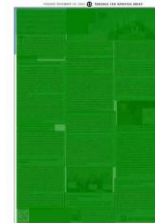


Media Title : The Edge CEO Morning Brief  
 Headline : ALLIANCE BANK'S DUAL APPROACH TO SUSTAINABILITY: FINANCIAL AND NON-FINANCIAL EMPOWERMENT FOR PLCS AND SMES  
 Date : 19 December 2023  
 Section : World  
 Page : 15



## ALLIANCE BANK'S DUAL APPROACH TO SUSTAINABILITY: FINANCIAL AND NON-FINANCIAL EMPOWERMENT FOR PLCS AND SMES



The Environmental, Social, and Governance (ESG) movement has done much to impact and redefine the business landscape and this transformative force is here to stay. As the discourse surrounding ESG gains momentum, many parties, including Alliance Bank are playing their part in getting businesses to move beyond compliance to embrace ESG in a concrete manner.

### The Dawn of Mandatory ESG Reporting

Back in September 2022, Bursa Malaysia Securities Berhad (Bursa Securities), introduced enhanced sustainability reporting requirements for public listed companies (PLCs) on the Main Market and ACE Market. The enhanced sustainability reporting framework calls for improved reporting related to common sustainability matters, climate change disclosures in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and enhanced quantitative information.

In October 2023, Capital Markets Malaysia (CMM), an affiliate of the Securities Commission Malaysia, launched its Simplified ESG Disclosure Guide (SEDG) targeting small and medium enterprises (SMEs) in global supply chains. Simplifying ESG frameworks and offering ESG disclosure guidelines for SMEs, the SEDG empowers SMEs with a practical framework to track and report their ESG data, respond effectively to disclosure requests from stakeholders, and embrace sustainable practices.

### Alliance Bank's Proactive Role in Empowering PLCs and SMEs

As the mandate for enhanced ESG reporting gains importance, Alliance Bank has been at the forefront of preparing PLCs and SMEs for this shift. To date, the Bank has been proactively offering several financial and non-financial solutions to ensure PLCs and SMEs are not only up to speed and compliant with regulatory criteria but also benefit from the transparency, accountability and competitive advantages that come with ESG reporting.

### Supporting the Charge in Sustainability Intelligence

In May 2023, Alliance Bank, Bursa Malaysia, and Mah Sing Group Berhad formed a strategic alliance that positioned these parties as frontrunners in integrating sustainability into the business ethos of Malaysian businesses. The collaboration entails onboarding local companies onto the Centralised Sustainability Intelligence (CSI) Platform jointly developed by Bursa Securities and the London Stock Exchange Group to help expedite the adoption and integration of ESG practices among local businesses.

The CSI Platform calculates carbon emissions of suppliers listed by PLCs, helping corporates identify high-emission suppliers, a significant part of their Scope 3 emissions reporting. Alliance Bank's participation signifies its commitment to

advancing corporate ESG practices and assisting businesses in managing their Scope 3 emissions, ultimately contributing to a greener future.

### Alliance Bank's Sustainability Supply Chain Programme

The Bank's Sustainability Supply Chain Programme aims to foster sustainability within the supply chain ecosystem in collaboration with PLCs and their SME suppliers. It encompasses the following, among other initiatives:

**PRO-GRESS:** The Bank's 'Promoting Green Resilient & Sustainable SMEs' or 'PRO-GRESS' diagnostic tool (which focuses on the 'E' component within ESG), developed in collaboration with UN Global Compact Network Malaysia and Brunei (UNGCMYB), offers a free Climate Assessment & Action Plan. Suppliers complete a 39-question survey in less than 30 minutes, generating a climate maturity report with a rating benchmarked against peers, and an action plan for improvement. Alliance Bank then links the climate maturity scores with financial incentives, offering preferential rates for both green and non-green financing to suppliers.

**Green Funds for Sustainable Growth:** The Bank promotes Bank Negara's green funds specifically designed to assist SMEs in their sustainability journey. These funds include the High Tech & Green Facility (HTG), Low Carbon Transition Facility (LCTF), and SME Automation and Digitalisation Facility (ADF), all of which make green financing more accessible and affordable for SMEs.

**Sarawak's Climate Inclusive Financing & Development Programme:** November 2023 saw the Bank collaborating with InvestSarawak Sdn Bhd and UNGCMYB under this initiative to get Sarawakian SMEs to fast-track their adoption of sustainable practices. To accelerate climate transition, the Bank is offering RM1 billion in green financing over the next four to five years and climate assessment tools as well as running capacity-building workshops to enable Sarawakian SMEs to be globally competitive.



### Comprehensive Support Beyond Financing

Today, Alliance Bank is also providing businesses with a wealth of non-financial solutions:

### Expertise and Exclusive Green Solutions:

The Bank connects suppliers with a panel of subject matter experts and green solution partners, such as solar partners, to advise on suitable green solutions. This non-financial support enables SMEs to make informed decisions about sustainability and access exclusive offers.

### Educational Resources for Sustainable Development:

Through its partnership with UNGCMYB, the Bank provides access to the latter's online training materials on sustainable practices, helping SMEs stay informed and adapt to evolving sustainability standards and practices.

### Operational Cost Efficiencies:

Alliance Bank supports SMEs in reducing operational and energy costs through solar and energy efficiency solutions. This is increasingly important as the government starts reducing electricity subsidies, affecting high-voltage commercial users and eventually other high-energy users.



### Forging Ahead: A New Milestone in Strategic Sustainability Collaboration

The recent GO ESG 2023 Sustainable Finance Symposium, held on 24 November 2023 at the Parliament of Malaysia, brought together key stakeholders to explore the integration of finance with sustainable development goals. This event featured panels and discussions emphasising multi-stakeholder collaboration for a sustainable future. Concurrently, a significant Memorandum of Understanding was signed between UNGCMYB and Alliance Bank, reinforcing their commitment to supporting sustainable business practices. This partnership includes Alliance Bank's pledge of RM2 billion in financial support earmarked for working capital and other financing critical to business sustainability needs.

### The 3As Approach – A Strategic Sustainability Framework for Businesses

Finally, to help PLCs and SMEs navigate the intricate and often complex ESG landscape, Alliance Bank is offering them its simple yet strategic 3As Approach – ADVOCACY, ADVICE and ANSWERS. This holistic framework for ESG integration, which combines strong advocacy, actionable advice, and practical solutions, provides any business with a roadmap they can leverage to confidently navigate the complexities of sustainability.



Alliance Bank, UNGCMYB and SME Corp Malaysia launched a joint survey to encourage businesses to kickstart their journey towards sustainability and provide guidance on how to turn ESG practices into a source of competitive advantage and success.  
 Scan the QR code to download your copy today!



Visit [alliancebank.com.my](http://alliancebank.com.my) for further information and to discover more interesting insights on how we are helping SMEs better navigate their sustainability journey.

