

Media Title : The Edge  
 Headline : Public Bank to mobilise RM100 billion of sustainable financing by 2030  
 Date : 17 June 2024  
 Section : BUSINESS & INVESTMENT  
 Page : 7



# Public Bank to mobilise RM100 billion of sustainable financing by 2030

It is Public Bank Group's corporate mission to be the most efficient, profitable and respected premier financial institution in Malaysia. To achieve this goal, sustainability is a key strategy in the journey, given the risks and opportunities posed by climate change globally. Since 2022, the group has embarked on various efforts to integrate climate-related considerations into its business strategies and risk management processes. These include mobilising RM100 billion in sustainable finance by 2030 and the commitment to achieve net-zero carbon emissions by 2050.

Underlying these ambitions is the group's Sustainability Framework, which comprises four strategic themes: protecting the environment, proficient employees, prosperous customers and communities, and principled conduct. The group is also focused on contributing towards 12 of the United Nations' Sustainable Development Goals.

Three climate-related strategic directions guide the group's strategies in tackling climate change. These are to accelerate sustainable finance and investing, reduce the operational and finance footprint, and manage the resultant risks manifesting from climate change.

## Variety of green financing opportunities

As the global economy moves to reduce carbon emissions, the demand for financing solutions that can help them achieve their goals has also risen. Public Bank Group is well poised to meet these needs, and since 2020, it has mobilised RM53.91 billion in sustainable financing.

The group's financing activities are guided by its Sustainable Finance Framework (SFF), which outlines the methodology and procedures for the classification of loans or financing products as "green". Meanwhile, the Sustainable Products and Services Guideline (SPSG) outlines eligible economic activities and criteria for green financing.

A variety of financing solutions are available under the SFF. Green financing facilities, for instance, are introduced to support climate mitigation, transition and adaptation activities. Eligible activities include green certified properties, purchasing of solar panels, clean transport and capital raising for energy-saving technology research and development.

The Sustainable Financing package is offered in collaboration with reputable property developers for customers who acquire green-certified and sustainable residential, industrial and commercial properties.

The Energy-Efficient Vehicle Financing, meanwhile, offers preferential rates for electric vehicle financing, while



## SUSTAINABILITY THEMES AND MATERIAL MATTERS



solar panel financing offers attractive profit rates and margin of financing up to 100% of the solar panel price through Public Islamic Bank.

It is not all just about green activities, though. The group's Social Agenda Financing addresses social activities that promote strong social values and result in positive social impact, such as the purchase of affordable homes and development of public infrastructure projects.

## Walking the talk

To achieve the net-zero emissions by 2050 goal, Public Bank Group intends to improve energy efficiency within its operations and increase the use of renewable energy. Since 2017, various solutions such as replacing lights with more energy-efficient LEDs and installing solar panels have been implemented.

The priority is currently on reducing Scope 1 and Scope 2 emissions from the group's main buildings and branches.

Additionally, to measure the group's financed emissions, it became a signatory to the Partnership for Carbon Accounting Financials, a global carbon accounting

standard to assess emissions from financing and investments. This is a critical step for the group to measure its Scope 3 emissions, which form the largest segment.

Following this, the group measured the Scope 3 financed emissions of five asset classes: motor vehicles, mortgages, commercial real estate, business loan and project finance. This adds to the Scope 3 emissions from business travel and employee commutes that it already measures and discloses.

To further demonstrate the group's commitment, Menara Public Bank 2 has been designed incorporating green features and certified LEED Gold. The building houses a solar panel system covering 400m<sup>2</sup> of the roof. The group will explore the feasibility of installing more solar panels across its properties.

## Managing climate change risks

The impact of climate change, especially in the form of extreme weather events and flooding, will cause severe damage to business assets and resources if it is not properly managed.

Therefore, Public Bank Group has a robust and systematic process to identify, assess and monitor climate-related risks as part of its existing risk management process to ensure exposures are managed, and to safeguard the group's interest while ensuring business viability.

It is the group's goal to screen financing activities from the material risk of environmental or social impact. Environmental, social and governance (ESG) considerations are embedded in the credit onboarding and review processes to ensure risks are identified and mitigated.

Coupled with the SFF and SPSC, the identification of ESG risk in the borrower's profile also provides an avenue for the group to engage with borrowers and assist them in their transition journey towards more sustainable practices.

Thanks to these efforts and commitment towards sustainability, the bank has secured an "AA" rating from MSCI ESG Ratings since 2015, and is part of four of the FTSE4Good indices, including the FTSE4Good Bursa Malaysia Index. Additionally, it was awarded the Gold Award in *The Asset ESG Corporate Awards 2022*, which it has won since 2019.



For more information on Public Bank's products or sustainability achievements, kindly visit <https://www.publicbankgroup.com/sustainability/overview/>