



Global Compact  
Network  
Malaysia & Brunei

# Net Zero Pathway: Operationalising Climate Transition Across Maybank's Portfolio

A Case Study of



**Maybank**



Knowledge Partner:



Sunway  
**BUSINESS  
SCHOOL**

## Malayan Banking Berhad

### *Operationalising a Portfolio-Driven Net Zero Pathway Across ASEAN*



Maybank is Malaysia's largest financial services group, operating across the ASEAN region with a long-standing commitment to humanising financial services.

This case study examines how Maybank operationalised its Net Zero Pathway across its portfolio—embedding climate transition into portfolio governance, sector prioritisation, interim targets, digital tools, and internal capability-building. The approach reflects a deliberate focus on supporting a just, credible, and regionally appropriate transition for ASEAN's hard-to-abate sectors, while strengthening accountability across core banking activities.

### Company At A Glance

- Industry: Financial Services
- Headquarters: Kuala Lumpur, Malaysia
- Malaysian Workforce: 43,000+

### The Challenge

The decision to establish the Net Zero Pathway was driven by the convergence of climate-related regulations, capital allocation strategies, and risk management demands, pushing the urgency of climate action, and Maybank's core strategic ambition to be a sustainability leader in ASEAN. Embedded within the M25+ Strategy, this initiative required operationalising climate commitments into the core of Maybank's business. Maybank recognised its responsibility to mitigate escalating climate-related risks—both physical and transitional—while capitalising on low-carbon opportunities. This necessitated a shift from voluntary reporting to active balance sheet management.

Customers in high-emitting, hard-to-abate sectors were central to this transition, as the Bank recognised the importance of supporting

their decarbonisation journey rather than resorting to divestment. In parallel, the investment community, regulators, and international peers exerted strong influence—demanding transparency, science-based governance, and credible climate leadership. Maybank's commitment to be among the earlier banks in Malaysia to publish a Net Zero target aligned with global benchmarks and investor expectations, reinforced its leadership ambition.

Crucially, the Net Zero Pathway needed to embed the principle of a just transition to address ASEAN's unique socio-economic development needs, ensuring that climate ambition supports continued equitable growth and stability for communities and industries highly dependent on the six in-scope, hard-to-abate sectors.

## The Action

Maybank implemented its Net Zero Pathway through a structured, five-phase approach:-

### Phase 1: Baseline Financial Emissions and Identifying Priority Sectors

Maybank initiated a comprehensive Climate Resiliency Project to assess climate exposure and define strategic priorities. This resulted in the first bank in Malaysia to establish Scope 3-financed emissions baselines across the entire balance sheet in 2022.

### Phase 2: Establishing Strategic Programme 9 (SP9)

Strategic Programme 9 (SP9) was established under the M25+ Strategy as the central development and implementation mechanism for Net Zero delivery. SP9 aligned cross-functional teams, governed implementation, and oversaw the development of operational frameworks and digital enablement tools.



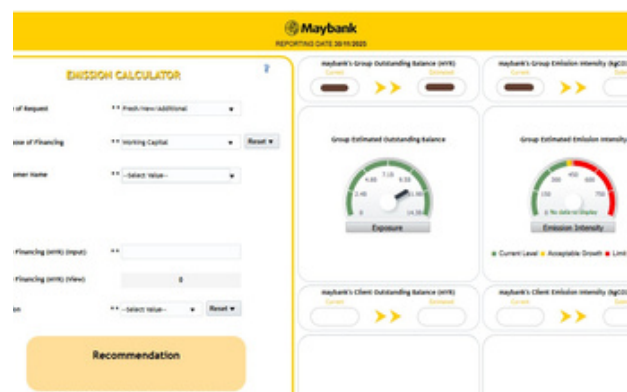
### Phase 3: Securing Commitments and Setting Targets

Maybank secured full Board and senior management endorsement for its Net Zero by 2050 ambition. Interim 2030 physical-emissions reduction targets were set for six high-emitting, hard-to-abate sectors: Power, Palm Oil, Steel, Aluminium, Automotive, and Commercial Real Estate, alongside the publication of a white paper entitled Banking on a Better Tomorrow: Our Commitment to Net Zero to ensure transparency and stakeholder alignment.

### Phase 4: Operationalising the Net Zero Strategy

To translate ambition into execution, Maybank deployed a suite of integrated tools and frameworks:

- **Net Zero Carbon Calculator (NZCC) and Portfolio Management (PM) Tools** to support deal-level assessments and portfolio tracking against sectoral pathways





- **Transition Finance Framework (TFF) and Sustainable Product Framework (SPF) to guide credible capital deployment, complementing existing NDPE and No New Coal Financing policies**

### Phase 5: Building Internal Capabilities and Market Execution

Capability-building programmes, including simulation-based training, equipped client-facing teams to structure sustainability-linked and transition finance solutions. Relationship Managers were enabled to co-create sector-specific decarbonisation pathways with clients using Maybank's Net Zero tools and frameworks.

## Enablers For Sustainability Performance And Impact



### Leadership & Culture

The Group's Net Zero ambition is championed by the President and Group Chief Executive Officer (PGCEO), supported by the Group Chief Sustainability Officer (GCSO) and Group Chief Risk Officer (GCRO), with mandates from the Board and Group EXCO under the M25+ Strategy. Governance is embedded into key decision-making bodies, including the Board and EXCO Sustainability Committees, Group Management Credit Committee, Group Executive Risk and Compliance Committee and Risk Management Committee.



### Strategy

The Net Zero Pathway is a core pillar of the M25+ Strategy, positioning Maybank for long-term, sustainable growth. Success is tied to reducing financed emissions through the 2030 interim targets across six hard-to-abate sectors.



### Process

Two interconnected workflows enable execution:

- **Target Setting Process** – A six-step methodology that defines in-scope emissions, establishes baselines, projects scenarios, assesses gaps, designs a Green Sector Strategy, and sets 2030 targets.
- **Net Zero Operationalisation Process (NZOP)** – Embeds emissions tracking, client engagement, and capital allocation into Business Unit workflows.



### Governance

Accountability is driven by the Board Sustainability Committee, EXCO Sustainability Committee, and M25+ Steering Committee, ensuring strategic oversight and integration across the Group.



### Resources

The initiative is funded through Maybank's core financial, technical, and human capital resources under Maybank's Sustainable and Transition Finance Strategy. Strategic Programme 9 (SP9) receives dedicated funding through the M25+ budget process, ensuring long-term commitment and governance oversight. To support client decarbonisation, financing is deployed via loans, bonds, sukuk, and advisory services, guided by the Sustainable Product Framework (SPF) and Transition Finance Framework (TFF).



### People

Employees are central to execution, with SP9 leading through specialised sub-teams. Cross-functional collaboration with Technology, Business Units, Group Learning, and key home markets ensures localisation and delivery. Relationship Managers and Credit Personnel are upskilled via initiatives like Shark Tanks where Relationship Managers' ability to identify and pitch sustainability and decarbonisation opportunities are strengthened. This is enhanced with the NZOP training and digital tools embedding accountability into daily engagement.



### ESG Data

ESG data underpins the Net Zero Pathway target setting and 2030 targets progress monitoring ensuring scientific alignment and regional relevance. The ESG datamart feeds directly into the NZCC and PM Tools enabling accurate tracking and decision-making.



### Digital Transformation

The NZCC enables Relationship Managers across Malaysia, Singapore, and Indonesia to assess client emissions at loan origination. PM Tools allow portfolio managers to track emissions intensity, monitor pipelines, and adjust portfolios. The fully digitalised NZOP ensures integrated, auditable, and scalable workflows.



### Partnerships and Stakeholder Engagement

Relationship Managers co-create decarbonisation pathways with clients. Maybank co-develops the TFF and SPF with regulators, industry bodies, and experts to set regional benchmarks, align with standards, and contribute to forums like Joint Committee on Climate Change (JC3).



### Supply Chain and Procurement

The No New Coal Financing Policy directs financing away from high-emission assets, extending sustainability expectations across the value chain to adopt cleaner energy sources.

Scope 3 targets covering upstream emissions—such as in palm oil—extend sustainability expectations to suppliers and clients, embedding the Net Zero mandate across the supply chain ecosystem.

## Overcoming Barriers

Implementing a Net Zero pathway across a diversified, regionally active financial group presented structural, data, and market-related challenges. These barriers required Maybank to balance ambition with practicality—strengthening internal capabilities, improving data availability, and supporting client transitions—while operating across sectors and markets at different stages of climate readiness.

### 1. Addressing Data Scarcity with Proxies and Internal Acceleration

Maybank's biggest challenge is data scarcity and quality, as many clients in emerging markets have yet to measure or report emissions. The Bank addressed this by using the best available proxy data while accelerating internal efforts to gather actual client data.

### 2. Translating Targets into Daily Decision-Making

Operationalising high-level Net Zero targets across the Bank required embedding climate impact into daily frontline decisions. Maybank resolved this through digitalisation—deploying proprietary tools that provide near real-time emissions data and simulation capabilities. These tools enable Relationship Managers and Portfolio Managers (PMs) to assess client emissions at the point of financing, ensuring continuous alignment with sectoral glidepaths.

### 3. Balancing Climate Ambition with a Just Transition

A key challenge is achieving Net Zero without divesting from high-emitting, yet systemically important, sectors.

Maybank overcame this by launching credible transition finance frameworks that provide clear pathways for client decarbonisation, shifting its role from financier to strategic partner.

### 4. Upskilling Frontline Teams for Complex Sustainability Deals

Client-facing staff initially lacked the expertise to structure transition finance solutions. Maybank addresses this through targeted upskilling, delivering practical training on Net Zero sectors, decarbonisation, and sustainability-linked structuring. This built the internal capability to deliver on the Net Zero ambition.

## Impact and Results

Maybank's Net Zero Pathway has translated strategic ambition into measurable, balance-sheet-driven outcomes by embedding climate considerations into governance, capital allocation, frontline decision-making, and client engagement. The results reflect how a bank-led transition strategy can strengthen accountability, mobilise sustainable finance, and reinforce market confidence while supporting a just transition across hard-to-abate sectors.

### 1. Strategic Clarity and Enterprise-Wide Accountability

Clear interim milestones were established to anchor Maybank's long-term Net Zero ambition and guide execution across the organisation.

Key outcomes include:



**2030 interim financed emissions**  
targets set for **six priority sectors**



**Sectoral decarbonisation pathways**  
providing a quantitative basis for planning, monitoring and portfolio alignment



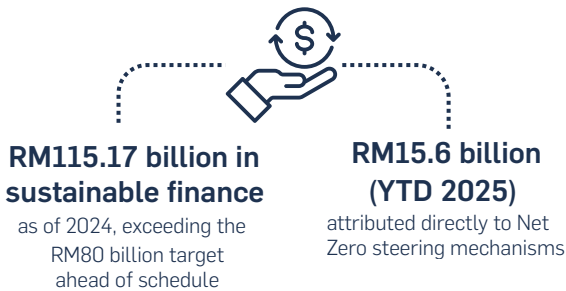
Business Units using these targets to

- steer capital allocation
- support portfolio decisions
- embed accountability

into core decision-making processes

## 2. Sustainable Finance Mobilisation at Scale

The Net Zero Pathway strengthened Maybank's ability to mobilise sustainable and transition-aligned financing in support of client decarbonisation.



- **Five Shark Tank workshops conducted across three countries, upskilling 42 Relationship Managers, resulting in 22 client pitches and 19 accepted deals**



## 3. Climate Embedded into Core Banking Processes

Climate considerations have shifted from compliance-driven reporting to operational decision-making.

- **The Net Zero Operational Pathway (NZOP) integrates climate risk into core lending and portfolio management**
- **Portfolio Emissions Indicators (PEIs) serve as tangible performance metrics**
- **Business Units actively track and manage transition risks using NZCC and PM tools**

## 4. Frontline Enablement and Ownership

Maybank strengthened execution by equipping frontline teams with practical, decision-ready tools.

- **The Net Zero Carbon Calculator (NZCC) enables Relationship Managers to assess deal-level emissions impact**
- **Digital tools institutionalise accountability and support credible client transition discussions**
- **Business Units are held responsible for portfolio-level alignment with sectoral pathways**

## 5. Efficiency Gains Through Digitalisation

Digital infrastructure improved both execution speed and decision quality.

- **Automated emissions data marts improved reporting efficiency and analytical capability**
- **Near real-time emissions tracking enhanced coordination across business functions and markets**

## 6. External Ratings, Transparency, and Market Confidence

Progress under the Net Zero Pathway has strengthened external confidence.



## 7. Framework Development and Regional Contribution

Maybank's approach has contributed to shaping sustainable finance practices beyond the organisation.



Launch of  
**ASEAN's first  
Transition Finance  
Framework (TFF)**



Chairing the development of  
**Sustainable and  
Transition Finance  
Guidance (STFG)**



Serving as **Lead Secretariat**  
for **JC3 Sub-Committee 4 (SC4)**  
on climate-related disclosures

## 8. Industry Trust and Thought Leadership

Maybank's leadership has been recognised across regional and global platforms.

- **Senior leaders featured at UNEP FI, BNM–GFANZ Transition Planning Clinics, and other international forums**
- **Recipient of the Net Zero Industry Award for Banking at the ESG Business Awards**
- **Recognised by peers and stakeholders for its structured approach to sustainable and transition finance**

## Key Lessons Learned

### 1. Set Targets That Balance Ambition and Practicality

One of the most critical lessons is that setting a Net Zero target, while essential, is not sufficient on its own. In emerging markets, clients operate at vastly different stages of readiness, making a one-size-fits-all approach ineffective. Ambitious targets must be grounded in a realistic, data-driven baseline and be adapted to the region's economic realities. Recognising this, Maybank focused on six material sectors and tailored decarbonisation pathways, ensured that its Net Zero targets were both science-based and economically achievable.

### 2. Engagement Over Divestment Enables Real Transition

Balancing Net Zero ambition with portfolio growth is inherently complex. Simply exiting high-emitting sectors would risk excluding those most in need of support for transition. Maybank's experience shows that a just transition requires proactive engagement and tailored financing solutions—not divestment—so that no client is left behind. By designing sector-specific pathways, Maybank enable practical decarbonisation for its clients and portfolio, ensuring long-term sustainability and inclusive growth.

### 3. A Just Transition Must Be Intentionally Designed

In ASEAN region, divesting from high-emitting but systemically important sectors are neither feasible nor responsible. Maybank learned that true climate action requires clear frameworks that finance transition, not abandon emissions. This approach solidifies the Bank's role as a strategic partner in enabling decarbonisation while supporting socioeconomic stability.

### 4. Incentives Accelerate Progress

Earlier integration of policy levers, such as internal pricing subsidies and transition-linked incentives, would have helped Business Units manage the trade-off between Net Zero alignment and commercial growth. Recognising pricing disparities sooner in the journey would have accelerated shifts in portfolio composition and reduced reliance on client engagement alone, enabling a more balanced and proactive transition strategy.

## 5. Align Internally and Externally from the Start

Internal alignment is crucial. Business Units must be included from the outset to ensure buy-in and practical execution. Externally, aligning with national standards—such as Malaysia's Climate Policy and Taxonomy (CPPT) and BNM's Climate Risk Management and Scenario Analysis (CRMSA) guidelines was key to ensuring credibility and meeting regulatory expectations.

## 6. Digitalisation Is Essential for Scalable Execution

Operationalising climate ambition across a large organisation is impossible without robust digital integration. Early investment in proprietary tools, such as the NZCC, PM Tools, and automated emissions data marts, were instrumental in embedding accountability at the point of decision-making. These digital enablers provide near real-time carbon impact assessments and supporting informed financing decision.

## 7. Equip the Frontline to Drive Impact

No matter how robust the strategy, success still depends on the people particularly the Relationship Managers and client-facing teams. Upskilling initiatives have shown that practical, scenario-based training can immediately translate technical knowledge into commercial success. To sustain momentum, talent development must be incentivised, embedded, and continuous, ensuring frontline teams are equipped to guide clients through complex decarbonisation and transition pathways.

As a UN Global Compact participant since 2022, Maybank leverages the UNGC framework and SDGs to anchor its Net Zero Pathway in global best practices, ethical principles, and credible climate action. Alignment with SDG 13, SDG 17, and the social dimensions of a just transition (SDG 8 and SDG 10) provides strategic clarity, internal and external buy-in, and moral validation.

Adherence to UNGC principles strengthens governance, transparency, and integrity, supports detailed public disclosure and reinforces Maybank's credibility, investor confidence, and leadership in mobilising capital for the Net Zero transition across ASEAN.

**“ As a leading financial force in ASEAN, we recognise our responsibility to drive systemic change. By setting credible, science-aligned standards and publishing market-leading frameworks, we are mobilising the necessary capital to support a responsible and just transition across the region. True leadership is about influencing the ecosystem to accelerate the shift toward Net Zero ”**

**Datuk Shahril Azuar Jimin,**  
Group Chief Sustainability Officer, Maybank





## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



### HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



### LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



### ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



### ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

## ABOUT UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI

United Nations Global Compact (UNGC) is a strategic policy initiative for businesses that are committed to take actions to advance broader societal goals. UN Global Compact Network Malaysia & Brunei (UNGCMYB), the official country network of UNGC, is the leading advocate for business sustainability action in Malaysia and Brunei. We empower both corporates and SMEs through value-creating initiatives across learning, connections, and enablers to Forward Faster a collective sustainable future. We support Malaysian and Bruneian companies in aligning with the Ten Principles and contributing meaningfully to the Sustainable Development Goals (SDGs), while providing access to partnerships, tools and knowledge sharing to advance responsible business practices.

Talk to us about joining us or visit our website at [www.ungcmlyb.org](http://www.ungcmlyb.org)



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