



USMAN AHMED
CEO, Citi Malaysia

WHAT we once thought was a problem for future generations is in fact an issue we must face today, says Usman. “As a firm, we see this not just an opportunity to lead, it’s an opportunity to partner and work with our clients to achieve their sustainability goals, decarbonise their businesses, green their portfolios and be the world’s leading bank in driving transition to a low-carbon economy.”

He agrees that financial institutions have a significant leadership role to play, working closely with clients and offering support. “We are in a unique position of influence to drive the ESG agenda forward by striking a balance between capitalism driven by economic activity and the importance of a societal role in sustainable economic growth.”

Capital has become a major issue in pushing the ESG agenda globally. “The scale of the financing challenge is huge: in order to meet the ambitions of the Paris Agreement, climate financing globally will need US\$2.4 trillion per year. Citi is doing all it can to support this. In 2019, we met our US\$100 billion environmental finance goal four years early. In April 2021, we announced a US\$500 billion environmental finance goal and a US\$1 trillion sustainable finance goal, all by 2030,” according to Usman.

More importantly, Citi has made circular economy and sustainable agriculture and land use as new criteria for its US\$500 billion Environmental Finance Goal. The bank, Usman says, will not provide project-related financing for new thermal coal mines, or significant expansion of existing mines, and has set targets to phase out its financing of mining companies that derive 25% or more of their revenue from thermal coal mining.

Citi is also intensifying the support it provides issuer clients not just by offering green finance but also helping them accelerate the transition to a more sustainable and equitable future. At the same time, the bank is helping buy-side clients identify opportunities to transition their portfolios to cleaner companies, he adds.

As to his own role, Usman says: “I want to push further, so that the scope of our sustainable financing efforts in Malaysia is growing continuously and covers all client segments — from investors repositioning their portfolios toward greener industries to corporates realigning their business models through acquisitions and divestitures. Our institutional commitment to building a greener future cuts across all these activities.

“These include opportunities to help buy-side clients transition their portfolios to cleaner companies and M&A (mergers and acquisitions) opportunities to divest and exit as they move to cleaner energy.”

In many cases, Citi co-develops solutions together with its buy-side clients to address their key requirements, he adds. One is the creation of the ESG World Indices — Citi’s first proprietary indices to offer a benchmark for the best-in-class ESG performers.

“In Malaysia, we set up our own ESG Taskforce this year. To date, Citi Malaysia has launched three ESG-themed funds for our consumer clients, including the RHB Sustainable Global Thematic Fund where Citi is the exclusive distributor and has raised over RM250 million from this fund with an initial target of RM100 million. We also launched the ESG Kinetic Equities Fund and the Global Climate Change Fund,” says Usman.

“We are not only working with clients to reduce their carbon footprint, we are taking action ourselves. Since 2001, we have worked to measure, manage and reduce the direct environmental impact of our operations by tracking energy use, greenhouse gas emissions, water use, waste and green building initiatives. We remain committed to reducing the environmental footprint of our 7,000 facilities in close to 100 markets. Much of this focus is on ensuring that our property portfolio is greener with clear and responsible targets.”

In Penang, for example, Citi is embarking on Penang Cityplan, a project to consolidate Citi’s two existing large premises on the Island into a new, sustainable and innovative site, which comes with Multimedia Super Corridor status, by June 2023.

“Some of the green features of this new site include Leeds Silver Certification for interior renovation works, a strategic location for public transport, water-efficient fittings to help save water, energy-efficient installations including the use of photosensors and occupancy sensors in all the office spaces, double-glazing façade glass for energy efficiency and ensuring that all office electronic equipment are Energy Star certified for further energy savings,” says Usman. **E**



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