



Press release

1 September 2022

Maybank launches Sustainable Product Framework to drive sustainable finance

- *As at mid-year, Group exceeds FY2022 targets for three of its four sustainability commitments*

Maybank has designed its own Sustainable Product Framework (SPF) - the first ever by a Malaysian bank - to enable greater development of green, social and sustainable products. The framework, which will support the Group's commitment of 'Mobilising RM50 billion in Sustainable Finance by 2025', will be implemented Group-wide across Islamic and conventional products effective 1 September 2022.

In keeping with best practices adopted by global peers, this framework covers products offered under corporate lending, debt and equity capital markets, trade financing, retail financing, insurance, asset and wealth management, derivatives and deposits. The main aim of the framework is to help Maybank's business teams have clarity in developing green, social and sustainable products by looking at the intended use of the proceeds from the product or solution offered, and whether it meets the Group's sustainable standards throughout its life-cycle.

Chairman of Maybank, Tan Sri Dato' Sri Zamzamzairani Mohd Isa said that the Bank has taken a leadership position by introducing such a framework into its business to allow for products and solutions to be designed based on the readiness and needs of its large customer base covering retail, non-retail and large corporates.

"Many of our customers are at different stages of the sustainability journey. We want to support them through this long-term journey and for that, we not only need to be clear ourselves on what is defined as sustainable finance, but also know how to work with our customers to offer them dedicated sustainable, sustainably-linked or transitional solutions based on their needs," he said.

Meanwhile, Group President & CEO of Maybank, Dato' Khairussaleh Ramli said Maybank understands the responsibility it bears in channelling capital towards projects that can help create a positive impact on the environment or that drive a positive social agenda.

"As a leading financial institution in ASEAN and in line with our aspiration to be a regional ESG leader, we want to be able to drive sustainable financing through our regional operations in a more meaningful and impactful manner. This has led us to draw clear definitions of green, social and transition activities to guide our risk, business and sales teams on eligible sustainable financing and solutions. We hope that by giving our teams the right tools and clarity on perimeters of sustainable financing, this can expedite the growth of timely ESG financing solutions over the near term as well as enhance our efficiency in turnaround time for processing of these solutions," he said.

The SPF outlines methodologies and procedures to classify and report financial products and services offered by Maybank as sustainable. It also provides classification logic, eligibility criteria, verification processes and exclusion criteria, among others, for products to be recognised as sustainable finance. The framework also specifies qualifying transition elements for various hard-

to-abate sectors in line with International Capital Markets Association’s Climate Transition Finance Handbook and the decarbonisation pathway set by Transition Pathway Initiative.

The SPF is applicable to all financial products and services that integrate ESG criteria into business or investment decisions to bring about sustainable development outcomes or contribute positively to the achievement of the Paris Agreement goals and United Nations-Sustainable Development Goals (UN-SDG).

The implementation of this framework comes on the heels of Maybank almost reaching its half-way mark of its RM50 billion sustainable financing target by 2025. The Bank has mobilised more than RM13.6 billion in sustainable finance in FY2021 and RM10.3 billion as at 30 June 2022 (1H FY2022), already exceeding its FY2022 target of RM9 billion in sustainable finance. Over 80% of the 1H FY2022 sustainable financing mobilised has been from Malaysia and Singapore, with the bulk of corporate financing targeted at the property, infrastructure and renewable energy sectors.

“Given our significant momentum in mobilising sustainable finance solutions over the last one and a half years coupled with the rollout of the SPF, we will further evaluate our ability to do more sustainable financing in the immediate future,” added Tan Sri Zamzamzairani, who is also Chairman of Maybank’s Board Sustainability Committee.

Meanwhile, Maybank has also exceeded its FY2022 targets for two of its other sustainability commitments as of 1H FY2022. Under its second commitment of improving the lives of 1 million households across ASEAN by 2025, Maybank has achieved 215,945 households as of 1H FY2022 against the full year target of 150,000 households through various community flagship programmes and efforts to drive financial inclusion among the lower income group.

For its third sustainability commitment, Maybank aims to achieve carbon neutral position for scope 1 and 2 emissions by 2030 and net zero carbon equivalent position by 2050. Maybank has successfully reduced 41.1% of its Scope 1 and 2 emissions against its 2019 baseline versus its FY2022 target of 40% reduction, through the commencement of the Malaysia Renewable Energy Certificates and rollout of various energy efficiency programmes.

On the final commitment to achieve 1 million hours per annum on sustainability and delivering 1 thousand significant SDG-related outcomes by 2025, Maybank employees have clocked 848,354 sustainability hours as of 1HFY22 through on-going initiatives to strengthen diversity, equity & inclusion, transparency and governance and sustainability culture.

The SPF was launched by Tan Sri Zamzamzairani on 27th August in Bali in conjunction with Maybank Indonesia’s inaugural Sustainability Day as part of the Maybank Bali Marathon event. Key activities held at the Sustainability Day included the presentation of the SDG awards to R.I.S.E (Reach Independence & Sustainable Entrepreneurship) programme beneficiaries and exhibitions of the Maybank Women Eco-Weavers and R.I.S.E programmes, both of which are Maybank Foundation’s social impact programmes. The event also witnessed the UN Global Compact (Malaysia & Brunei) presenting its case study on Maybank Group’s sustainability journey and achievements in relation to the SDG goals.
