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Maybank invests in mRECs to support RE generation

This makes the financial institution the 1st bank in Malaysia to purchase these non-tangible energy commodities

by S BIRRUNTHA

MALAYAN Banking Bhd (Maybank) has signed a letter of intent with Tenaga Nasional Bhd's wholly owned subsidiary TNBX Sdn Bhd to purchase Malaysia Renewable Energy Certificates (mRECs), equivalent to 70% of its Malaysian operations' Scope 2 carbon emissions.

This will make Maybank the first bank in Malaysia to purchase these non-tangible energy commodities to support renewable energy (RE) generation as part of its sustainability goals.

The bank, in a release yesterday, noted it intended to purchase the mRECs for an initial five-year period beginning from January 2022.

"It is expected to help reduce the group's Scope 2 carbon emissions within its Malaysian operations by some 70% each year.

"The Malaysian operations accounted for about 63% of the group's total Scope 2 emissions in 2020, which totalled 109.3k tCO₂," it said in a statement yesterday.

An REC is a tradable, market-based instrument that is produced for every one megawatt-hour (MWh) of RE generation delivered to the grid, together with all the associated environmental benefits of dis-

placing 1MWh of conventional power.

RECs enable anyone, anywhere to switch to RE, and allow the certificate owners to claim the environmental benefits of the clean energy production as the green attributes or carbon credits are passed to the purchaser.

They also provide green power options in areas that may not be suitable for renewable resources, allowing renewable facilities to be located where they are the most efficient.

Maybank group president and CEO Datuk Abdul Farid Alias said the intended purchase of the mRECs is one of the components of Maybank's overall efforts to achieve its sustainability goals that were recently announced as part of the group's five-year M25 Plan.

"The introduction of the mRECs to our portfolio is a step towards realising our carbon neutral position by 2030 and reflects our ultimate pursuit in driving responsible transition through our commitment to opt for RE, wherever possible, to power our group operations.

"We are also supporting the overall ecosystem as the proceeds from the intended purchase of the mRECs will be used to construct more RE plants and thus, encourage the further development of such energy sources in the country," he added.

Maybank's Carbon Neutral 2030 commitment refers to the group's own emissions while its Net Zero 2050 commitment refers to achieving an overall balance between all direct and indirect emissions, covering

both the operations of the group and the business activities that it finances.

Abdul Farid noted that the group will continue to work on other internal initiatives to achieve a reduction of the remaining 30% in carbon emissions.

These include implementing energy efficiency programmes to reduce internal power consumption, improve infrastructure efficiency, reduce staff travel and increase green building footage, as well as manage waste and water consumption and boost recycling efforts.

According to Abdul Farid, as the group focuses on its ultimate goal of net zero emission, it has already started to engage suppliers to help them meet the regional environmental, social and governance principles and standards, as well as work with clients to ensure they embrace sustainability principles in projects financed by the group.

"At the same time, it is also continuing to implement appropriate measures to balance the emissions within the broader geographical coverage of the group's operations," he noted.

The mRECs are registered with the International REC Standard Foundation (I-REC) which is a global non-profit organisation that provides a robust attribute tracking standard for use around the world and is approved by all major standards and campaigns.

TNBX is currently the only single provider of mRECs and with recognition of certification from I-REC.