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Headline : CIMB inks MoU with Bursa to expedite ESG adoption among Malaysian PLCs
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KUALA LUMPUR (May 12): CIMB Group Holdings Bhd said it has entered into a memorandum of understanding (MoU) with Bursa Malaysia Bhd to accelerate the adoption of environmental, social and governance (ESG) practices among Malaysian public listed companies (PLCs) via the “#financing4ESG” initiative.

In a statement on Thursday (May 12), CIMB said that under the MoU, the bank will collaborate with the bourse to offer sustainable finance offerings for Malaysian PLCs in alignment with the ratings model of the FTSE4Good Bursa Malaysia (F4GBM) index.

“The collaboration aims to help Malaysian PLCs improve their sustainability performances and ratings for inclusion into the index, and at the same time support their transition towards more sustainable business practices through the various green, social, sustainable impact products and services (GSSIPS) offered by the group,” it added.

CIMB said Bursa Malaysia will also coordinate joint engagement and onboarding sessions for eligible PLCs together with CIMB on the F4GBM framework, as well as the group’s solutions under its GSSIPS framework.

The group noted that the solution may include its existing ESG offerings such as sustainability-linked loans and sustainability-linked treasury solutions for corporate clients, which it said encourage sustainable practices by providing financial incentives to the clients based on their achievement of pre-agreed sustainability performance targets (SPTs).

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“CIMB may also reference the F4GBM framework and ratings model in structuring sustainability-linked transactions with the relevant SPTs for corporates that seek to raise financing or enter into a derivative transaction whilst also strengthening their ESG adoption,” it added.

CIMB claimed that via this MoU, it

will become the first home-grown bank to collaborate with the bourse on “#financing4ESG”.

CIMB Group chief executive officer (CEO) Datuk Abdul Rahman Ahmad said Bursa Malaysia’s “#financing4ESG” initiative is critical for the financial sector to encourage ESG adoption within the corporate sector through sustainable finance.

He noted the initiative will help enhance the long-term resilience and competitiveness of Malaysian businesses and in tandem support the nation’s transition towards a net-zero economy.

“This strategic collaboration is firmly in line with CIMB’s sustainability agenda under our Forward23+ strategic plan. We look forward to working closely with Bursa Malaysia and engaging Malaysian PLCs towards advancing our shared sustainability agenda, and in doing so support the Malaysian government’s commitment to achieving carbon neutrality by 2050,” Abdul Rahman said.

Bursa Malaysia CEO Datuk Muhammad Umar Swift said that as ESG compliance and disclosure have become a global demand, the bourse is pleased to have CIMB join it in its journey to enable Malaysian PLCs to become regional leaders in the ESG space.

“Being one of the largest banks in Malaysia, CIMB is in a position of influence to encourage its clients to adopt ESG best practices,” it noted.

CIMB shares closed five sen or 0.98% lower at RM5.05 on Thursday, giving the group a market capitalisation of RM52.89 billion.