



Press Release

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## **Maybank secures AA rating by MSCI ESG Ratings**

- *Steady progress made on M25 Sustainability Commitments*

Maybank has received an 'AA' rating by MSCI ESG Ratings for the second consecutive year. This leadership rating of 'AA' places Maybank among the top 36% of 189 diversified banks rated globally based on the MSCI ACWI Index (All Country World Index), of which only 4% achieved the highest rating of AAA. This rating assessment ranges from CCC, B, BB, BBB, A, AA, to AAA.

The rating was based on an assessment of Maybank's sustainability policies and practices covering seven broad areas namely Financing Environmental Impact, Consumer Financial Protection, Human Capital Development, Access to Finance, Privacy & Data Security, Corporate Governance and Corporate Behaviour.

The Ratings report stated among others, that the 'AA' score comes on the back of Maybank's strong consumer protection practices including having a complaint hotline and loan modification options for customers with financial difficulties. The report adds that the Group's customer complaint mechanism's effectiveness ranks one of the best among industry peers, cementing its Customer Financial Protection ranking ahead of even its global top five peers.

Additionally, it highlights that Maybank's loan book exposure to environmentally intensive industries was low relative to peers with just around 4.9% of Maybank's loans being exposed to highly environmental-intensive industries (agriculture, metals & mining and utilities) as of May 2021. It notes the Bank's commitment to deny financing for blacklisted activities not aligned with its values, as well as new coal activities, while transitioning to a renewable energy mix with existing borrowers over the medium to long term, as well as commitment to mobilise RM50 billion in sustainable financing by 2025.

Group President & CEO, Dato' Khairussaleh Ramli said that Maybank was pleased that its sustainability efforts continue to be recognised globally particularly with this rating by MSCI ESG Ratings for the second consecutive year.

"Our sustainability commitments are part of our journey to realise our ambition of becoming a regional ESG leader, and we are accelerating all efforts through our M25 Plan to help drive positive change in the markets we operate," he said.

He added that Maybank has been making good progress on its four M25 Sustainability commitments, having already achieved its FY2022 target of reducing 40% of its Scope 1 and 2

emissions against its 2019 baseline. This was achieved with the commencement of the Malaysia Renewable Energy Certificates (mRECs) in January 2022 and rollout of various energy efficiency programmes this year in home markets such as Malaysia and Singapore. The Group has committed to achieving a carbon neutral position for scope 1 and 2 emissions by 2030, and net zero carbon equivalent position by 2050.

The mRECs are expected to help reduce the Group’s Scope 2 carbon emissions in its Malaysian operations by some 70% yearly. Additionally, Maybank has implemented energy efficiency programmes such as the ongoing installation of LED lighting across its operations, modernisation of air conditioning units, as well as installation of solar panels at selected locations of its home markets.

Dato’ Khairussaleh added that the Group was identifying similar REC or Renewable Energy Power purchase opportunities to cover its regional footprint to meet the remaining 60% reduction target from its 2019 baseline. To drive sustainable behaviour and practises among Maybank employees in reducing indirect carbon emissions under Scope 3, the Group has also implemented an internal carbon pricing tracking mechanism in 2021 for business travel and been reimbursing employees for electric vehicle related expenses since 1QFY22 to support the use of energy-saving vehicles.

Maybank is currently concluding an internal Climate Resilience Project to establish its financed emissions baseline data by asset classes and geographies, which will allow it to shape its business portfolio transition strategy in targeting the right areas of reductions. This Project is in line with the Partnership for Carbon Accounting Financials standards, which helps financial institutions assess and disclose GHG emission through GHG accounting.

Apart from its carbon emissions commitment, Maybank’s three other M25 Sustainability commitments are to Mobilise RM50 billion in Sustainable Finance by 2025, Improve the lives of 1 million households across ASEAN by 2025, and Achieve 1 million hours per annum on sustainability and Deliver 1 thousand significant SDG-related outcomes by 2025.

Dato’ Khairussaleh said in the area of Sustainable Finance, the Group has set a target of RM9 billion for FY22 with some RM3 billion already achieved as of 1Q FY2022 including a RM300 million sustainability-linked bond for Hap Seng Management Sdn Bhd.

Under the commitment to improve the lives of 1 million households across ASEAN by 2025, Maybank has set a target of 150,000 households for FY22. As at 1QFY22, some 56% or 82,000 households have been positively impacted through financial solutions offered such as low cost housing mortgages, two-wheeler financing and microinsurance products for underserved groups.

The Group has also recorded more than 449,000 sustainability hours clocked by Maybank employees as of 1QFY22. A key effort rolled out from April 2022 has been the “Green Lab” - a staff engagement and activation programme encouraging employees to adopt the Group’s sustainability agenda in their day-to-day operations and lives.

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