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# RETHINKING THE PURPOSE OF BANKING

UOB Malaysia CEO Ng Wei Wei shares her views on sustainability and how it influences her work at the bank

ESG: Sustainability or environmental, social and corporate governance (ESG) has really taken off in the past few years, and UOB has established financing frameworks for renewable energy, the circular economy and energy efficiency, among other areas. What are your personal thoughts about sustainability and why is it important to you?

**Ng Wei Wei:** Sustainability has always been very close to my heart, as I have always believed in leaving things a little better than they are today.

As a mother, I want to ensure that my son and future generations inherit a better earth. This goes beyond environmental concerns; it also encompasses social and economic factors.

When I rejoined UOB Malaysia in 2019 as country head of wholesale banking, I raised my hand to spearhead the bank's ESG efforts as I saw the trend looming and wanted to be at the forefront in preparing our franchise to not only manage the risk but also to take advantage of the opportunities ESG presents.

As UOB Malaysia's CEO, I can use my position and voice to push this agenda within the bank and our business circle. I believe the private sector can make a strong impact on our country's sustainability goals, and this is what I am trying to achieve through my role.

As a banker who believes in long-term sustainable growth, I am passionate about helping our clients and local businesses, particularly SMEs (small and medium enterprises), to embrace sustainability.

Sustainability will also help local businesses stay competitive in the global value chain. In doing so, we will help Malaysia maintain its competitiveness as we move towards a more sustainable world.

**"Personally, it is very gratifying to be able to contribute to the nation's sustainable growth and help local businesses stay competitive responsibly."**

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Did you have a moment when you realised how sustainability was impacting your life? Can you share that experience and how it made you feel? I think everyone would agree that the effects of climate change are becoming more noticeable in Malaysia. The hot and rainy seasons have become more extreme, and the frequent haze we experience has affected our air quality tremendously.

As our head office is located in the heart of Kuala Lumpur, I also witnessed first-hand how Masjid Jamek was flooded back in 2021 and 2022.

These environmental disasters are definitely some of the moments that made me realise that climate change impacts not only our health but also our livelihoods and way of life.

They have made me even more determined to drive awareness of sustainability in my circle of influence.

To walk the talk, I have installed solar panels on my own house using UOB's U-Solar programme. So far, my family and I are very happy U-Solar customers, doing our part for the environment while enjoying the benefit of immediate cost savings. We have been sharing our experience with our friends and business associates, and many have jumped on the bandwagon.

**What was it like to bring sustainability into the bank? Was it challenging?**

ESG has reshaped the way we operate and set directions for the bank. It has made us rethink our purpose, especially on how we want to contribute to the country and the people.

Banks clearly have a key role to play, as we can ensure capital is channelled towards financing projects that help the transition to net zero. As the CEO of UOB Malaysia, I have a responsibility to ensure we walk the talk.

I am very fortunate that UOB is an organisation with a clear sustainability strategy, underpinned by its corporate purpose, which mirrors the business approach of balancing growth with responsibility for the long term.

From the top down, the bank has communicated a strategy that considers the influence and impact our decisions and actions may have on our stakeholders and the environment.

UOB started its ESG journey about 10 years ago, and the challenge now is in managing our Scope 3 financing emissions. For that,







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UOB Group announced our net zero commitment across six sectors last year and we are investing a lot of time and effort to put in place key building blocks to help accelerate ESG adoption.

The good news is that there has been an increase in awareness of sustainability since the pandemic. It has become an easier topic of conversation now than five years ago, and more of our customers are coming to us to seek advice.

I believe that the transition to net zero would require a more sector-focused approach to address the different challenges and requirements of each sector.

The sectoral pathways will be key with clear baseline and targets and enabling policies put in place, as well as timelines set for decarbonisation. This is important to ensure that we are all moving in a timely and coherent manner.

These policies should be practical and implementable not just for big corporates but

Pedestrians crossing the street in heavy rain in Kuala Lumpur. The impacts of climate change are increasingly being felt in Malaysia.

also for SMEs. It is crucial to help our SMEs make the transition as not only are they the backbone of the economy, many are part of global supply chains and even more so, given that Malaysia is an export nation.

For UOB, the green solutions we offer are aligned with our strategic sectors to provide each sector with tailored solutions relevant to their unique challenges and this has been well received by our customers.

I am encouraged to see UOB Malaysia's sustainable financing portfolio increase by six times from 2021 to 2022, growing even faster than conventional loans. Having said that, a lot still needs to be done to educate and help the business community, especially SMEs.

**What was the most satisfying part of the journey for you?**

To me, it is very satisfying to witness the collective efforts of the financial sector, the



government, industry associations, certification bodies, the media and other stakeholders in making a positive impact on the nation's sustainability agenda. After years of effort, I would say the awareness level of sustainability in the country is very strong today and more businesses are now willing to embrace sustainability.

Personally, it is very gratifying to be able to contribute to the nation's sustainable growth and help local businesses stay competitive responsibly. I can also see the same renewed sense of purpose among my team across UOB Malaysia as we embrace ESG as a key strategic focus.

I would like to thank Bank Negara Malaysia for recognising our efforts in the sustainability space. UOB Malaysia has recently been invited to co-chair an SME focus group established within Bank Negara's Joint Committee on Climate Change.

We are indeed honoured to be given the opportunity to work with Bank Negara to help SMEs transition to sustainability and contribute towards the country's net zero goal.

Internally, we have achieved carbon neutrality for our own emissions since 2021. We are also very proud that our new headquarters, UOB Plaza 1 KL, is the first bank building in Malaysia to be earmarked for Platinum Certification by GreenRE and for BCA Green Mark.

Externally, UOB Group has developed five sustainable financing frameworks, which have been implemented in Malaysia and across other Asean markets as well as China and Hong Kong.

By working with industry players, we have also launched three green ecosystem solutions in Malaysia: U-Solar, U-Energy and U-Drive, which come with green financing solutions in the areas of renewable energy, energy efficiency and green mobility respectively.

Recently, UOB also supported a syndication programme to extend financing facilities to EPR Mobilus GR JV Sdn Bhd to develop Southeast Asia's first hydrogen-powered autonomous rapid transit in Kuching, Sarawak. As a Malaysian, I'm very proud that Malaysia is the first country to implement this first-of-its-kind sustainable public transportation, and UOB is honoured to be part of it.

**Going forward, what are some of the goals related to sustainability or ESG that you'd like to achieve?**

As a group, UOB is now focused on delivering on our commitment to achieving net zero by 2050. We announced our net zero commitment last October and UOB is one of the earliest banks in Southeast Asia to do so.

Our efforts are now focused on reducing financed emissions that fall under Scope 3. UOB's net zero commitments cover six key sectors that make up 60% of our corporate lending portfolio. They are power, automotive, oil and gas, real estate, construction and steel.

As a banker, one of my aspirational goals is to make sustainable financing the norm rather than the exception. Normalising green financing will lead us closer to a sustainable future where environmental stewardship, social responsibility and economic prosperity go hand in hand.

I hope to see sustainability financing make up more than half of our loan portfolio one day. But for now, we will continue to grow UOB Malaysia's sustainability financing portfolio and support our clients to transition.

**What message or advice do you have for Malaysians or those in the financial sector who would like to make a difference?**

Sustainability is a very daunting topic, nonetheless, the opportunity is immense and the time for action is now.

It is important for businesses to understand that sustainability is here to stay, and overlooking it in their decision-making can lead to negative consequences in the long run.

There is always a cost to doing business, whether it is an investment in capital expenditure, operating expenses or even to avoid future costs such as reputational damage or even competitive disadvantage.

My advice is to embark on the journey now; don't just manage the risks but also carve a competitive edge by leveraging sustainability opportunities where government grants, incentives and private capital are readily available. Seek expert advice and attend workshops to increase your understanding of sustainability.

For my fellow Malaysians, many of us understand the importance of pivoting to a more environmentally friendly way of living. We all can do our part, no matter how big or small, to contribute towards creating a better environment and to encourage our circle of influence to embark on the journey. 🌱