

Maybank's ESG Commitment

As a responsible corporate citizen, Maybank is committed to ensuring good environmental, social and governance (ESG) practices, including the promotion of sustainable finance. This is very much aligned to our mission of Humanising Financial Services.

We are aware of the role we can play in creating a sustainable future for all, and in this regard, we continuously seek to understand the needs of our different stakeholders, while remaining attentive to the implications of our actions on the communities we serve. We regularly assess how we can further embed sustainability considerations into our business operations and investment behaviour, so that we can manage our risks appropriately even as we help facilitate economic and societal growth.

Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework

Our ESG framework has been developed to be in line with the Group's sustainability strategy for all of the Group's business activities.

We have established a list of criteria as part of our Responsible Lending guidelines in managing ESG risks since 2015. This provides us with a framework on how to be selective in our lending decisions, based on key ESG principles.

Our approach to sustainable finance includes:

- Understanding ESG impacts of transactions that we finance and are involved in;
- Supporting low-carbon businesses and transactions;
- Implementing our Responsible Lending Guidelines since 2015;
- Through our Islamic-first policy, our lending practices are enhanced by Shariah-principles and we refrain from lending in prohibited sectors.

As part of our continued commitment towards better ESG practices, we have enhanced and reviewed our ESG framework over time. In 2016, we did a thorough review of our approach towards assessing ESG risks in our lending. The enhancements to our ESG framework have taken into account key principles and best practices from:

- United Nations' Human Rights policy
- International Finance Corporation (IFC)'s standards, and
- Global environmental standards

As a result, an enhanced Maybank Group Environmental, Social & Governance (ESG) Risk Management Framework was formulated and approved by the Board in 2017. This new framework is more aligned with global practices and incorporates an ESG risk assessment to ensure that all activities undertaken are consistent with our core values and mission. We also make sure all transactions are reviewed against applicable requirements and that our clients understand our policy commitments.

We now also consider ESG commitments in our investments, particularly through Maybank Asset Management. We have also invested in the Malaysian ESG Opportunity Fund (MEQESG), an ESG Equity Growth Fund. Assessment on ESG risks will also be incorporated as part of our evaluation when determining the activities to be involved in.

The components of Maybank’s ESG commitments cover the following areas:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Climate change • Land usage • Water usage • Energy usage • Emissions and waste • Natural resource conservation / sustainability 	<ul style="list-style-type: none"> • Human rights • Employee rights and benefits • Workforce diversity • Products and services responsibility • Community relations • Supply chain management • Community investment 	<ul style="list-style-type: none"> • Corporate governance • Transparency and reporting • Financial sustainability • Stakeholder engagement

As part of this framework, Maybank will also not finance activities that are deemed to be not in line with our core values as well as international best practices, including, but not limited to:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans
- Money laundering and / or terrorism activities
- Business entities / corporations as per the Group’s Sanctions Policy and Group’s PEP Policy
- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour
- Production or trade in pornography, prostitution, and related services
- Production or trade in weapons and firearms
- Production and trade in endangered animal species
- Production or trade in radioactive materials, including nuclear power generation and related services
- Production or trade in unbonded asbestos fibers
- Activities that could damage any World / National / UNESCO heritage sites
- Activities that could have a significant adverse impact on the environment and / or the surrounding community and are not in compliance with international and / or local standards, regulations and laws.

Maybank is aware of the importance of ESG in our business and we are constantly working with our customers to ensure that all applicable ESG guidelines and regulations for their industries are met, as well as to create awareness on their part for the need to adopt sustainable practices.