

CLIMATE BONDS INITIATIVE ENDORSES GBCSA NET ZERO/ POSITIVE CARBON RATING TOOL AS APPROVED ELIGIBILITY STANDARD AND SANS 10400 XA BUILDING STANDARD AS RESIDENTIAL PROXY**London, United Kingdom, 2 October 2019**

The Climate Bonds Initiative (CBI) has endorsed the Green Building Council of South Africa's ("GBCSA") Net Zero/Positive Carbon proxy certification as a "Net Zero Carbon" compliance path for the South African commercial and residential property segments. The Net Zero/Net Positive carbon rating certifies whether a building can neutralise or redress its carbon impact on the environment and is applicable to both new and existing buildings. The endorsement was confirmed 4 September 2019 during a Technical Working Group session.

This CBI endorsement of the Net Zero/Net Positive carbon rating tool marks an important milestone in the South African Green Bond Market as it will enable prospective issuers to fast track access to CBI compliance by eliminating barriers to a CBI certification that would arise from insufficient data to develop a baseline against which green buildings can be assessed. Currently, CBI can only produce baselines for the SA office and supermarket segments.

"CBI's endorsement of GBCSA's Net Zero/Net Positive rating will boost the development of the property green bond market in South Africa as it will enable potential issuers to fast-track the certification process of green assets that can be included in a green bond - even where baseline data does not exist. Over R300bn worth of SA property already qualify as eligible assets for green bond issuance, either through certified or standard green bonds", said Grahame Cruickshanks, GBCSA's Managing Executive for Market Engagement.

In addition, in June 2019, the CBI has approved South Africa's SANS 10400 XA Energy Efficiency Building Regulation as an acceptable residential proxy for CBI compliance for green bonds with term midpoints no later than 31 December 2026. This approval will create fast-track access for all residential housing that is compliant with this regulation (i.e. all new residential housing stock delivered since May 2012) by granting automatic eligibility for CBI certification. SANS 10400 XA compliant homes currently constitute approximately 6.4% of the total SA residential housing stock.

The adoption of these new standards was facilitated through a collaborative effort between the ALCB Fund, GBCSA, Consulting for Sustainable Solutions and Ecolution Consulting to identify and develop pathways for CBI Green Bond Certification in the South African property sector.

"The ALCB Fund is proud to have contributed to this fantastic initiative. Through the Fund's Technical Assistance Facility we are eager to lay the groundwork for new and innovative transactions across the continent, including the South African green bond space" said James Doree, Fund Manager to the ALCB Fund.

GBCSA's Grahame Cruickshanks is available for comment at grahame.cruickshanks@gbcsa.org.za. ALCB Fund's James Doree can be reached at info@alcbfund.com.

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Green Building Council of South Africa (www.gbcsa.org.za) is one of 75 members of the World Green Building Council alongside Australia, the United States and the United Kingdom. Founded in 2007, GBCSA works in collaboration with industry bodies, leaders, government departments and professionals to develop market-based green building solutions for the transformation of the South African property industry.

ALCB Fund (www.alcbfund.com) was conceived by KfW to address the current underdevelopment of local currency bond markets in Africa. The goal is to improve access to long-term funding in local currency, strengthen the capacity of local markets and create opportunities for local investors.

Climate Bonds Initiative (www.climatebonds.net) is an investor-focused not-for-profit, promoting large-scale investment in low-carbon economy.

Consulting for Sustainable Solutions (www.sustainablesolutions.co.za) is a consulting and advisory firm facilitating the flow of capital into sustainable property and infrastructure to enable cities of the future. Consulting for Sustainable Solutions is based in Cape Town, South Africa. CSS can be contacted at info@sustainablesolutions.co.za.

Ecolution Consulting (www.ecolution.co.za) is a green building and sustainability consulting firm. Ecolution Consulting provides a wide range of consulting and advisory services to various sectors and organisations. Ecolution can be contacted at hello@ecolution.co.za.

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