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GVC allows SMEs to access BNM's RM2 bln LCTF

KUALA LUMPUR: The Greening Value Chain (GVC) programme would enable suppliers to access Bank Negara Malaysia's (BNM) RM2 billion Low Carbon Transition Facility (LCTF) to fund small and medium enterprises (SME) working capital or capital expenditures related to low-carbon practices at an affordable rate, Kossan Rubber Industries Bhd said.

Group managing director and chief executive officer Tan Sri Lim Kuang Sia said the programme aimed to assist and incentivise carbon emission management among Kossan SME suppliers, making them the strategic SME suppliers of Kossan.

"This programme is a win-win relationship for our strategic suppliers and Kossan, which

also benefits the environment," he said in his opening speech at the Official Rollout of GVC Programme: Pioneering the Alliance for Sustainable Supply Chains in Southeast Asia.

Lim said the manufacturing industry's environmental impact accounted for approximately 13 per cent of national carbon emissions or about 32.5 million tonnes of carbon dioxide produced yearly.

Hence, he said it required commitment, cooperation and participation from all entities to achieve the goal of becoming a carbon-neutral nation by as early as 2050.

"With that being said, our GVC programme is a significant step in our continuous efforts to be greener but this is only one step out of many more to come in Kossan's sustainability journey.

We are committed to being a carbon-resilient company and we extend our Green DNA investment to our strategic supply chain partners under the GVC Programme

Tan Sri Lim Kuang Sia

"We are committed to being a carbon-resilient company and we extend our Green DNA investment to our strategic supply chain partners under the GVC Programme," he said.

Meanwhile, BNM assistant governor Suhaimi Ali in his speech said as an exporting nation, Malaysia must also prepare for tightening climate-related regulations that the country's trading partners might impose.

"SMEs that form 37.4 per

cent of Malaysia's economy are the most susceptible to this development.

"According to the report findings by the Sustainable Finance Institute Asia 2022, SMEs stand to lose RM292 billion in revenue due to non-ESG compliance," he said.

Suhaimi said without the necessary support, the ambition to achieve net zero would be a tall order for SMEs.

He said SMEs need to be nurtured and equipped with

the right tools and skill sets to kickstart their sustainability journey on the right footing.

"The GVC rollout is a testament to the bank's commitment to ensure SMEs have access to the necessary support to implement long-term impactful changes," he added.

The programme, launched by BNM in conjunction with the Finance Day at COP-27 in Egypt in November last year, is an initiative of Kossan, Pantas Software Sdn Bhd and the Malaysian Green Technology And Climate Change Corporation and is supported by BNM.

Pantas, a Malaysia-based climate-technology solution, will assist the SMEs to begin measuring greenhouse gas (GHG) emissions and report on sustainability indicators in a consistent and efficient manner

to help achieve national carbon reduction targets.

The SMEs will receive free access to carbon accounting software solutions developed by Pantas along with training and consultation services provided by GVC service provider partners such as MGTC, Credit Guarantee Corporation Malaysia Bhd (CGC), British Standards Institution (BSI) and AmBank Bhd to kickstart their carbon management journey.

The programme is also supported by the Joint Committee of Climate Change (JC3) co-chaired by BNM and Securities Commission Malaysia.

The first training session will be held on March 21, 2023 in Lanai Kijang, Kuala Lumpur. -- Bernama

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