer

- Pfizer was the first biopharmaceutical company to issue a Sustainability Bond (**\$1 billion+**), the proceeds of which are earmarked for environmental and social initiatives.
- The Bond was confirmed as aligned with the four core components of the Green Bond Principles 2018 (GBP 2018) and Social Bond Principles 2018 (SBP 2018) by Sustainalytics.
- As of December 31, 2021, **\$401 million** in net proceeds from the Sustainability Bond issuance have been allocated to environmental projects supporting green design and construction of new office and manufacturing facilities.
- Part of the proceeds were used to advance the sustainable design principles in Pfizer's new corporate headquarters in Hudson Yards, New York City, which achieved **WELL Platinum** & LEED Platinum.



Photo courtesy of DBOX

## GREEN BOND

# TD Bank

- TD is the first Canadian commercial bank to issue a green bond. In 2017, TD issued its second green bond, a **US\$1 billion three-year bond, which was one of the largest green bond offerings by a bank** in the developed markets at that time;
- TD Green Bonds support North American projects that contribute to the low carbon economy;
- Part of the use of proceeds funded 81 Bay, the construction project of a 49-storey office tower which is the first tower of a 3 million square feet two tower campus in downtown Toronto, known as CIBC SQUARE.
- This project was designed to meet the **highest standards for efficiency, connectivity and wellness**. The complex is engineered to LEED Platinum and **WELL Building Standard** specifications.



# Green Bond Impact Report

2021



## GREEN BOND

# CIBC

- Canadian Imperial Bank of Commerce (CIBC) issued its inaugural Green Bond in October 2020. The **USD\$500 million**, five-year Green Bond is financing projects, assets and businesses in North America and internationally that are shaping a more sustainable future.
- In 2021, CIBC launched the CIBC Index Growth GICs (GIC) for retail investors, becoming the first Canadian bank to offer an ESG-themed Market-Linked Guaranteed Investment Certificate where proceeds were allocated to eligible assets in alignment with CIBC's Green Bond Framework.
- Since launching, CIBC's Green Bond has helped fund 20 projects, including the CIBC Square, which has received the **WELL Certification**.

Source: CIBC 2021 Green Bond Impact Report 2021  
[https://www.cibc.com/content/dam/about\\_cibc/investor\\_relations/pdfs/debt\\_info/cibc-2021-green-bond-impact-report-en.pdf](https://www.cibc.com/content/dam/about_cibc/investor_relations/pdfs/debt_info/cibc-2021-green-bond-impact-report-en.pdf)

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> BMO Chicago Tower

## SUSTAINABLE BOND

# BMO Financial Group

- BMO Financial Group is the eighth largest bank in North America by assets, with total assets of \$1.14 trillion. In 2019, BMO inaugurated a Sustainable Bonds Program that advances its commitments to help build a sustainable future, an inclusive society and a thriving economy.
- By the end of July 2022, BMO has issued two bonds under this Program: an inaugural **US\$500 million** Sustainability Bond and its first **C\$750 million** social bond.
- In the 2022 BMO Sustainable Bond Impact Report, the 50-story BMO Chicago Tower was a featured case which is now the home of BMO's U.S. headquarters. The Tower was designed to achieve LEED Gold and **WELL Building Platinum certification**, and it also complies with the Americans with Disabilities Act (ADA).



# WELL in SPO Reports

## Second-Party Opinions (SPOs) in Sustainable Finance

- Independent review of sustainable finance frameworks (covering both issuers and borrowers across bonds and loans).
- Assesses alignment with market principles, credibility of KPIs/targets, and reporting commitments.
- Builds trust with investors, reduces risk of greenwashing, and can lower cost of capital.

## WELL in SPO Reports

- Positions WELL as a **credible, science-based KPI** within financial instruments.
- Reinforces WELL's **third-party verified performance**.
- Elevates social sustainability and health outcomes in financial frameworks and reporting.

## Sustainability Bond Framework

### Key performance indicators (KPIs) covering both Green and Social activities

#### ASSESSMENT AGAINST ISS ESG KPI

##### Labor and Health & Safety

- ✓ The company has earned the WELL Health-Safety seal, which rates safety protocol efforts in place for employees. Moreover, there is an Environmental, Health and Safety policy in place.

##### Impact of operations on biodiversity

- ✓ An Environmental Impact Assessment is completed for all infrastructure projects financed by USAA, where feasible. However, due to the nature of USAA's business, limited information is available regarding the way potential biodiversity impacts are evaluated in the EIA and, then, mitigated.

##### Waste management & pollution prevention

- ✓ The existence of an environmental management system (e.g. ISO 14001) is considered by USAA both during the pre-investment and monitoring phase. Once the asset is financed, the issuer will try to improve the environmental management system

##### Dialogue with local communities

- ✓ The company runs long-term programs to engage with local communities through governments, industry coalitions, suppliers, employees, members, and other experts. This multi-stakeholder engagement process covers the Use of Proceeds categories considered under this framework.

## SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and its Sustainability Bond Framework

USAA  
May 11, 2021

### VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none"> <li>• Sustainable Bonds</li> </ul>
Relevant standards	<ul style="list-style-type: none"> <li>• Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG), as administered by the International Capital Market Association (ICMA)</li> </ul>
Scope of verification	<ul style="list-style-type: none"> <li>• USAA Sustainability Bond Framework (as of May 2021)</li> </ul>
Lifecycle	<ul style="list-style-type: none"> <li>• Pre-issuance verification</li> </ul>
Validity	<ul style="list-style-type: none"> <li>• As long as USAA's Sustainability Bond Framework and Selection Criteria (May 2021) does not change</li> </ul>

# Swire Properties

## Green Bond Framework

Swire Properties' Green Buildings eligibility criterion is based on third-party certification standards, specifically LEED and BEAM Plus.

Sustainalytics conducted an evaluation of the certifications, and views the focus on the top levels of certification as industry best practice.

**Moreover, due to its comprehensive approach to sustainability, Swire Properties aims to achieve an additional certification focused on the health and wellbeing of its tenants (WELL Building Standard™). Sustainalytics considers that this is additional evidence of the company's leading practices and commitment to sustainability.**

## SWIRE PROPERTIES GREEN BOND FRAMEWORK

SECOND-PARTY OPINION BY SUSTAINALYTICS

January 2, 2018



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SPO: SWIRE PROPERTIES GREEN BOND FRAMEWORK

# New World

## Green Bond Framework

New World Development's Green Buildings eligibility criterion is based on third-party certification standards, specifically HK BEAM or BEAM Plus, China Green Building Evaluation Standard and LEED.

Moreover, due to its **comprehensive approach to sustainability**, New World Development may seek to obtain an additional certification focused on the **well-being of its tenants (WELL Building Standard certification)** for some of its buildings already covered by any of the above-mentioned green building standards.

Sustainalytics assesses this engagement positively and views it as **additional evidence of NWD's commitment to leading sustainable practices in the real estate market.**

### Second-Party Opinion New World Development Green Finance

#### Evaluation Summary

Sustainalytics is of the opinion that the New World Development (NWD) Green Finance Framework is credible and impactful and aligns with the four pillars of the Green Bond Principles 2017. Additionally, Sustainalytics views the NWD's Green Finance positively.

#### Key strengths:



**USE OF PROCEEDS** The eligible use of proceeds categories (i.e. Green Buildings, Energy Efficiency and Renewable Energy, Water Management, Waste Management and Climate Change Adaptation) are recognized by the Green Bond Principles as project categories having positive environmental benefits.



**PROJECT EVALUATION / SELECTION** New World Development's project evaluation and selection process is executed through a "Green Finance Review Panel." This is in line with market practice.



**MANAGEMENT OF PROCEEDS** NWD's internal process in management of use of proceeds is in line with market practices, and includes a register of "Funding Transactions" under the Green Finance Framework, with relevant information about the transaction and allocation.



**REPORTING** NWD demonstrates a commitment to transparency in allocation and impact reporting. With regards to (i) impact reporting, New World Development will report on energy consumption reduction (in kWh), carbon emissions reduction (in tonnes of CO<sub>2</sub>e), water consumption reduction (in m<sup>3</sup>) among other metrics.



Evaluation date	March 2018
Issuer Location	Hong Kong

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## Sustainable Finance Framework

Under the “Green Buildings” category, Redco intends to finance new or existing commercial or residential buildings that are achieved or expected to achieve third-party certification standards, namely LEED “Gold” or above, BEAM Plus “Gold” or above, Chinese Green Building Evaluation Standard “2 stars” or above, BREEAM “Excellent” or above, BCA Green Mark “Gold” or above, or any other equivalent green building label.

**These buildings may additionally achieve certification of the WELL Building Standard certification (any level). Sustainalytics views these certification schemes as credible and the levels selected as impactful.**

### Second-Party Opinion Redco Sustainable Finance Framework



#### Evaluation Summary

Sustainalytics is of the opinion that the Redco Sustainable Finance Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, and Green Loan Principles 2020. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Renewable Energy, Climate Change Adaptation, Clean Transportation, Affordable Basic Infrastructure, Access to Essential Services and COVID-19 Related Investments and Expenditures – are aligned with those recognized by both the Sustainability Bond Principles and the Green Loan Principles. Sustainalytics believes that the eligible categories are expected to improve the environmental performance the Company’s operations and advance the socioeconomic development of China while advancing the UN Sustainable Development Goals (SDGs), specifically SDG 3, 4, 6, 7, 8, 11, 12.



**PROJECT EVALUATION / SELECTION** Redco’s Eligible Projects will be evaluated and selected by the Sustainability Taskforce, which will be reviewed semi-annually and is comprised of senior members from various departments: design management, human capital, procurement, operational and sales, branding as well as corporate finance. The Product Department Product Department will be responsible for identifying Eligible Projects and submitting them to the Sustainability Taskforce for review. Sustainalytics considers the project selection process as in line with market practice.



**MANAGEMENT OF PROCEEDS** Redco will establish an internal tracking system which will be used to track the use of proceeds for each transaction associated within the Framework. Allocation of proceeds will be managed by Redco’s Sustainable Finance Management Team which is comprised of Financial Management, Treasury Management, Internal Risk and Control and Compliance departments. Pending allocation, proceeds will be invested according to the Group’s standard liquidity policy in short-term deposits or investments. The Group intends to allocate proceeds within two years of issuance. This is in line with market practice.



**REPORTING** Redco intends to provide an annual allocation on its website on an annual basis until full allocation. The allocation report will include (i) a list of eligible green and social projects, (ii) the amount of proceeds allocated to each Eligible Green and Social Project category, (iii) descriptions of Eligible Green and Social Projects financed, (iv) selected examples of projects financed, and (v) the total amount of unallocated proceeds. In addition, Redco is committed to reporting on relevant impact metrics where feasible. Sustainalytics views Redco’s allocation and impact reporting as aligned with market practice.

**Evaluation date** February 26, 2021

**Issuer Location** Shenzhen, China

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# Sino-Ocean

## Green Finance Framework

Under the Green Buildings category, Sino-Ocean may invest in residential and commercial buildings using third party green building certification standards such as LEED (Gold and above), BEAM Plus (Gold and above), BREEAM (Excellent and above), the Chinese Green Building Evaluation Label (2 star and above) and other equivalent green building standards. Sustainalytics views these certifications as credible, and the levels selected as impactful.

Moreover, Sino-Ocean may seek to obtain additional certification focused on the health and well-being of tenants (WELL Building Standard).

### Second-Party Opinion Sino-Ocean Group Holding Limited Green Finance Framework



#### Evaluation Summary

Sustainalytics is of the opinion that the Sino-Ocean Group Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2020. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings, Sustainable Water Management, Pollution Prevention and Control, Energy Efficiency, and Climate Change Adaptation – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2020. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 11 and 12.



**PROJECT EVALUATION / SELECTION** Sino-Ocean Group's internal process in evaluating and selecting projects is overseen by the Sustainable Development Management Committee ("SDMC"). The SDMC will meet every 12 months to review and select eligible projects according to the criteria outlined in the Framework. Shortlisted eligible projects will be approved by senior management of Sino-Ocean Group. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** Sino-Ocean Group's processes for management of proceeds is overseen by the Finance team. The net proceeds from each Green Financing Transaction (GFT) will be tracked and managed through a register. Sino-Ocean intends to complete the full allocation of proceeds within 1 year after the issuance. Pending full allocation, unallocated net proceeds raised under the GFT may be invested in cash or cash equivalents or used to repay existing borrowings under the general credit facilities of Sino-Ocean Group. This is in line with market practice.



**REPORTING** Sino-Ocean Group intends to annually report on allocation of proceeds on its website until full allocation. The allocation report may contain the amount allocated to various eligible projects, the remaining balance of unallocated funds, type of temporary instrument, and the share of financing vs refinancing. In addition, Sino-Ocean Group is committed to reporting on relevant impact metrics. Sustainalytics views Sino-Ocean Group's allocation and impact reporting as aligned with market practice.

Evaluation date	February 19, 2021
Issuer Location	Hong-Kong, China

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# We are WELL™

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