

Statement by Maybank

Maybank views with concern the report by a group of NGOs indicating that it is the second largest financier of fire-implicated groups allegedly involved in the 2019 fires in Indonesia. Contrary to what was reported, Maybank as a responsible corporate citizen, is committed to driving efforts on responsible financing through an established environmental, social and governance (ESG) policy.

We remain unaware of the basis of the NGOs' classification of our exposures in the report and are unable to provide specific responses in relation to the details provided in the report.

However, based on our data, Maybank would like to state that the bulk of the Group's financing for palm oil which are in Malaysia and Indonesia, are mostly to clients which already adhere to national or international certifications. In fact, some 90% of approved loans in Malaysia for this industry are to clients carrying RSPO, MSPO and/or ISPO certification, while the figure is around 86% for clients in Indonesia. Maybank is closely engaging clients on their progress in obtaining sustainability certifications and note the vast majority of them are committed to responsible practices, including proactive fire management and adopting sound environmental practices.

For the small percentage of clients which have yet to obtain certification, the Group remains actively engaged in assisting them to pursue the appropriate certification within an agreed timeframe, failing which the Group will review its relationship with them.

Our mission of humanising financial services means that Maybank is sensitive to the impact of the products and services we provide to communities we serve, both in the short and long term. This is continuously evaluated from the perspective of our ESG framework which has been put in place since 2015.

This framework was further formalised into an ESG policy in July 2018, and ESG risk assessments have been incorporated into our Risk Acceptance Criteria (RAC) for palm oil financing since then. This includes ESG-related certification requirements by reputable international and local independent bodies. We have also subsequently developed ESG RAC for three other high ESG risk industries and are continuing to develop other high ESG risk industry RAC.

We are aware of the importance of ESG in our business and we are constantly working with our customers to ensure that all applicable ESG guidelines and regulations for their industries are met. In addition, we endeavour to create awareness among our customers about the benefits of integrating ESG into their businesses and adopting sustainable practices.
