

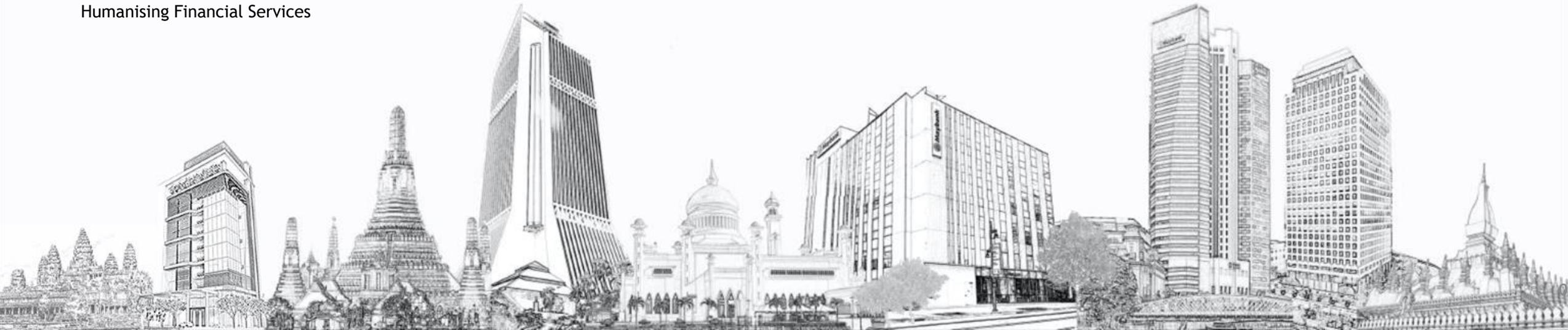
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# Maybank Group Investor Day: Sustainability

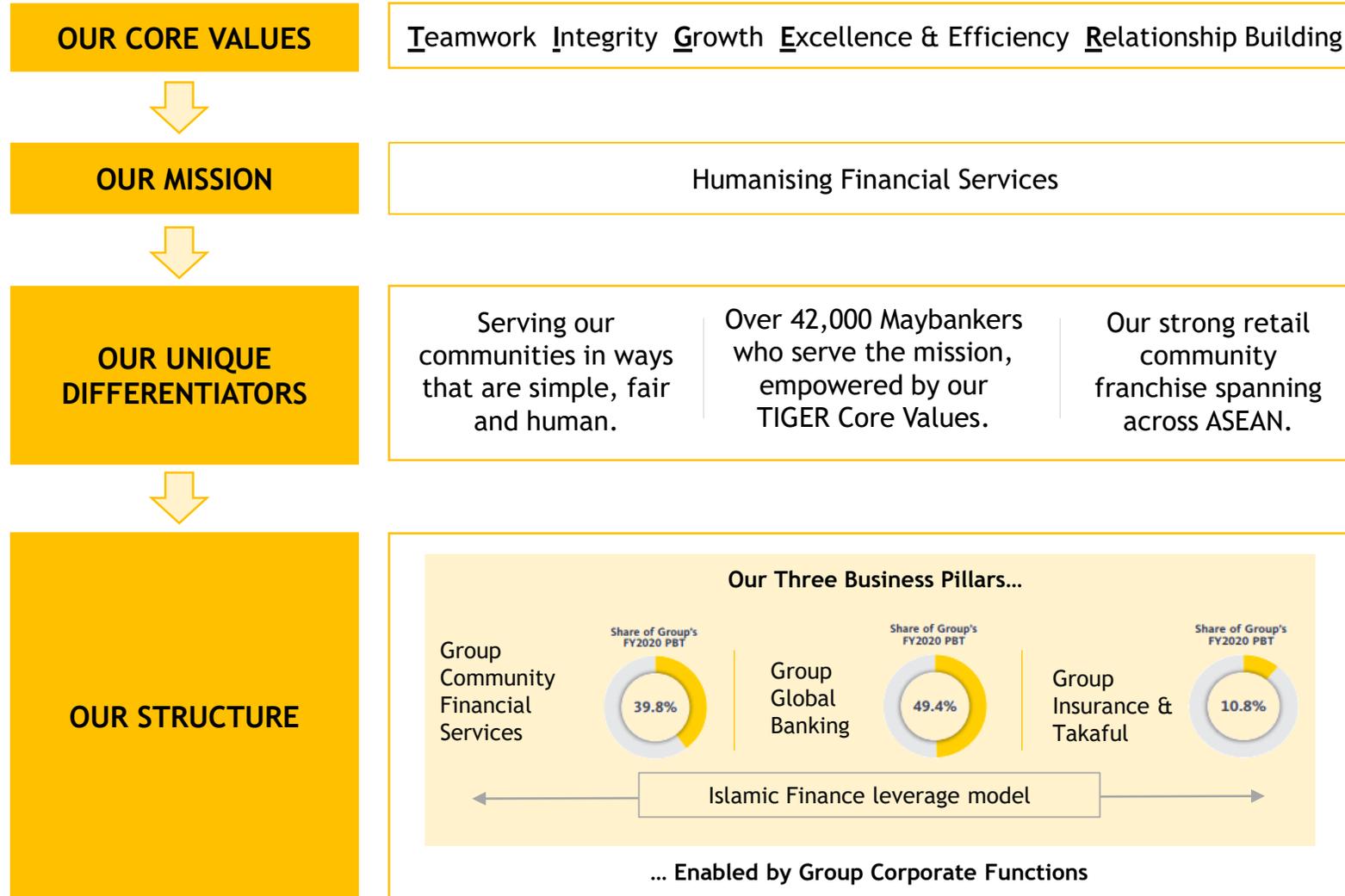
19 July 2021



Humanising Financial Services



# Who We Are



# Humanising Financial Services

Our purpose has been refreshed to reflect long-term priorities and a new operating landscape



## HUMANISING FINANCIAL SERVICES

**Being at the heart of the community,  
we will:**

- Make financial services simple, intuitive and accessible
- Build trusted partnerships for a sustainable future together
- Treat everyone with respect, dignity, fairness and integrity

**For our stakeholders:**

### Customers

- Best-in-class customer experience
- Convenient access to financial services (digital & physical)
- Fair terms & pricing; advisory based on needs
- Transition support to sustainable practices

### Shareholders

- Sustainable and responsible returns
- Strong governance and transparency

### Employees

- Growth and capability building
- Inclusiveness, diversity and well-being

### Regulators

- Standard-bearer for the industry
- Professionalism and business ethics

### Communities

- Financial inclusion and empowerment
- Commitment to low-carbon economy

**To create the following impact:**

**Empowering Everyone**  
to thrive and advance their ambitions

**Poverty Eradication**  
with financial inclusion & improved livelihoods

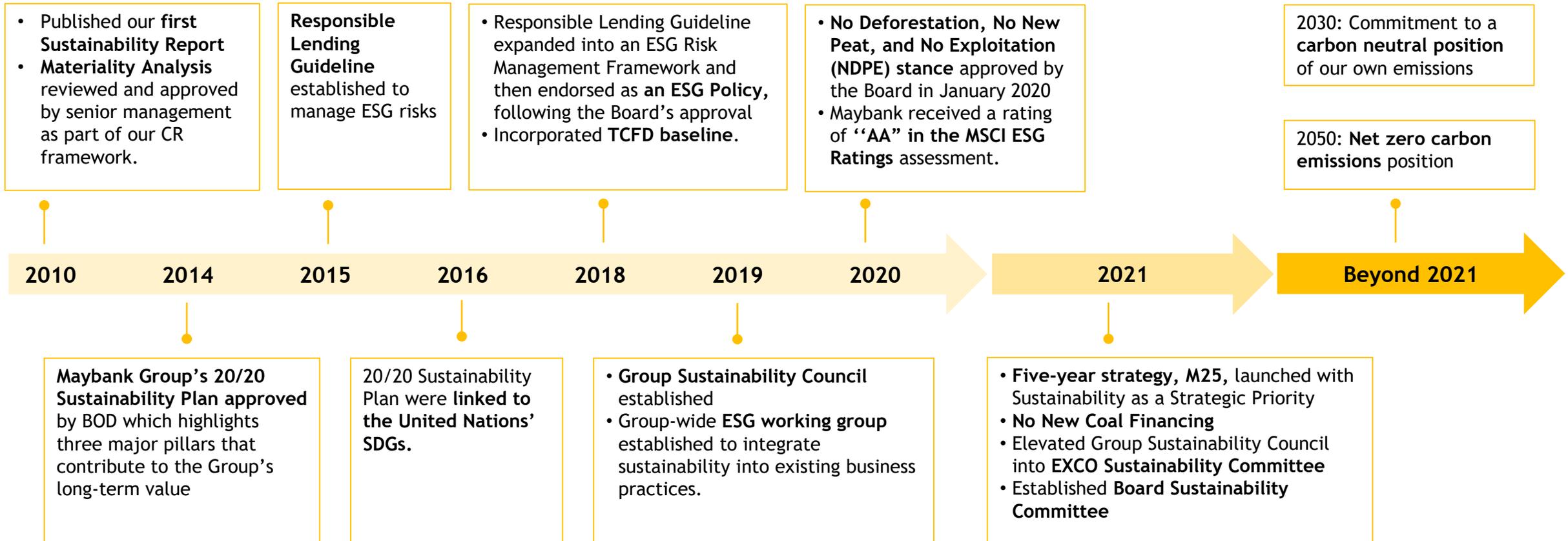
**Reduced Inequalities**  
across populations, geographies, gender, etc

**Clean & Sustainable Environment**  
through low carbon economy, green infrastructure

**Stronger Institution**  
via responsible practices, future-proofing resilience

# Maybank's Sustainability Journey Over a Decade

## Overview



# Recap of Maybank 20/20 Sustainability Plan

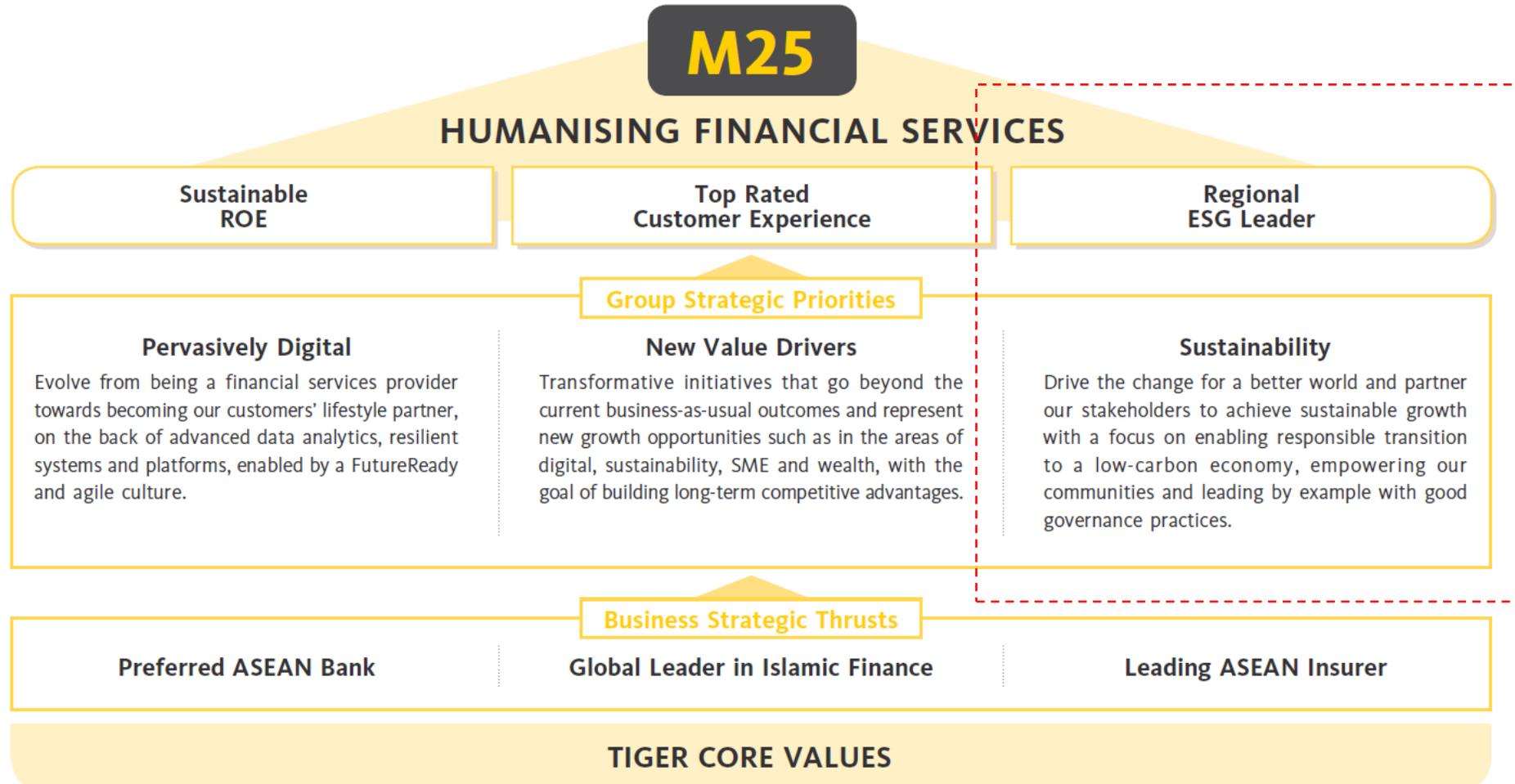
Key Achievements in FY2020 across the three pillars covering 10 commitments



Three Pillars	Community and Citizenship	Our People	Access to Products & Services
Ten Commitments	Investing for impact: <ul style="list-style-type: none"> <li>• Education</li> <li>• Community empowerment</li> <li>• Arts and culture</li> <li>• Environmental diversity</li> <li>• Healthy living</li> <li>• Disaster relief</li> </ul>	Employee engagement Talent and leadership Training and development Diverse and inclusive workplace Safety, health and well-being	Commitment to the environment Focus on customers Digitalisation Product stewardship
Link to SDGs			
Key Achievements	<ul style="list-style-type: none"> <li>✓ As of 2020, Cashville Kidz was active in six ASEAN countries and had helped set up over <b>200,000</b> students for success.</li> <li>✓ Since the launch of Maybank Women Eco-Weavers programme in 2016, <b>over 800 weavers</b> have received training and support to revive the art of textile weaving as a source of income.</li> <li>✓ In 2020, we invested over <b>RM69 million</b> into community initiatives, including targeted COVID-19 contributions, representing approximately <b>1% of our net profit</b>, as is consistent with investment allocations since 2012.</li> <li>✓ MaybankHeart successfully raised a total of <b>RM3.2 million</b> in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>✓ In 2020, Maybank invested <b>over RM95 million</b> into upskilling our employees.</li> <li>✓ Women make up <b>56%</b> of the Group's workforce.</li> <li>✓ Income per employee increased from RM572,653 in 2019 to <b>RM588,620</b> in 2020</li> <li>✓ Accelerated the implementation of flexible work policies and practices, including the existing <b>Flexible Working Arrangement (FWA) policy</b>, and introduced the <b>Mobile Working Arrangement (MWA) policy</b>.</li> <li>✓ Disbursed <b>RM364,650</b> to 198 eligible employees through the Maybank employee welfare fund in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Financing moratoriums worth <b>RM179.7 billion</b> enacted for consumers in Malaysia, helping those in amidst the ongoing pandemic.</li> <li>✓ Reflecting our alignment with our customers' digital needs, the all-new MAE by Maybank2u mobile application was launched and recorded over <b>2.80 million</b> application installations since launch.</li> <li>✓ Provided a total of <b>RM275.1 million</b> worth of financing for homebuyers through MaxiHome Ezy, helping hundreds of Malaysians to secure their dream homes.</li> <li>✓ <b>RM9.78 billion</b> invested in various renewable energy projects since 2017.</li> </ul>

# Maybank's Next Five-year Strategy: M25

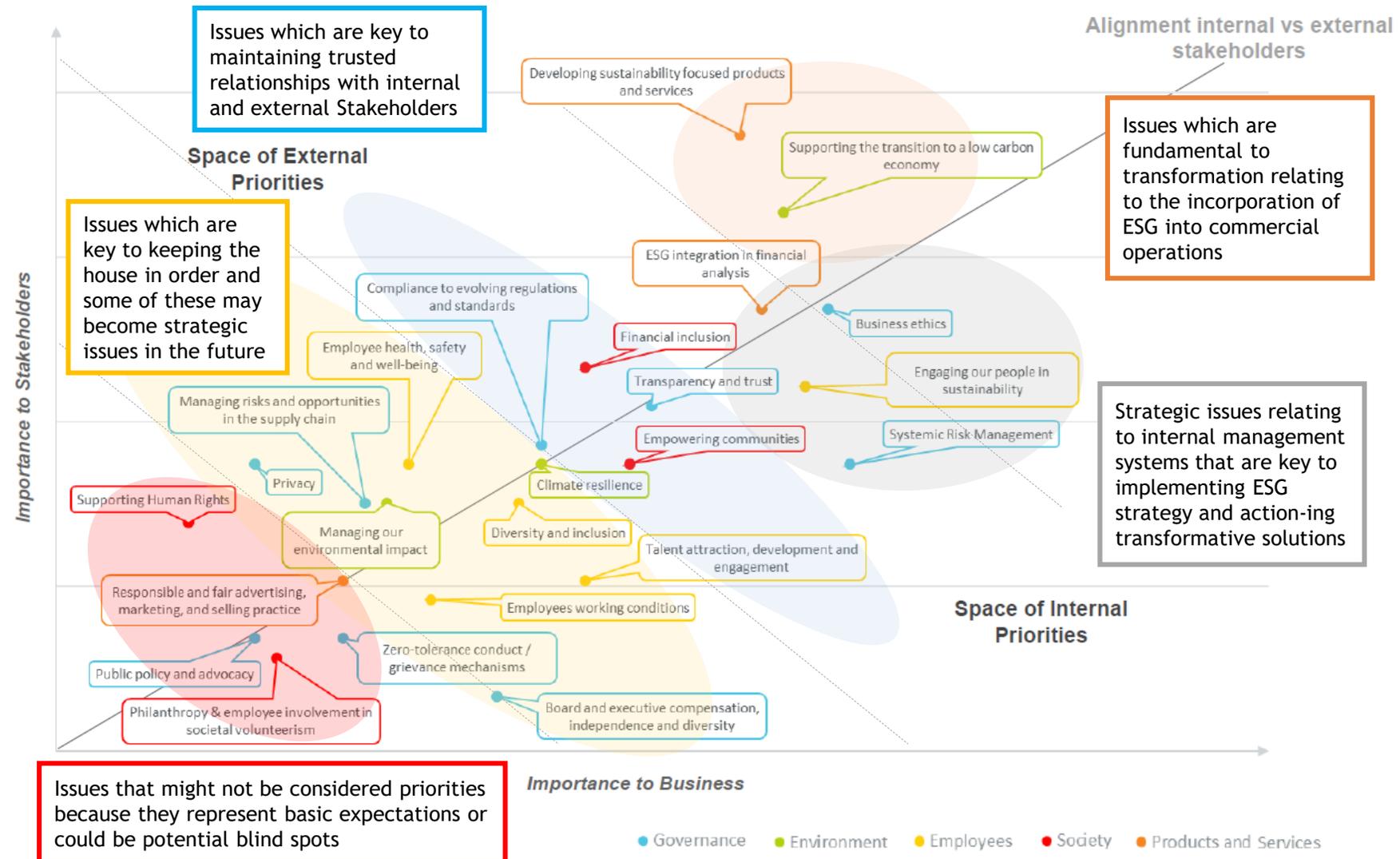
Anchored on our purpose of Humanising Financial Services





# Materiality Assessment to Strategic ESG Themes

- In 2020, we undertook a deeper and more targeted approach with stakeholders for the materiality assessment, to help develop the Group's next five-year strategy, M25, where sustainability is a strategic priority.
- The past materiality assessments had a wider stakeholder reach through online surveys, whereas the recent assessment focused on one-on-one interviews with both internal and external stakeholders.
- Findings from this assessment gave us a better understanding as to how we should prioritise material issues and re-define our sustainability agenda, including setting of goals, targets and KPIs.



# Sustainability Strategic Priorities



- We aim to drive the change for a better world and partner clients to achieve sustainable growth.
- Our sustainability agenda is predicated on three key pillars: enabling responsible transition to a low carbon economy, empowering our communities and leading by example with good governance practices.



- Financing Commitments:
  - ✓ No Deforestation, No New Peat, and No Exploitation (NDPE) stance approved by the Board in January 2020 (which applies to all relevant sectors including but not limited to palm oil, forestry and logging, construction and real estate).
  - ✓ The Group will not provide financing to black listed activities deemed not in line with the Group's core values.
  - ✓ No financing of new coal activities (transitioning together with existing borrowers to achieve sustainable renewable energy mix over medium- to long-term)

# Long-Term Sustainability Commitments (1/5)

Towards Becoming a Regional ESG Leader by 2025



## Commitment 1:



**Mobilising  
RM50 Billion**  
in Sustainable Finance  
by 2025

## Commitment 2:



**Improve the Lives of  
1 Million Households**  
Across ASEAN  
by 2025

## Commitment 3:



**Carbon Neutral**  
position for Scope 1 and 2  
emissions by 2030 and  
**Net Zero Carbon  
Equivalent**  
position by 2050

## Commitment 4:



**Living Sustainability**  
Achieve 1 Million Hours per  
annum on Sustainability &  
Delivering 1 Thousand Significant  
SDG-Related Outcomes  
by 2025

# Long-Term Sustainability Commitments (2/5)

Towards Becoming a Regional ESG Leader by 2025



## Commitment 1:



**Mobilising RM50 Billion in Sustainable Finance by 2025**

### What

- Includes direct lending or investment, and services related to arranging, syndicating, fundraising or underwriting as well as advisory, all of which will integrate ESG criteria.

### How

- Business solutions to be guided by a Sustainable Product Framework:
  - **Global Banking:** Green Sukuk, ESG thematic funds, as well as sustainability-linked loans, trade products, derivatives and structured products.
  - **Group Community Financial Services:** Residential green index units, EV auto financing and green loans.
- **Group Insurance & Takaful** to develop products that support sustainable development outcomes across motor, fire, life, family and health segments. This includes incentives and rebates for sustainable behavior, mental illness coverage, and ESG investment-linked products.

### Measuring Progress

- Sustainable Product Framework, which covers green, sustainable and transition solutions, is being developed internally and will be implemented within the year.
- The Group financed RM3.45 billion worth of renewable energy projects in FY2020.

# Long-Term Sustainability Commitments (3/5)

Towards Becoming a Regional ESG Leader by 2025



## Commitment 2:



**Improve the  
Lives of 1  
Million  
Households  
across ASEAN  
by 2025**

### What

- Empowering and provide greater financial inclusion for the vulnerable communities in alignment with our mission of Humanising Financial Services and the UN SDGs.
- Areas of focus: Education, Community Empowerment, Arts & Culture, Environmental Diversity, Healthy Living, Disaster Relief.

### How

- Continue with existing community flagship initiatives, e.g.: R.I.S.E, Maybank Women Eco-Weavers, CashvilleKidz and eMpowering Youths Across ASEAN.
- Provide welfare assistance to needy communities and financial aid to SME and underbanked communities.
- Increase retail product reach to underprivileged communities to improve financial inclusion.
- Widen the reach of our financial education and literacy programmes for SMEs and young schoolchildren to build long term financial resilience.

### Measuring Progress

- Number of households benefiting from our community programmes (FY2020: ~50,000).
- Number of SMEs benefiting from Education Programme & Financing Assistance Programme.
- Number of customers loans approved (focusing on assisting lower income families).
- Launch of micro insurance products to protect low income households.

# Long-Term Sustainability Commitments (4/5)

Towards Becoming a Regional ESG Leader by 2025



## Commitment 3:



**Carbon Neutral**  
position for Scope 1 and  
2 emissions by 2030 and  
**Net Zero Carbon**  
**Equivalent**  
position by 2050

### What

- Carbon Neutral 2030 refers to the Group’s own emissions while Net Zero 2050 refers to an overall balance between all direct and indirect CO<sub>2</sub>e, covering operations and business activities we finance across the Group.

### How

- Managing our internal environmental impact via:
  - Emissions (source renewable energy, improve infrastructure efficiency, reduce staff travel, increase green building footage).
  - Waste (managing consumption and recycling efforts).
  - Water (managing consumption and developing recycling capabilities).
- Supporting suppliers:
  - To meet ESG principles and standards.
  - By including SME suppliers and minority groups in our procurement engagements

### Measuring Progress

#### FY2020\* (tCO<sub>2</sub>e):

<b>Scope 1:</b> Direct emissions (petrol and diesel consumption from company-owned vehicles, and diesel consumption from diesel generators).	53.20
<b>Scope 2:</b> Indirect emissions from imported energy (electricity consumption)	65,949.98
<b>Scope 3:</b> Emissions from transportation (business air and road travel)	6,737.99

#### FY2021:

To widen the measuring, monitoring and eventually, reporting of emissions Group-wide.

\*Data collected on electrical consumption for all our Malaysian and select Singaporean operations based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and includes data from existing operations only.

# Long-Term Sustainability Commitments (5/5)

Towards Becoming a Regional ESG Leader by 2025



## Commitment 4:



### Living Sustainability

**Achieve 1 Million Hours per annum on Sustainability & Delivering 1 Thousand Significant SDG-Related Outcomes by 2025**

#### What

- Embedding sustainability actions and thinking across business, operations and community-based programmes and shaping a sustainability culture among Maybankers.

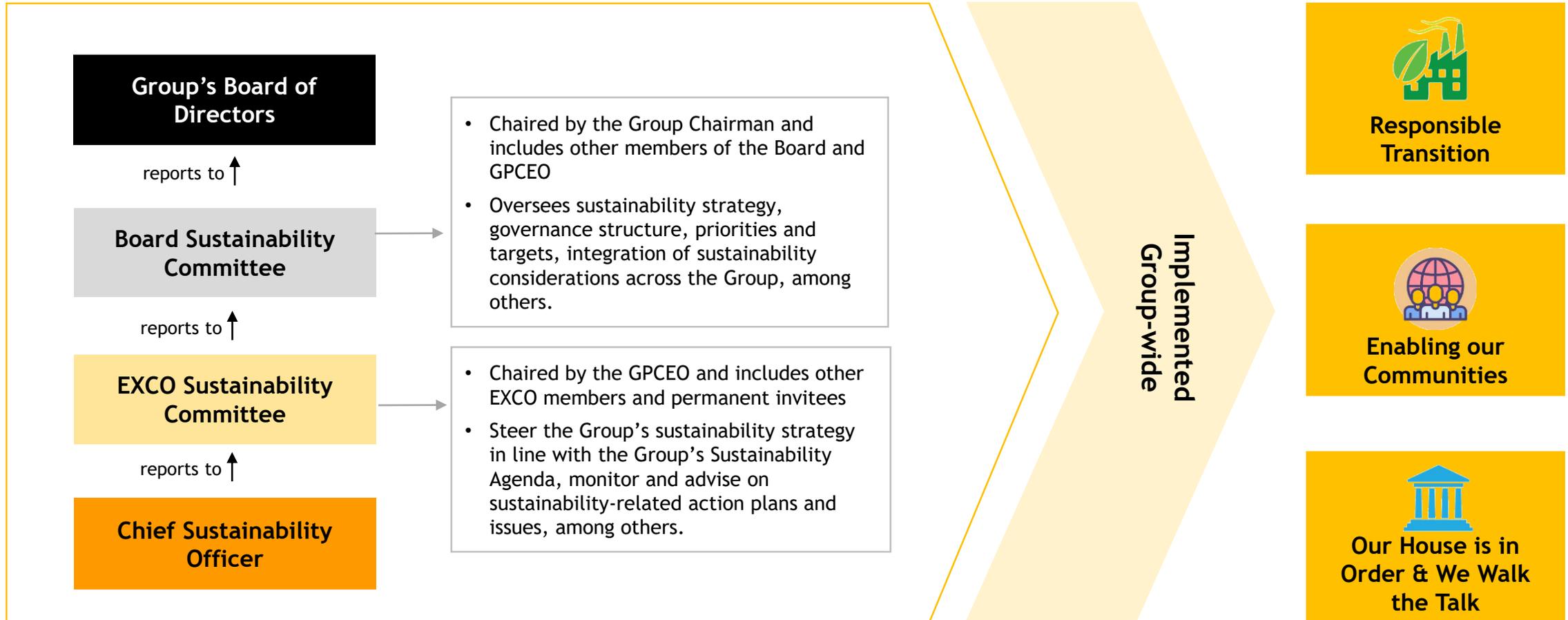
#### How

- People engagement through learning programmes and internal communication initiatives.
- Strengthening of business ethics policies & practices, ensuring responsible data management, and compliance with the law.
- Strengthening transparency & trust among stakeholders through enhancement of ESG reporting, framework, and sustainability governance.
- Enhance diversity, equity & inclusion programmes and policies.
- Scale up Maybank's employee volunteerism programme.
- Above and beyond these initiatives, Commitment 4 captures all other initiatives under Commitments 1,2 and 3.

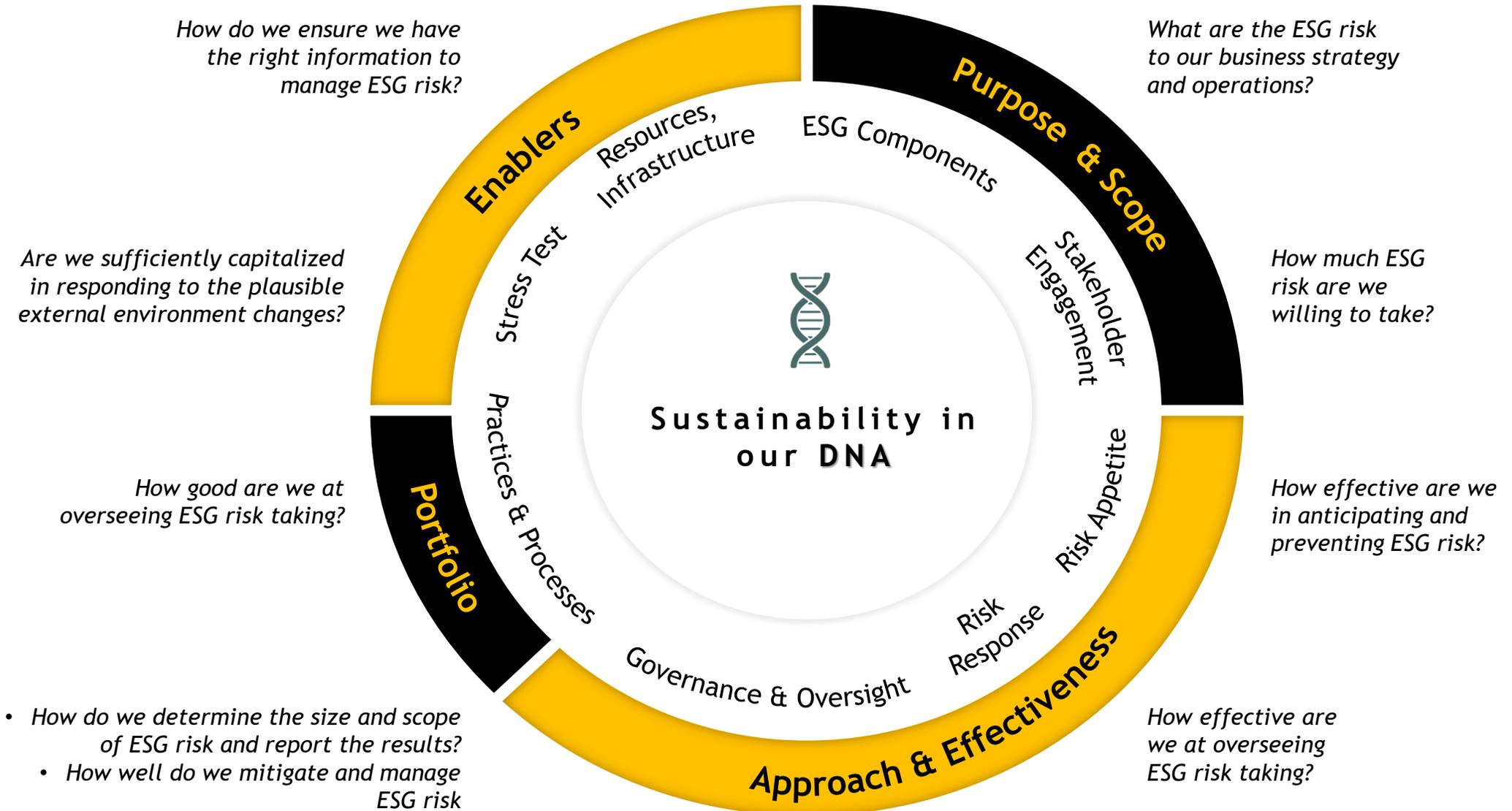
#### Measuring Progress

- Develop a tracking mechanism to capture both the manpower hours spent internally on sustainability initiatives and the SDG outcomes.
- YTD FY2021, we have appointed a Chief Sustainability Officer and established Sustainability Committees at the Board and EXCO levels.
- Revised Privacy Notes, Data Governance Framework and enhanced Group's Privacy Policy.

# Sustainability Governance



# Our ESG Risk Management Building Blocks



# Sustainability Levers for ESG Integration into Business Decision Making



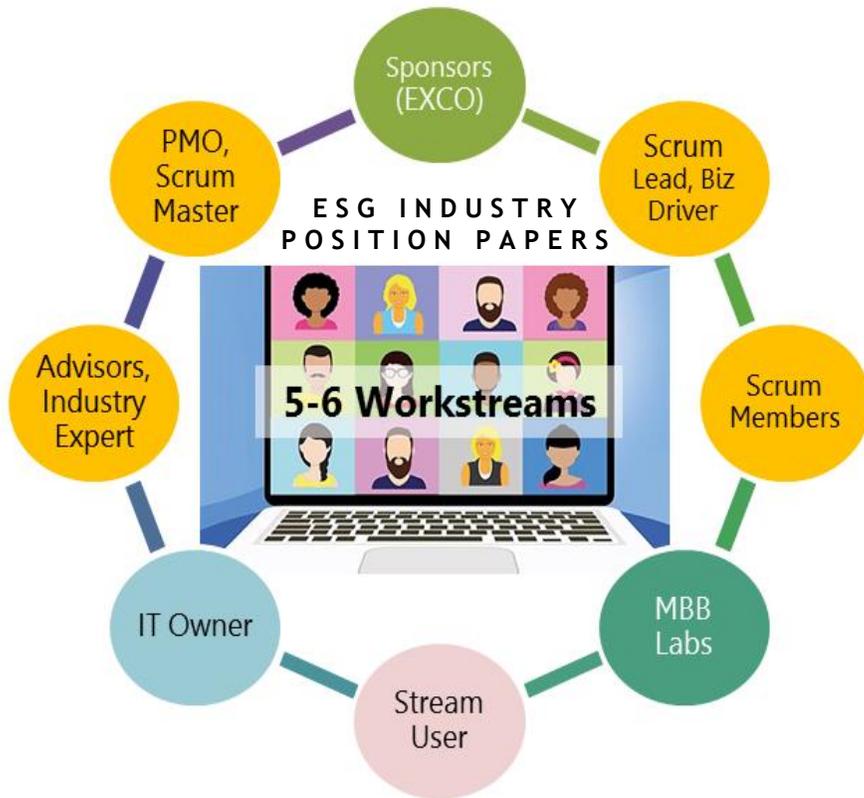
Basel Committee on Banking Supervision's Principles for Effective Risk Data Aggregation and Risk Reporting (BCBS239) & Task Force on Climate-Related Financial Disclosures

\* Planning stage / In development

\*\* Continuous

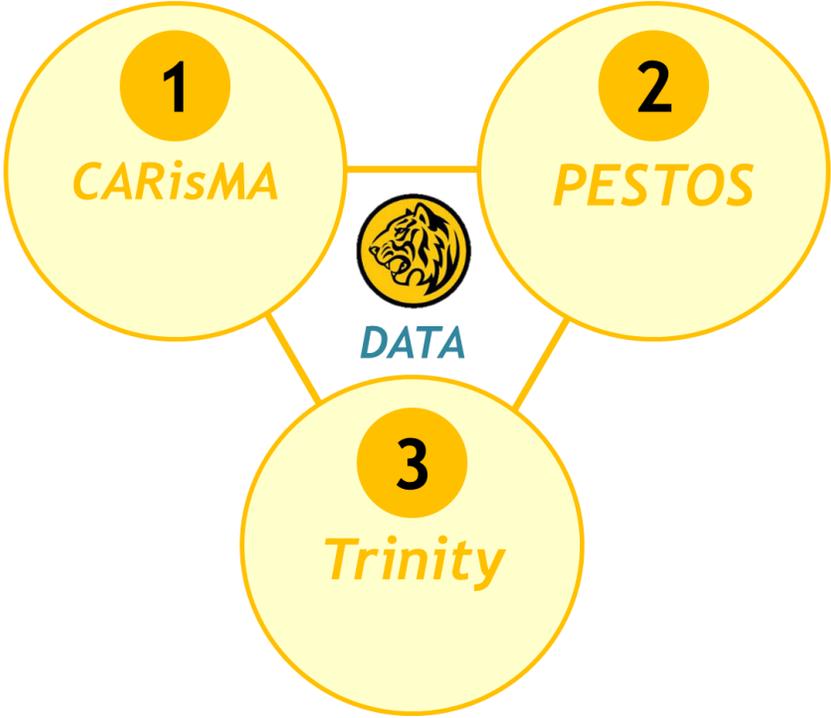
# Integrating Sustainability into our Existing Business Practices

Developing Business Approaches and Risk Acceptance Criteria (RAC) for our sectors



- ESG Industry RACs:**
1. Palm oil (Enhanced in 2021)
  2. Mining
  3. Oil & Gas
  4. Forestry & logging (Enhanced in 2021)
  5. Real estate (New - 2021)

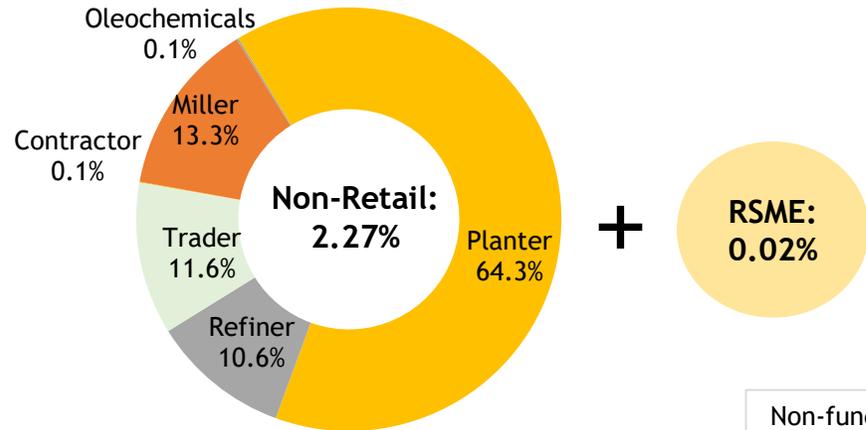
- Enhanced ESG Industry RACs (WIP):**
1. Power
  2. Mining
  3. Oil & Gas
  4. More to come...



# Loan Exposure (Funded) to ESG Vulnerable Sectors as at 31 March 2021

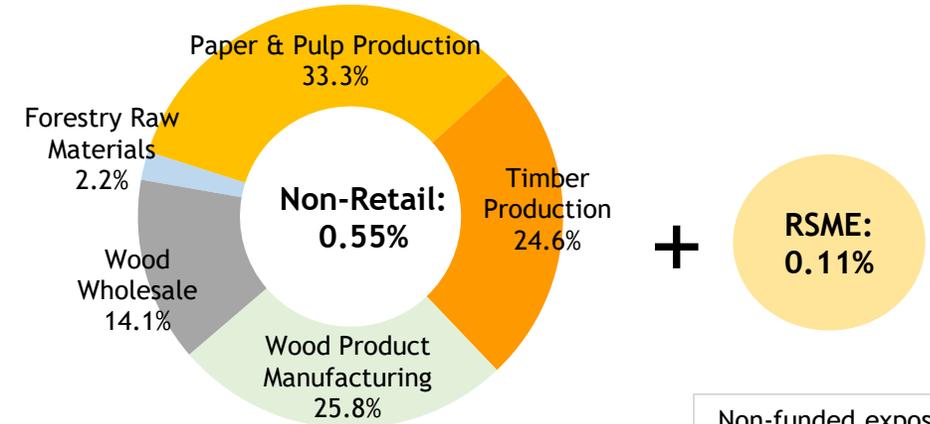


## PALM OIL: 2.29%



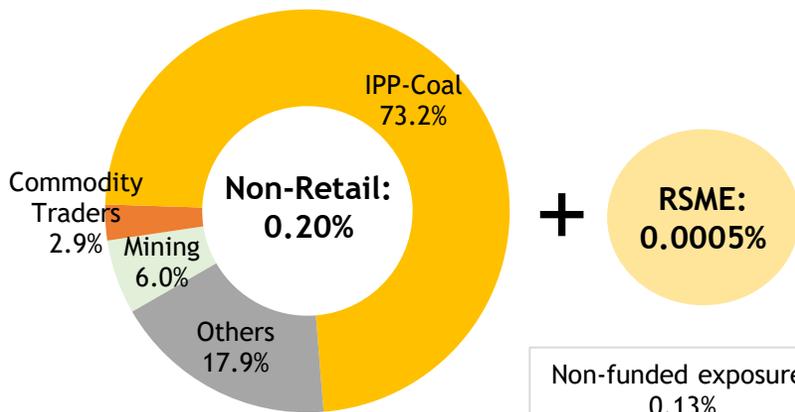
Non-funded exposure: 0.05%

## FORESTRY & LOGGING: 0.66%



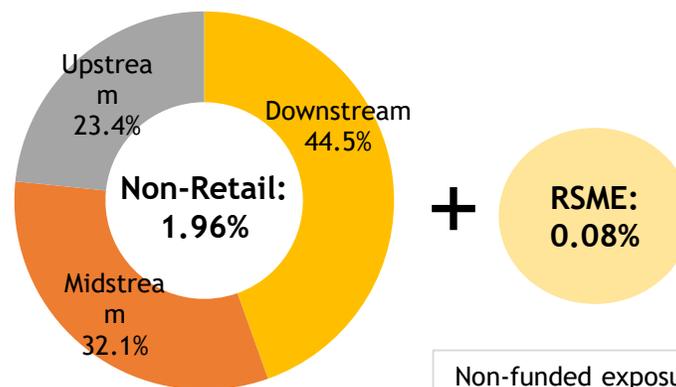
Non-funded exposure: 0.05%

## COAL: 0.20%



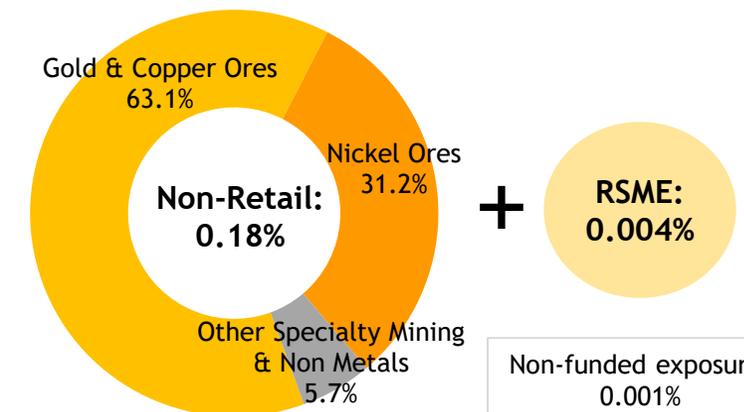
Non-funded exposure: 0.13%

## OIL & GAS: 2.04%



Non-funded exposure: 0.49%

## MINING (MINERALS): 0.18%



Non-funded exposure: 0.001%

Note: % Non-funded exposure has been calculated against Group Gross Loans.

97.3% certification status for palm oil planters/ millers/ refiners in Maybank Malaysia. 51.6% of forestry and logging certified (*confined to top 20 borrowers, accounting for 50% of the total exposure*)

# Key Awards and Recognition



As one of ASEAN’s leading banking and financial services groups, our sustainability leadership has been acknowledged both regionally and internationally by ratings and awards bodies and by respected global sustainability indices.



FY2020 marked the fourth consecutive year in which Maybank has been listed on the Bloomberg Gender Equality Index.

MSCI  
ESG RATINGS



Received a rating of “AA’ (on a scale of CCC-AAA) in the MSCI ESG Ratings assessment, an enhancement from from our 2012-2019 score, where we received an ‘A’ rating.



## FTSE4Good

For the eighth consecutive year, Maybank’s inclusion in these indices is a recognition of our good corporate responsibility practices:

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN 5 Index
- FTSE4Good Emerging Indexes
- FTSE All-World Green Revenues Index
- FTSE Asia Pacific Green Revenues Index
- FTSE Emerging ESG Index
- FTSE Emerging Green Revenues Index



### Sustainability Awards received:

- Awarded Malaysia’s Best Bank for CSR by Asiamoney in 2020.
- Awarded the following honours for the MSWG-ASEAN Corporate Governance Awards 2019 by Minority Shareholders Watch Group:
  - Ranked first in the top 100 companies and awarded the Excellence Award for Overall CG & Performance
  - Ranked first in the top 100 companies and awarded the Excellence Award for CG Disclosure
  - Ranked first for Financial Services in the Industry Excellence Awards

**MALAYAN BANKING BERHAD**  
14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
Tel : (6)03-2070 8833  
[www.maybank.com](http://www.maybank.com)

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