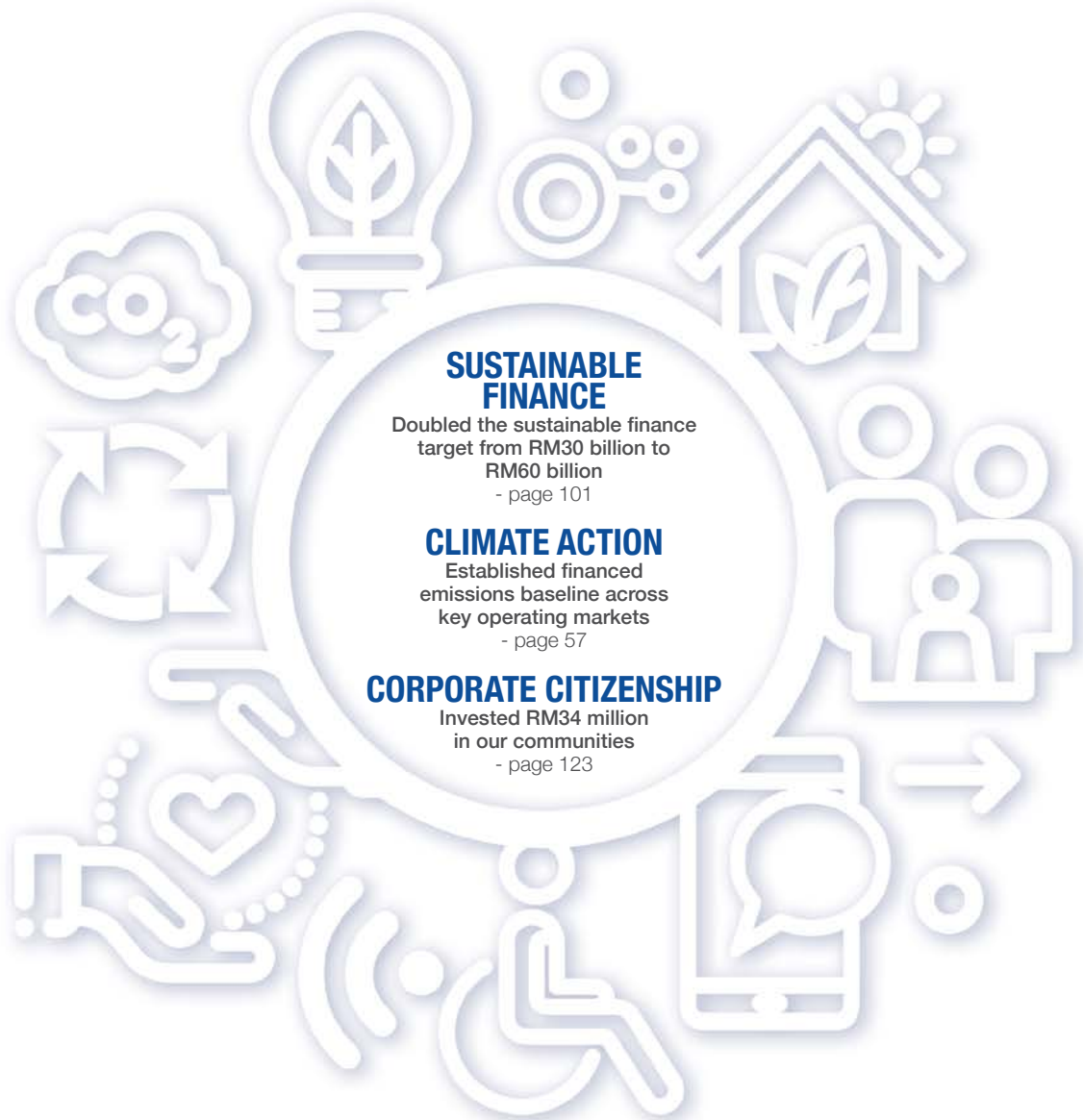


FUTURE FORWARD



CIMB GROUP HOLDINGS BERHAD
SUSTAINABILITY REPORT 2022



Delivering Sustainable Financial Returns

Disciplined Execution

Customer Centricity

Transform Fundamentals

Purpose-Driven Organisation



Reducing the
Environmental
Impact
of this Integrated
Annual Report

We have taken conscious efforts to manage and minimise the environmental impact of our annual report and related processes.

However, you can make the greatest difference. Did you know that the equivalent of **one football field of forest is cut down every second?** Play your part. If you can, download the soft copy of CIMB's Integrated Annual Report, Financial Report and Sustainability Report, instead of requesting for a hard copy.



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| Read more about our Integrated Annual Report, Financial Report and other information about CIMB Group Holdings Berhad

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CIMB at a Glance

GROUP PROFILE

CIMB Group Holdings Berhad ("CIMB") is a leading focused ASEAN bank, one of the region's foremost corporate advisors, and a world leader in Islamic finance.

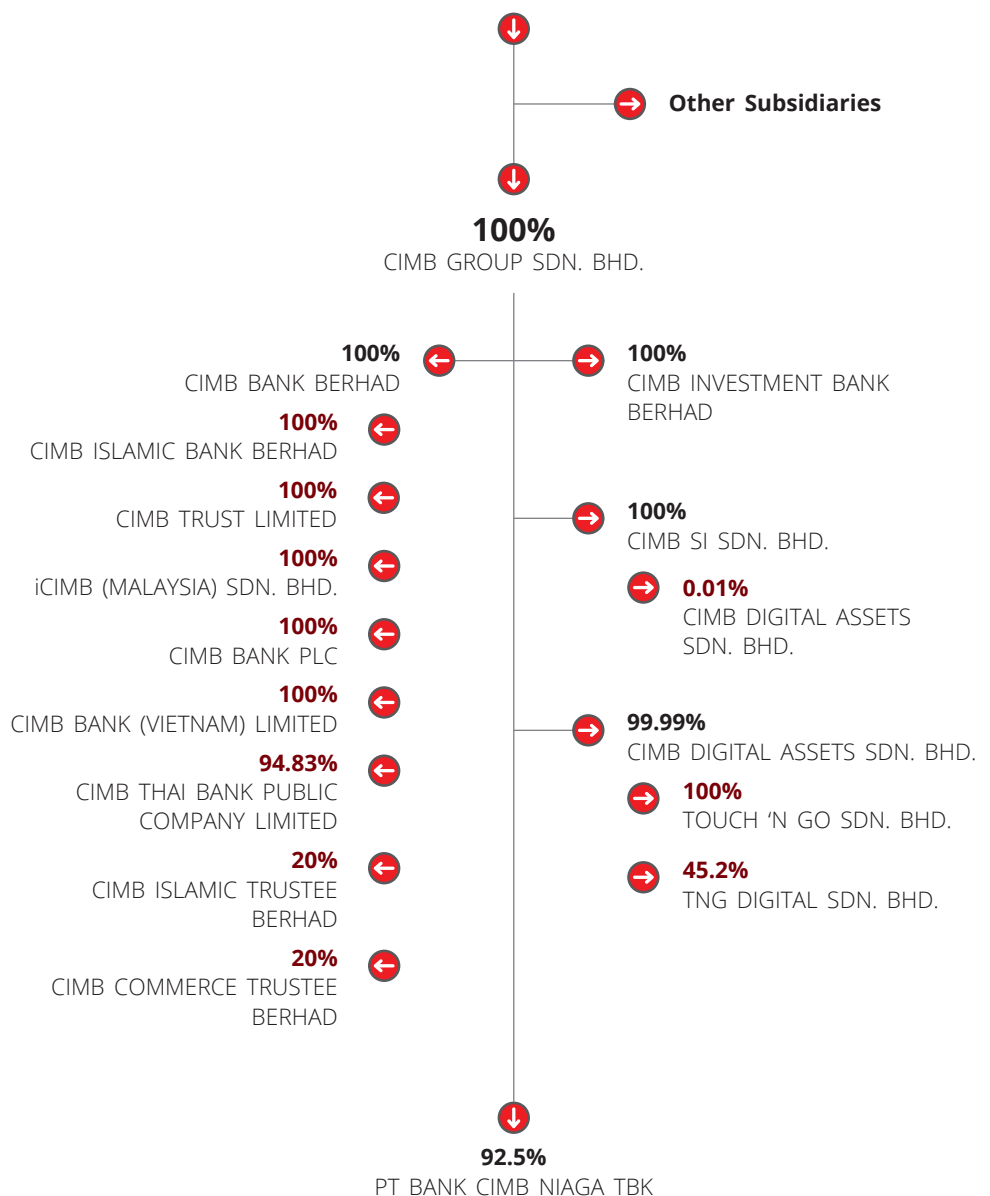
The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2022, had around 33,000 staff and over 20 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM61.9 billion as at 31 December 2022. Total assets at the end of 2022 were RM666.7 billion, with total shareholders' funds of RM62.5 billion and total Islamic assets of RM183.3 billion.


At the end of 2022, CIMB's substantial shareholders were Khazanah Nasional Berhad (24.1%), Employees Provident Fund (12.9%), Permodalan Nasional Berhad (11.1%) and Kumpulan Wang Persaraan (Diperbadankan) (6.1%), all of which are Government-Linked Investment Corporations.



CIMB GROUP HOLDINGS BERHAD



Note:

Please refer to Notes 13 and 14 in the Financial Statements for the complete list and shareholding of CIMB Group Holdings Berhad's subsidiaries and associates. 

CIMB at a Glance

KEY ENTITIES

CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia with 217 branches across the country. It has subsidiaries in Thailand, Cambodia and Vietnam, as well as branches in Singapore, Philippines, London, Hong Kong, Shanghai and Laos and a representative office in Yangon.

CIMB INVESTMENT BANK

CIMB Investment Bank is the Group's investment banking franchise which operates in 15 countries, which includes operations through CGS-CIMB Securities, an associate of CIMB Group, which provides institutional and retail equity broking services and equities research.

CIMB ISLAMIC

CIMB Islamic is the Group's Islamic banking and financial services franchise, with an extensive suite of innovative Shariah-compliant products and services. It operates in parallel with the Group's banking platform.

CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia with 312 branches across the archipelago. It has been listed on the Indonesia Stock Exchange since 1989 and is the sixth largest bank in Indonesia by assets at the end of 2022.

CIMB THAI BANK

CIMB Thai is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand and is the ninth largest commercial bank in Thailand by assets, with 53 branches nationwide and one overseas branch in Vientiane, Laos.

CIMB BANK PLC

CIMB Cambodia is the Group's banking franchise in Cambodia, with 14 branches across the country. It offers a wide range of banking products and services for individuals, businesses and corporates.

CIMB BANK VIETNAM

Established in 2016, CIMB Vietnam was the first within the Group's franchise to adopt digital bank model. It is today recognised as one of Vietnam's most innovative and emerging digital banks.

OUR PRESENCE












With a strong global footprint rooted in the ASEAN region, CIMB has access to a wide network of customers and strategic partners to deliver long-term value and growth.








Our Headquarters **MENARA CIMB**

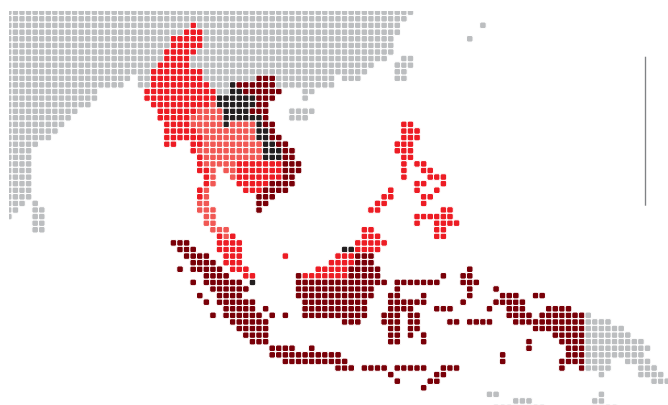
Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50740 Kuala Lumpur, Malaysia

A DIVERSE NETWORK

 CIMB GROUP HOLDINGS BERHAD	ASEAN MARKETS		
	 MALAYSIA Branches: 217	 SINGAPORE Branch: 1	 THAILAND Branches: 53
Payment and Cash Centres, Digital Lounges and Mobile Cash Vans: 89	 INDONESIA Branches: 312	 PHILIPPINES Office: 1	 BRUNEI Office: 1
	 LAOS Branch/Office: 1	 VIETNAM Branches/Offices: 2	 CAMBODIA Branches/Offices: 14
	 MYANMAR Representative Office: 1		

OTHER MARKETS

* Stockbroking Collaboration via CGS-CIMB	 CHINA AND HONG KONG Branches: 2 (Shanghai, Hong Kong)	 U.S.A.*	 UNITED KINGDOM Branch: 1
		 INDIA*	 KOREA*



Around
33,000
Staff

Our global footprint and solutions give us an advantage in terms of access to a wide network of customers and strategic partners for consistent and sustainable growth.



**RM61.9
BILLION**

Market Capitalisation



**RM6.21
BILLION**

Net Profit



**RM666.7
BILLION**

Total Assets



over **20
MILLION**

Our Retail and Institutional
Customers



7,383

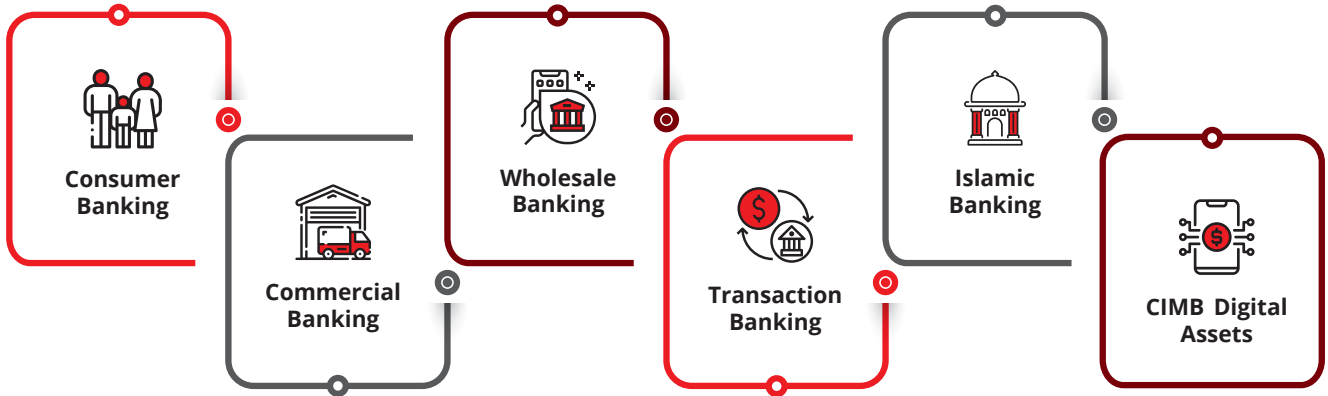
Our Self-Service Access Points



604

Our Retail Branches

OUR PRODUCTS AND SOLUTIONS



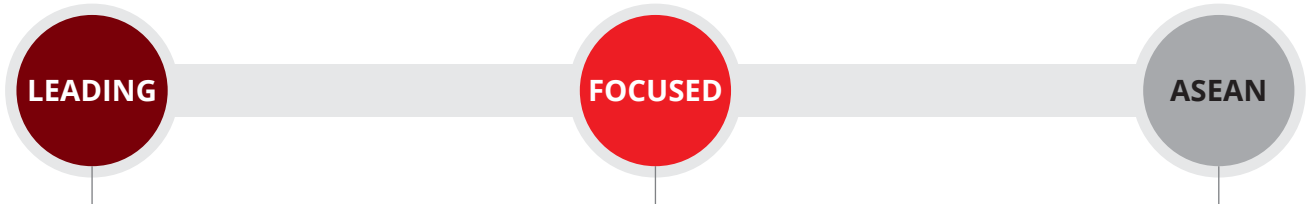
Last Five-Year Dividend Per Share
(Sen)

2018	2019	2020	2021	2022
25.0	26.0	4.8	23.0	26.0

CIMB at a Glance









OUR PURPOSE

Our purpose is to serve and advance our customers and the societies we interact with. This underlying purpose motivates every decision made, as we strive towards becoming an ASEAN sustainability leader.



We seek to be amongst the **leading ASEAN banks (top quartile)** when measured by **financial metrics** such as **ROE** and **CIR** as well as **non-financial metrics** such as **NPS**, **Organisational Health** and **Sustainability**.

We will not be everything to everyone. We shall focus on key markets and segments, where we play to win.

How we will compete	How we will win
Universal in appeal: Focus across all segments 	Lead the market on customer experience and service for focused customer segments
Focused bank: Consumer and SME; high-quality wholesale 	Stay competitive in providing value to customers by becoming more efficient
ASEAN focus: ASEAN wholesale and Preferred; niche in commercial 	Leverage our ASEAN footprint as a differentiator where relevant
Focused player: ASEAN wholesale and Preferred; niche in consumer finance 	Invest in technology, digital and analytics to lead on service, experience and value
Strong position: Community-focused bank 	Be brilliant at the basics ; end-to-end risk management, controls, performance orientation
Selective investments: Digital attacker leveraging on partnerships to create a hedge for the future   	

We are a **local ASEAN bank** and this is our **key differentiation**. This identity resonates with our staff and external stakeholders.

FORWARD: ASEAN'S SUSTAINABLE BANKING AGENDA

ASEAN is projected to be one of the regions most impacted by climate change. If global temperatures continue to rise at their current rate, the region will face extreme heat, longer monsoon seasons and increased droughts – putting ASEAN at risk of losing over 35% of its GDP by 2050¹. The financial system is crucial in facilitating the region’s long-term socio-economic progress, as well as financing low-carbon transitions and climate adaptation, with an estimated US\$200 billion in green investment needed annually until 2030².

At CIMB, we acknowledge the far-reaching impacts we have on people and the planet, and are committed to using this influence for good. We are vested in contributing to inclusive, equitable and sustainable development in ASEAN. With an estimated six in ten South-East Asians remaining underbanked or unbanked, there is a great need to facilitate access to affordable financial services and ensure a just transition³. Therefore, we have placed sustainability at the core of the business.

CIMB Group’s Forward23+ strategy was developed to successfully navigate the dynamic environment to create shared value in the long term, where we aim to deliver sustainable financial returns for shareholders by looking beyond immediate risks and opportunities. Our decisions are also shaped by medium-and longer-term sustainability issues such as climate change, biodiversity loss, resource depletion, human rights violations and widening social inequalities, which are interconnected with and can amplify the impact of other environmental, social and governance risks.

Through Forward23+, we remain steadfast in supporting our clients, employees, communities and other stakeholders in their journeys towards greater resilience and sustainability.

FORWARD 23+

VISION

To be the leading focused ASEAN bank

PURPOSE

To build a high performing sustainable organisation to help advance customers and society

Strategic Themes

1 Delivering Sustainable Financial Returns	a) Reshape portfolio & Focused investments <ul style="list-style-type: none"> Accelerate loan growth in profitable segments (Consumer, Commercial MY & selected Wholesale) Expand CASA franchise growth Address MOCA and commercial ecosystem Rejuvenate NOII growth Execute Affluent strategy 	b) Digitise for value <ul style="list-style-type: none"> Implement IT Blueprint Roll out Next Gen Clicks Commence BizChannel 2.0 Roll out Wealth & RM portal Develop individual BU Technology strategic plan/roadmap Develop Data & analytics strategic plan 	c) Drive cost efficiency <ul style="list-style-type: none"> Technology CAPEX and OPEX optimisation review Canvas execution [Digital branch visualisation]
2 Disciplined Execution <ul style="list-style-type: none"> Roll out New Operating model (TEAM) Change management programme 	3 Customer Centricity <ul style="list-style-type: none"> Double down on CX transformation End-to-end Production Transformation Journey Transformation & Digitisation 	4 Transform Fundamentals <ul style="list-style-type: none"> Risk management BSM, FTP, EXCO Book Risk Appetite and Portfolio Strategy Capital optimisation & RWA dynamic asset allocation framework Group Ops transformation Enhancing operational resilience 	
5 Purpose-driven organisation	a) Culture and Values <ul style="list-style-type: none"> EPICC roll out 	b) Human Capital <ul style="list-style-type: none"> Talent management Employee experience HR operating model and blueprint 	c) Sustainability <ul style="list-style-type: none"> Climate change Responsible banking Communities

¹ Adaptation and Resilience in ASEAN: Managing Disaster Risks from Natural Hazards by Fabrice Renaud et al., UK Government and UK-Singapore COP26 ASEAN Climate Policy Report Series, October 2021.

² How to Direct the Flow of Green Investments into ASEAN by Peter Reynolds, Oliver Wyman, 2021.

³ How to Close Southeast Asia’s Financial Inclusion Gap by Kell Jay Lim, World Economic Forum, February 2022.

About CIMB Group Sustainability Report 2022



The CIMB Group Sustainability Report 2022 provides stakeholders with detailed information on our sustainability efforts, challenges and performance, as reflected in the way we address our material matters. Through this report, we also reflect on what we did right and how we can improve, thus allowing us to continuously strengthen our approach in minimising negative impacts while creating positive impacts.

This report supplements the CIMB Group Integrated Annual Report 2022 [📄](#) and the information available on the Sustainability section of CIMB's website [🌐](#).

SCOPE: REPORTING COVERAGE AND PRINCIPLES

All information disclosed in this statement covers the calendar year 1 January 2022 to 31 December 2022, unless otherwise stated. It covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia. All quantitative information for relevant indicators has been disclosed for four years, wherever possible. The last report was published in March 2022.

As much as possible, we have applied the reporting principles of balance, comparability, clarity, completeness, reliability and accuracy.

REPORTING STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

This report adheres to international and local sustainability guidelines, standards and frameworks. It was developed according to best practices and standards, thus providing stakeholders with meaningful disclosures in order to make well-informed decisions.

The report has been prepared in accordance with:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Global Reporting Initiative (GRI) Standards 2021¹
- The United Nations Environment Programme Finance Initiative Principles for Responsible Banking
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Read more about the above in the tables and indices on pages 158 to 173 [📄](#).

We also benchmark our disclosures against the indicators of the S&P Global Corporate Sustainability Assessment, and the Sustainability Accounting Standards Board (SASB).

RELIABILITY: ASSURANCE OF QUALITY

We review and deliberate on the degree of transparency and level of disclosure across various functions of the Group on a continuous basis. The reporting framework and key updates are presented, discussed and approved in line with the sustainability governance framework.

Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG PLT. Read the full Statement of Assurance on pages 174 to 178 [📄](#).

FEEDBACK AND REVIEW FOR CONTINUOUS IMPROVEMENT

We are always looking for ways to improve our sustainability efforts and disclosures, as well as value creation and performance. We welcome all feedback, questions or suggestions on the CIMB Group Sustainability Report 2022.

Please contact:
Luanne Sieh
Head of Group Sustainability
sustainability@cimb.com

This interactive report has clickable buttons that enable readers to access more information.

- [🌐](#) Links to CIMB's or other websites.
- [📄](#) Navigates within the CIMB Annual Integrated Report and Sustainability Report 2022.

¹ Global Reporting Initiative (GRI) Standards 2021 (Reference).

Sustainability Progress Report by Group Chairman and Group CEO

Dear Stakeholders,

2022 was a year of global events that continue to shape the global business landscape. Climate disasters, rising inflation, energy and food insecurity and other societal challenges have climbed up the agenda of countries, businesses and individuals. All these have further reinforced the urgent need for a just transition towards a more sustainable, inclusive and resilient economy.

At CIMB, we remained steadfast in driving the sustainability agenda across the ASEAN region. Despite the constant change and volatility, we continued raising the bar on sustainability innovation. We focused on pioneering solutions that not only combat climate change and societal injustices, but ultimately create shared value for all our stakeholders.

Sustainability is a strategic priority for CIMB, and as a responsible financial services provider, we are committed to driving net positive impacts not only within the Group, but among stakeholders across the region.



Datuk Mohd Nasir Ahmad
Chairman

Dato' Abdul Rahman Ahmad
Group Chief Executive Officer/
Executive Director CIMB Group



Sustainability Progress Report by Group Chairman and Group CEO

Sustainability is no longer at the margins of business; it is in the mainstream. There have been growing concerns about climate change and the inevitable shift to a low-carbon economy. This, coupled with rising social inequalities, has resulted in heightened scrutiny of business practices. Companies that do not make meaningful progress in integrating sustainability into their business decisions expose themselves to various sustainability risks that ultimately impact their long-term performance. While sustainability-related risks are a strong motivation for businesses to adopt sustainability, the clear opportunities cement the business case for change. Within the banking industry, global sustainability bonds raised a record US\$200 billion (RM874 billion) in 2021, a 23% increase from 2020, while sustainability-linked bonds rose 941% to US\$118.8 billion¹.

For CIMB, we view the pursuit of sustainability as a strategic imperative. Since embarking on our sustainability journey in 2018, we have only accelerated our efforts and progress each year. As a testament to this, we reached the 80th percentile on the S&P Global Corporate Sustainability Assessment, with a score of 69, and was ranked fourth among banks globally in the inaugural 2022 Financial System Benchmark by the World Benchmarking Alliance (WBA), which measures how the world's 400 most influential financial institutions are transforming the financial system for a more just and sustainable future. While we appreciate this recognition, the WBA emphasises that significant work is still needed by all financial institutions, including CIMB. We remain as committed as ever to driving global sustainability transitions – starting with ASEAN, our home.

The role of finance in sustainable and inclusive development cannot be understated. The financial services sector is uniquely positioned to facilitate and support a just transition towards a low-carbon economy, and bridge social gaps. It is estimated that annual investments of US\$5-7 trillion are required to achieve the United Nations Sustainable Development Goals (UN SDGs) by 2030², with US\$2.4 trillion a year needed for the energy system between 2016 and 2035 to limit global warming to 1.5 degrees Celsius³. Based on current investment levels, the world is not on track.

With this in mind, we made a conscientious decision to double our sustainable finance commitment to RM60 billion by 2024, having achieved our initial RM30 billion target ahead of schedule. This commitment is guided by CIMB's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, our internal taxonomy developed to deliver impactful sustainable finance.



80th
percentile
on the S&P
Global Corporate
Sustainability
Assessment



Doubled our commitment, targeting to mobilise
RM60
BILLION
in sustainable finance by
2024

We made significant progress on GSSIPS in 2022, through mobilising RM27.8 billion of sustainable finance in Green, Social, Sustainable Impact Products and Services, a 4.6% growth year-on-year. Over 50% of the RM27.8 billion sustainable finance mobilised in 2022 was allocated to supporting underserved communities. This includes RM10.7 billion for low-income individuals and RM3.6 billion for micro and small enterprises. On a cumulative basis, we have mobilised RM54.3 billion of sustainable finance since 2021. We also launched a pioneering Sustainability-Linked Treasury Programme, with bespoke offerings that allow our clients to embed their sustainability aspirations into their Treasury risk management solutions, spearheaded by Farm Fresh Berhad and Sunway Berhad as pioneering clients.

Sustainability efforts need to be fair, inclusive, and just, with all groups fairly represented. The transformation towards a low-carbon, climate-resilient future has to consider the various needs and expectations of all stakeholders, making sure that no one is left behind. For instance, small and medium-sized enterprises (SMEs) may not have the resources and skills needed for effective sustainability integration, thus losing business opportunities as the market evolves. This is particularly critical, considering how SMEs form the backbone of ASEAN economies, accounting for about 60–80% of total employment in the region⁴.

We have committed RM100 million in financing through Bank Negara Malaysia's Low Carbon Transition Facility (LCTF) scheme, which aims to help SMEs decarbonise their operations and thrive in a low-carbon economy. Through CIMB's LCTF, we offer SMEs collateral-free financing of up to RM10 million, with an affordable repayment period of up to ten years at a low financing rate of up to 5% per annum. In 2022, CIMB received

¹ Global State of the Market Report 2021, Climate Bonds Initiative, April 2022.

² The Sustainable Development Goals Report 2022, the United Nations, July 2022.

³ Summary for Policymakers in IPCC Special Report, International Panel on Climate Change (IPCC), May 2018.

⁴ SMEs and Economic Integration in Southeast Asia, Economic Research Institute for ASEAN and East Asia, October 2019.

Committed 
RM100
MILLION
 in collateral-free financing to SMEs through BNM’s Low Carbon Transition Facility


Over 500
 Board members and senior leaders are currently undertaking customised training by the Cambridge Institute for Sustainability Leadership

more than RM50 million of LCTF applications. As of December 2022, we have approved about RM40 million in financing from various sectors of the economy, including real estate, agriculture, renewable energy and manufacturing.

As part of our SME empowerment efforts, CIMB Islamic initiated the CIMB ESG-SME Pitch Challenge in collaboration with our partners to encourage sustainability innovation amongst ASEAN entrepreneurs. The challenge brought together more than 50 high-potential revenue-generating SMEs aligned with CIMB’s GSSIPS Framework across ASEAN. In Indonesia, CIMB Niaga launched a new sustainability-themed current account, Giro Kartini, the first of its kind in Indonesia. The account supports women entrepreneurs operating SMEs through preferential demand deposit rates, as well as committing CIMB Niaga to donate Rp25,000 for every new account open, which goes towards training women with disabilities on traditional weaving in Sulawesi.

As businesses rapidly shift towards sustainable business models, scaling up the talent pool is critical. In the past, sustainability was viewed by many as a compliance cost or as part of philanthropy. With the rapid acceleration of climate pledges, regulatory requirements, investor scrutiny and public attention, the rapid demand for sustainability-related skills and experience has overtaken supply. "Green jobs" grew at an annual rate of 8% between 2015 and 2022, while the "green" talent pool grew at only 6%⁵, limiting the scale and speed at which climate change and social development challenges can be addressed.

At CIMB, we are introducing dedicated sustainability talent programmes which will contribute meaningfully towards broadening and deepening the talent pool. CIMB’s Sustainability Academy will offer targeted training and development to advance CIMB’s sustainability goals while addressing talent scarcity in this critical field across the broader ecosystem. Over 500 Board members and senior leaders are currently undergoing customised training by the Cambridge Institute for Sustainability Leadership under the Academy. We have also launched sustainability tracks under The Complete Banker and Fusion programmes, which will fast-track young graduates into the field of sustainable finance. We hope that these efforts will help us attract and develop top industry talent across various career stages, including fresh graduates and mid-career professionals.

In the years ahead, sustainable finance will increasingly take centre stage. The recent COP27 called for structural reforms of the financial system, as well as innovative financial solutions that support positive climate and biodiversity outcomes. There is also an increasing focus on financing adaptation measures, in addition to emissions reductions initiatives.

As part of our commitments as a member of the Net Zero Banking Alliance, we announced mid-term carbon targets for our coal and cement portfolios, making us the first Malaysian bank and second in ASEAN to do so. Our focus for the coming years will be to shift our financing portfolios towards Net Zero by 2050, by ramping up innovative sustainable finance offerings and helping our clients to make the transition towards a low-carbon economy, as we continue to make positive economic, environmental and social impacts across the region.

As we look forward to 2023, we remain committed to delivering shared value for all stakeholders. Our continued progress and performance since the onset of CIMB’s sustainability journey reflects the business case for sustainability integration and stakeholder centricity. As we move forward together, we will continue to catalyse positive outcomes in our business ecosystem towards achieving our aspiration of becoming a sustainability leader in ASEAN.



DATUK MOHD NASIR AHMAD
 Chairman



DATO' ABDUL RAHMAN AHMAD
 Group Chief Executive Officer/
 Executive Director

⁵ Global Green Skills Report 2022, LinkedIn Economic Graph, 2022.



The Business Case for Sustainability

#CIMBFORTOMORROW

In 2022, the world faced significant setbacks in its progress towards achieving the Sustainable Development Goals (SDGs) by 2030, such as the Russia-Ukraine war that triggered cascading economic and social uncertainties throughout the rest of the world, including a reversion to fossil-fuelled power in parts of Europe. Nevertheless, momentum for companies to address global challenges such as the climate emergency and social inequalities continued to gain traction in 2022 towards an inevitable tipping point. International agreements and developments, such as the United Nations Climate Change Conference of Parties (COP27) and the Kunming-Montreal Global Biodiversity Framework, have called for urgent structural reforms from governments, civil society and businesses to combat widespread global issues.

This is a rare moment in history, as nations, businesses and individuals alike have significant opportunities to capture advantages, change mindsets, build new frameworks, and reallocate capital towards a more just and sustainable future.

Learning from the Past:

Against the headwinds of global events, we have reason to be optimistic, with a gradual settling in of a new normal after two years of widespread COVID-induced disruption. The world as we know it has fundamentally changed, and we should reflect on what we have learned and how we can apply those experiences to create a more resilient future.

The pandemic was a collaboration success story. We witnessed the development and distribution of life-saving vaccines at record-breaking time and scale, made possible through innovative platforms and technologies that enabled rapid communication, knowledge sharing and coordination. Members of the public also played their part in keeping their communities safe by adhering to social distancing protocols issued by experts. It shows we can all adapt very quickly, when pushed.

Another powerful example of multilateralism is the adoption of the Montreal Protocol in 1987, when governments came together to reverse the damage to the ozone layer. This came after scientists warned that chemicals in everyday products like aerosols, foams, refrigerators and air-conditioners had created a hole in the ozone layer. In response, around 99% of ozone-depleting substances have been phased out and the protective layer continues to be replenished⁶.

As shown in the past, society can come together for the greater good. With scientists warning of new crises arising, such as climate change and biodiversity collapse, we will require the same level of unity, collaboration and financial support to make meaningful progress.

Teoh Su Yin

Chair of Group Sustainability and Governance Committee

⁶ *Rebuilding the Ozone Layer: How the World Came Together for the Ultimate Repair Job*, United Nation Environment Programme, September 2021.

Regulatory and Policy Shifts:

The global landscape is rapidly shifting towards a low-carbon future. As governments seek to meet their climate and sustainability goals, they are adding pressure on companies to take into account and mitigate their environmental and social impacts. In 2022, many new regulations and requirements across different economies were introduced that directly or indirectly affect ASEAN businesses.

- Member governments of the European Union (EU) have agreed on the world's first major carbon border tax, known as the **Carbon Border Adjustment Mechanism**. This landmark measure adds a pollution price on certain imports to the EU, aiming to disincentivise EU companies from moving production to countries with weaker carbon laws. As ASEAN's third-largest trading partner⁷, the EU regulations will cause a ripple effect on the region, catalysing businesses to adopt stricter carbon practices, especially as reporting from impacted companies will be required starting in October 2023.
- Bursa Malaysia announced its **Enhanced Sustainability Reporting Requirements** for listed companies in Malaysia, which will take effect by the end of 2023. One key added requirement is the alignment of disclosures with the Task Force on Climate-related Financial Disclosures (TCFD), as well as a transition plan towards a low-carbon economy. The enhanced requirements aim to encourage Malaysian companies to improve their sustainability disclosures and practices to demonstrate organisational resilience, thus attracting more capital into the market to drive sustainable development.

- The Singapore Government published the **Singapore Green Bond Framework** to establish guidelines for green bond issuances by the public sector. The framework aligns with international market principles and standards such as the International Capital Market Association's Green Bond Principles 2021 and the ASEAN Capital Markets Forum's ASEAN Green Bond Standards 2018. The Singapore Government will issue up to S\$35 billion of green bonds by 2030.
- Indonesia launched *Taksonomi Hijau Indonesia* (or **Indonesia Green Taxonomy**) as part of the government's efforts to attract more capital towards sustainable finance. The Green Taxonomy is aimed at encouraging the private sector to prioritise green investments and further incentivising businesses to improve their ESG practices.
- The **Securities and Exchange Commission (SEC) Thailand** is also increasing its disclosure requirements, via a collaboration with CDP in line with TCFD recommendations. The SEC aims to co-develop a programme to improve the quantity and quality of environmental disclosures from corporates and financial institutions in Thailand.
- The Cambodian government launched the **Roadmap for Sustainable Consumption and Production 2022-2035**, establishing a 14-year plan to strengthen the resilience of the country's consumption and production systems.

Avoiding Carbon Tunnel Vision:

A key challenge in advancing the climate agenda is managing the social implications of the low-carbon transition. We cannot de-couple climate considerations from the broader sustainability agenda. Businesses need to avoid carbon tunnel vision, in which they solely strive for carbon reductions while ignoring other environmental, social and governance risks and opportunities.

For instance, if we fail to protect biodiversity, then our efforts in combating climate change would have been in vain, if mounting biodiversity losses result in cascading biodiversity collapses, severely impacting our food sources. More so, in terms of the planetary boundaries which define the thresholds within which humanity can safely live and thrive, biosphere integrity fares worse than climate change.

Furthermore, meaningful progress requires a holistic and balanced approach towards safeguarding and advancing communities and individuals, while pursuing climate action. A 2022 report by Fair Finance Asia (FFA) revealed that many financial institutions in South-East Asia are at risk of financing agribusinesses with poor social practices, including gender-based discrimination, forced and child labour, human trafficking and lack of protection of land rights. Disregarding social issues such as human rights in financing decisions promotes not only unsustainable practices, but also undermines our own sustainability performance and profitability.

In conclusion, companies must move beyond compliance and embrace holistic transformation from the environmental, social, economic and governance perspectives. At CIMB, we are committed to investigating sustainability issues across the value chain to identify sustainability-related risks, as well as opportunities to enable us to build long-term value in partnership with all our stakeholders. We are deeply passionate about being a competitive, sustainable and responsible finance leader within the ASEAN region.

TEOH SU YIN

Chair of Group Sustainability and Governance Committee

Senior Independent Director, CIMB Group Holdings Berhad





⁷ Association of South East Asian Nations (ASEAN), European Commission, 2021.

Sustainability Principles and Strategy

CIMB'S SUSTAINABILITY PRINCIPLES

Through our ASEAN-wide presence and by the nature of our business, we can play a significant role in shaping the sustainability landscape in the region. Our pledge of #CIMBforTomorrow means that we aim to use our influence to not only improve the environmental, social and governance practices within our own operations, but to create net positive impacts for everyone connected to the Group. This is encapsulated in our Sustainability Principles, which are embedded in our organisational purpose and Forward23+ strategy.

Our Sustainability Principles include the following:

 <p>Proactively integrate economic, environmental and social considerations in our business decisions, including financing, investments, and procurement, and in managing our people and operational impacts.</p>	 <p>Recognise and be guided by internationally accepted principles from key organisations to promote responsible business performance.</p>	 <p>Exercise a precautionary approach, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equity.</p>	 <p>Create net positive impact, adopting an inclusive approach to positively influence our business relations in their sustainability performance, and taking a holistic approach in striving for a just transition to a greener economy.</p>	 <p>Engage actively and openly with our stakeholders regarding the management of sustainability risk, and to identify opportunities for sustainable development.</p>
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These principles are aligned and guided by our commitments to driving sustainable finance and global development, as well as the UN Sustainable Development Goals (SDGs). We mapped the UN SDGs based on areas we have the most impact and influence, resulting in seven priority SDGs. Our material matters and corresponding policies and programmes, and in particular, our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, are aligned with these priority SDGs.



STAKEHOLDER ENGAGEMENT

Our ability to create long-term shared value is built on the trust of our stakeholders, who are at the heart of our sustainability journey. We regularly engage with our diverse stakeholders to capture their valuable feedback on how we can continue to meet their evolving needs and expectations. This is guided by a comprehensive engagement framework that enables us to effectively gain insights into delivering innovative programmes and solutions that address their most critical environmental, social, economic and governance concerns.



CUSTOMERS

Frequency: **Daily**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> Feedback from annual and post-interaction surveys Frontline channels, including call centres, branches and social media Complaints and feedback mechanisms Relationship Managers Customer appreciation events such as WoWeek! 	<ul style="list-style-type: none"> Consistent and superior customer experience Performance reliability of digital platforms Data privacy and cybersecurity Sustainable finance and responsible banking Access to finance Favourable financing terms Transparent and fair business relationships 	<ul style="list-style-type: none"> Improved stability of Clicks and BizChannel Reengineered processes for better customer experience Leveraged data analytics to ensure relevant solutions are provided Increased governance and operationalisation of Treating Customers Fairly outcomes Broadened the suite of sustainable finance products and services Published our Sustainable Finance Framework, which lays out our sector requirements





INVESTORS

Frequency: **Quarterly/Annually**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> Quarterly financial results briefings Investor roadshows One-on-one investor engagements Sustainability Investor Day Annual General Meetings ESG and credit rating agencies 	<ul style="list-style-type: none"> Governance and ethics Climate change targets, strategy, portfolio-level physical and transition risks and related disclosures Biodiversity and human rights risks and safeguards Sustainable finance goals and approaches Engagement approach with high sustainability risk clients and related sector requirements Risk management and business resilience 	<ul style="list-style-type: none"> Established Group Sustainability and Governance Committee Organised Sustainability Investor Day with investors and analysts Commenced reporting in line with TCFD recommendations, published scope 3 financed emissions baseline, and commenced setting sector-specific climate targets Conducted engagements with high sustainability risk clients to communicate our responsible banking requirements Rolled out the Group Human Rights Policy

Sustainability Principles and Strategy

 EMPLOYEES		Frequency: Daily
How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> Quarterly townhalls and department meetings Performance reviews and regular check-ins and surveys, such as the annual Organizational Health Index Survey Feedback platforms such as “Have Your Say”, “Teh Tarik” with Group CEO, and targeted focus groups Employee engagement and appreciation events 	<ul style="list-style-type: none"> Corporate culture, values and leadership New ways of working in the new normal Managing mental health strain Providing superior customer experience Improvements in internal processes and technological enablement Talent attraction, growth and retention Diversity and inclusion Compensation and benefits 	<ul style="list-style-type: none"> Kicked-off cascading of our new EPICC values framework with our top 500 leaders Introduced a hybrid work policy to embed a flexible work environment post-pandemic Rolled out mental health services through a partnership with Naluri Undertook various projects to simplify internal processes and improve the employee experience Launched “Forward Your Career”, an enhanced programme to deliver the optimal employee mobility journey Conducted career path mapping for divisions in Malaysia Developed a diversity and inclusion strategy focused on increasing female representation in leadership Developed a flexible benefits framework

 REGULATORS		Frequency: Quarterly
How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> One-on-one meetings Industry initiatives, such as the Joint Committee on Climate Change (JC3) and its various sub-committees Working groups and consultation forums such as the CEO Action Network 	<ul style="list-style-type: none"> Driving the sustainable finance ecosystem Sustainability-related regulations and guidelines, such as the Value-Based Intermediation and Investment Impact Assessment Framework (VBIAF) Sectoral Guides Climate change, including the Climate Change and Principle-based Taxonomy (CCPT) and Task Force on Climate-related Financial Disclosures (TCFD) Biodiversity risks and impacts to the financial system Financial crime, cybersecurity and privacy Fair dealing and conduct Technology and customer experience Governance and ethics Risk management and business resilience 	<ul style="list-style-type: none"> Active involvement in JC3 and its subcommittees, including the CCPT Implementation Group Led development of VBIAF Sectoral Guide: Oil and Gas and currently working on the Agriculture Sectoral Guide Co-led development of the TCFD Application Guide as part of JC3 Engaged the Malaysian Anti-Corruption Agency to discuss corruption risk in our operations Quarterly updates to Bank Negara Malaysia (BNM) on Climate Risk management, Anti Money Laundering (AML) and technology transformation progress Supported BNM and the Securities Commissions Malaysia to profile sustainable finance in Malaysia at the Conference of Parties (COP27)



SUPPLIERS

Frequency: **Monthly**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> Procurement process Virtual focus groups Performance evaluations Seminars and conferences 	<ul style="list-style-type: none"> Partnerships for growth Fair remuneration and payment terms Vendor Code of Conduct (VCOC) Seamless procurement system Cybersecurity and data privacy 	<ul style="list-style-type: none"> Engaged 179 suppliers on sustainability issues Implemented VCOC acknowledgement as a requirement for new vendors



COMMUNITY/NGOs/CIVIL SOCIETY

Frequency: **Monthly**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> Non-governmental organisation (NGO) engagements One-on-one meetings Community partnerships Donations and sponsorships Employee volunteerism activities 	<ul style="list-style-type: none"> Financial inclusion and literacy Community development Human Rights risks Progress on sustainable finance and our sector requirements, including climate change and deforestation 	<ul style="list-style-type: none"> Consulted with NGOs on our Human Rights and NDPE policies Participated in NGO engagements and benchmarking exercises, such as the Forest 500 study Ramped up employee volunteerism resulting in over 140,000 volunteer hours achieved in 2022



Sustainability Principles and Strategy

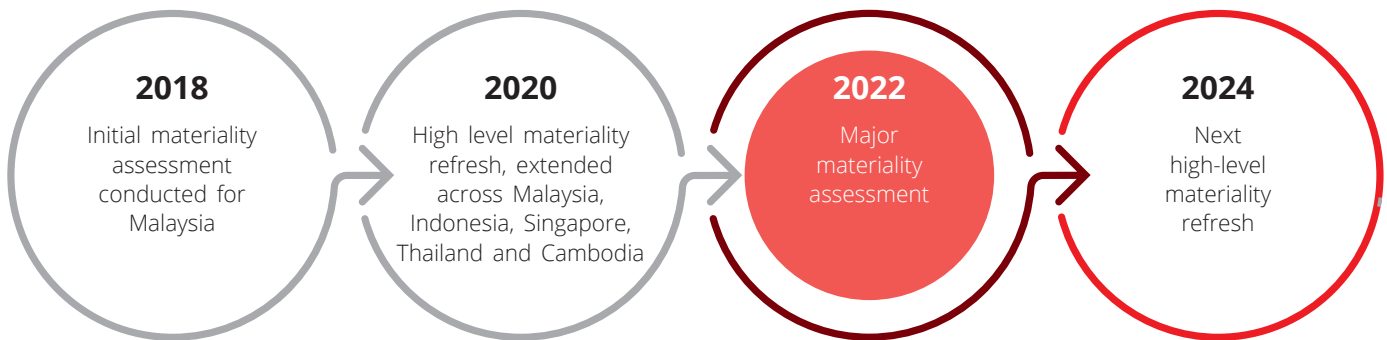
MATERIAL MATTERS

We recognise that the global banking industry is continuously evolving, with increasing pressure and expectations from society. Materiality assessment is one of our key approaches to identifying the critical economic, environmental and social matters for our organisation, with inputs from our stakeholders. We consider the concept of double materiality in our approach, where we consider the potential impact of our activities on the environment and society, alongside environmental and societal matters that have a potential impact on our business.

We are guided by our material matters to drive long-term value creation and competitiveness for the Group as a whole. The outcome of the materiality assessment serves as input to our sustainability strategy and drives our ambition to become an ASEAN sustainability leader.

MATERIALITY METHODOLOGY

We conduct an in-depth materiality assessment every four years, with a midpoint review every two years. In 2020, we conducted a materiality checkpoint, followed by a major update in 2022 to reassess the relevance of ESG matters to our key stakeholders.



The materiality assessment was conducted in alignment with the latest GRI Sustainability Reporting Standards (GRI Standards) 2021¹. Our materiality assessment process is described as follows:

- 1 IDENTIFICATION**
 - We identified a list of 25 potential material topics from various sources, including global trends, GRI Standards 2021 and the S&P Global Corporate Sustainability Assessment
 - We also conducted benchmarking with our peers’ material topics
- 2 ENGAGEMENT**
 - We engaged over 5,000 clients, suppliers and employees across Malaysia, Indonesia, Singapore, Thailand and Cambodia through surveys. Surveys were also translated into Thai and Indonesia
 - Inputs from other stakeholders, such as investors, regulators and communities, were also gathered based on our engagements with them over the past 12 months
- 3 PRIORITISATION**
 - The stakeholders’ inputs were prioritised according to the relative criticality of stakeholder groups based on their influence and impact, as well as geography, based on relative revenue contribution from each country studied
- 4 VALIDATION**
 - We deliberated internally with management and regional teams to narrow down the focus to the top 13 Material Matters
 - The Material Matters were validated and approved by the Board as the highest governing body

¹ Global Reporting Initiative (GRI) Standards 2021 (Reference): <https://www.globalreporting.org/>.

CIMB'S UPDATED MATERIAL MATTERS

<p>1</p> <p>Sustainable and Responsible Finance</p>	<p>2</p> <p>Governance and Ethics</p>	<p>3</p> <p>Cybersecurity and Data Privacy</p>	<p>4</p> <p>Financial Inclusion and Literacy</p>	<p>5</p> <p>Risk Management and Business Resilience</p>	<p>6</p> <p>Digitalisation and Innovation</p>	<p>7</p> <p>Human Rights</p>
<p>8</p> <p>Climate Change</p>	<p>9</p> <p>Diversity and Inclusion</p>	<p>10</p> <p>Customer Experience</p>	<p>11</p> <p>Biodiversity and Ecosystem Integrity</p>	<p>12</p> <p>Talent Attraction, Growth and Retention</p>	<p>13</p> <p>Corporate Citizenship</p>	

Economic Dimension	Environmental Dimension	Social Dimension
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Based on the outcome of our materiality assessment, we prioritised 13 material topics that represent CIMB's most significant impacts on the economy, environment and society, and vice versa.

Along with our stakeholder engagement process, we have made improvements by updating our definition of each material topic to be more concise. We have updated and enhanced the clarity of our material matters with the addition, deprioritisation, splitting and renaming of the topics. Major updates are as follows:

<p>Human Rights</p> <p>New material matter, added to provide better focus and coverage of human rights-related issues</p>	<p>Digitalisation and Innovation</p> <p>Split out from "Technology" to provide specific focus on digitalisation and innovation in our business</p>	<p>Health, Safety and Well-being</p> <p>Treated as a hygiene factor, as our stakeholders expect this to be fundamental to our business</p>
<p>Biodiversity and Ecosystem Integrity</p> <p>New material matter, added to reflect its nature as an emerging risk in the banking industry and its increasing importance to our stakeholders</p>	<p>Cybersecurity and Data Privacy</p> <p>Split out from "Technology" to provide specific focus on issues related to cybersecurity and data privacy</p>	<p>Sustainable Supply Chain</p> <p>Treated as a hygiene factor, as well as to make way for more highly material matters such as our financed emissions (climate change)</p>
<p>Sustainable and Responsible Finance</p> <p>Updated to include "responsible finance" to explicitly cover both positive impacts in our financial services as well as elements of "do no harm" to people and planet</p>	<p>Risk Management and Business Resilience</p> <p>Split out from "Governance" to provide more focus on robust risk management and resilience of economic value creation</p>	<p>Sustainability Awareness and Participation</p> <p>Treated as 'business as usual', as this has been ongoing and foundations have been set, as well as to make way for more highly material matters</p>
<p>Governance and Ethics</p> <p>Updated to explicitly call out "ethics" which covers elements such as anti-competitive behaviour, responsible tax management and contribution to peace and justice</p>	<p>Corporate Culture</p> <p>Merged with "Talent Attraction, Growth and Retention", as a strong corporate culture is fundamental for attracting and retaining the right talent</p>	



Sustainability Principles and Strategy

Our identified material matters represent our most significant impact on the economy, environment, and people. To address these matters, we adopt a long-term management approach as part of our sustainability efforts. This allows us to minimise related risks and build on opportunities, thus generating sustainable value for our stakeholders.

Why is it important	Risks	Opportunities	Long-Term Approach
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ECONOMIC

SUSTAINABLE AND RESPONSIBLE FINANCE



<p>We integrate sustainability considerations in our transactions, products and services, to generate long-term value for stakeholders, and contribute towards an inclusive and environmentally sustainable economy, while ensuring our financial services are not enabling harm to people and planet</p>	<ul style="list-style-type: none"> Inability to integrate and adapt to fast-evolving sustainability risks could lead to stranded assets and higher default rates by clients who are financially impacted by sustainability matters 	<ul style="list-style-type: none"> Being an ASEAN sustainability leader Generate long-term value and harness new business opportunities by delivering innovative sustainable finance products and services 	<ul style="list-style-type: none"> Delivering products and services to support people, businesses and activities that create positive impacts on society, from economic, environmental and social perspectives Managing risks and potential negative impacts arising from the activities that CIMB finances, including impacts on the economy, environment and society in general
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GOVERNANCE AND ETHICS



<p>We maintain strong governance practices, as a foundation for long-term value creation and protection, and given the highly regulated industry in which we operate</p>	<ul style="list-style-type: none"> Reputational damage for failing to meet regulators' or other stakeholders' expectations Fines for breaching regulatory requirements Financial losses due to failure to mitigate or limit our risk exposure Lack of integrity and transparency in our culture 	<ul style="list-style-type: none"> Strong governance practices enable the effective execution of business strategy, while strengthening our ability to become a responsible financial institution A culture of ethics, integrity and transparency is a critical foundation for any high-performing organisation 	<ul style="list-style-type: none"> Allocating resources strategically and reinforcing our ability to plan and achieve resilient value creation Reinforcing a healthy culture of ethics, integrity and transparency throughout the organisation
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Why is it important

Risks

Opportunities

Long-Term Approach



RISK MANAGEMENT AND BUSINESS RESILIENCE



It is critical for us as a local ASEAN bank to strengthen business resilience in a continuously evolving market and environmental landscape. Our long-term performance depends on how well we manage financial and business risks while we strive to meet our financial and sustainability goals

- Lack of integrated or systematic processes to understand, measure and manage financial and business risks
- Adopting a short-term and reactive approach to emerging risks and trends

- Integrated, long-term processes to manage risks in a holistic way
- Strengthened business fundamentals which will enable the effective execution of business strategies and initiatives

- Putting in place controls that limit CIMB's risk exposure, meet regulatory expectations, as well as ensure commercial resilience
- Adapting to and integrating emerging risks to maintain business resilience and economic performance



CYBERSECURITY AND DATA PRIVACY



We have a duty of care to protect customers' assets. In a digital society, banking transactions are increasingly conducted digitally, and cyber crimes are on the rise. In protecting the bank's credibility, it is critical to protect customers' data and privacy by having strong safeguards from cyberattacks

- Failing to prevent cybersecurity breaches and loss of customers' data, leading to reputational damage and loss of trust
- Business operations can be disrupted

- Strengthened customers' trust
- Continued protection of critical data and business continuity
- Robust data management practices will allow us to be more efficient in catering to stakeholders' needs and expectations

- Safeguarding CIMB's data and systems, as well as customers' data and privacy
- Protecting customers from frauds and scams



DIGITALISATION AND INNOVATION



The banking industry will continue to face digital disruptions. It is critical for the bank to accelerate digital transformation and provide innovative digital solutions for all customer segments, to provide superior customer experience and enable financial inclusion

- Failing to adapt to digital disruptions in the banking industry
- Loss of competitiveness

- Capturing new revenue streams, value creation opportunities as well as opportunities to reduce operational costs
- Strengthened technological resilience
- Enhanced and differentiated customer experience

- Ensuring a seamless and differentiated digital experience for customers
- Transforming our operations by deploying tools such as data analytics capabilities and artificial intelligence to be a data-first organisation



Sustainability Principles and Strategy

Why is it important	Risks	Opportunities	Long-Term Approach
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CUSTOMER EXPERIENCE



<p>Customers are at the heart of what we do as a bank and our reason for existence. Our competitive advantage depends on how well we meet their needs, providing value-adding and differentiated products and services</p>	<ul style="list-style-type: none"> • Disproportionate focus on high net-worth and preferred customer segments • Narrow approach to banking that is not designed to meet the needs of special groups of customers, including the unbanked and underbanked, disadvantaged, differently-abled, and aged • Short-lived customer loyalty 	<ul style="list-style-type: none"> • Catalysing the market by creating new benchmarks for excellent customer experience • Tapping new market segments with products designed to meet specific socio-economic needs • Increasing brand affinity and loyalty 	<ul style="list-style-type: none"> • Engaging in responsible marketing and fair dealing practices to strengthen customer trust • Going the extra mile for our customers, and delivering excellent customer experience that builds long-term relationships • Delivering relevant, value-adding and competitive products and services
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ENVIRONMENTAL



CLIMATE CHANGE



<p>Climate change is an existential threat to all, including ourselves. As a responsible and influential corporate citizen, we are committed to achieving net zero operational greenhouse gas (GHG) scope 1 and 2 emissions by 2030 and Net Zero overall GHG emissions by 2050</p>	<ul style="list-style-type: none"> • Failing to account for and mitigate climate-related risks in our portfolio could result in higher loan/financing impairments due to stranded assets and physical climate impacts • Failure to anticipate and mitigate physical risks in our operational footprint and supply chain could result in operational disruptions and losses 	<ul style="list-style-type: none"> • Accelerating market transition towards a low-carbon economy by channeling funds towards low-carbon businesses and away from those with high carbon trajectories • Building client trust by helping them manage their own climate risks • Capturing new business opportunities arising from climate risk mitigation and climate transition 	<ul style="list-style-type: none"> • Implementing our roadmap toward net zero scope 1 and 2 emissions, including implementing an internal carbon price • Setting Paris-aligned carbon-related targets for our most carbon-intensive sectors
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Why is it important

Risks

Opportunities

Long-Term Approach



BIODIVERSITY AND ECOSYSTEM INTEGRITY



Protecting biodiversity and ecosystem integrity is critical for a sustainable economy and ensuring that society's basic needs such as energy, food and water are met. It is our responsibility to ensure that the activities and clients we finance do not cause harm to biodiversity and natural ecosystems. We can support and promote biodiversity in how we channel our financing

- Financing clients who pollute or destroy natural habitats can cause reputational damage
- Failing to account for nature-related risks in our loan/financing portfolio could increase exposure to significant financial risks, including physical, transition and systemic risks

- Financing clients who contribute towards a "nature-positive" economy
- Robust sustainability due diligence embedding nature-related risk considerations

- Committing to a No Deforestation, No Expansion on Peat and No Exploitation (NDPE) to promote sustainable practices
- Integrating biodiversity and ecosystem integrity, including waste and water management, considerations into financing and other business decisions



SOCIAL



FINANCIAL INCLUSION AND LITERACY



As a responsible financial institution, we have a duty to equip individuals and businesses with financial knowledge that will help them to better manage their finances. We also serve the unbanked and underbanked towards building more resilient and financially secure communities

- Mis-selling of our banking products and services
- Failing to capitalise on business opportunities to serve the unbanked and underbanked communities and demographics

- Integration of underserved and disadvantaged groups into the banking system
- New business opportunities arising from serving the unbanked and underbanked
- Improved financial planning and management, contributing to the quality of life of customers and communities

- Providing access to affordable financial services, and improving financial literacy, especially among disadvantaged segments of society



HUMAN RIGHTS



Businesses are expected to respect human rights in all aspects of our operations. As a responsible financial institution, we ensure that we do not finance or enable, directly or indirectly, human rights violations caused by our clients and other stakeholders

- Being linked to human rights violations can cause reputational damage and potentially lead to elevated credit risk and financial losses

- Promoting awareness and respect for global human rights principles among our business relations
- Delivering products and services that serve minority and vulnerable customer segments

- Upholding international human rights laws and standards
- Integrating human rights due diligence in our sustainability due diligence process
- Promoting fair labour practices and fair treatment of communities



Sustainability Principles and Strategy

Why is it important	Risks	Opportunities	Long-Term Approach
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TALENT ATTRACTION, GROWTH AND RETENTION



<p>Employees are key to successful execution of our business strategies, and as a responsible employer, we aim to provide a safe, fair and fulfilling work environment and individual development for our people. Amid the global transition towards a more sustainable economy, we will face fiercer competition to attract, grow and retain the right talent</p>	<ul style="list-style-type: none"> Failing to capitalise on emerging trends due to lack of skilled employees, leading to loss of competitive advantage Lower productivity and performance due to unmotivated employees Inability of employees to fully contribute due to lack of skills, knowledge and tools 	<ul style="list-style-type: none"> Become the “employer of choice” among the top talents in the region Enhance organisational agility and effectiveness with highly-skilled, well-equipped and motivated talent 	<ul style="list-style-type: none"> Attracting and nurturing the right talent to future-proof the organisation and its business Implementing effective mechanisms to retain talent for business continuity, productivity, performance and competitiveness Strengthening management-employee relationships to foster a strong corporate culture, which is built on trust and accountability
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DIVERSITY AND INCLUSION



<p>Diversity across the organisation can foster innovation, inclusive growth and participative leadership, and serve to remove barriers to communication, productivity and performance</p>	<ul style="list-style-type: none"> Lack of diverse ideas, skills and motivation for innovation Inability to attract talented individual from diverse groups 	<ul style="list-style-type: none"> Encouraging diverse ideas and views for innovative solutions across customer segments and markets Promoting local employment by supporting overlooked high-potential talent 	<ul style="list-style-type: none"> Providing and promoting equal, fair and inclusive opportunities regardless of gender, age, background, beliefs, ethnicity, skill and abilities
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CORPORATE CITIZENSHIP

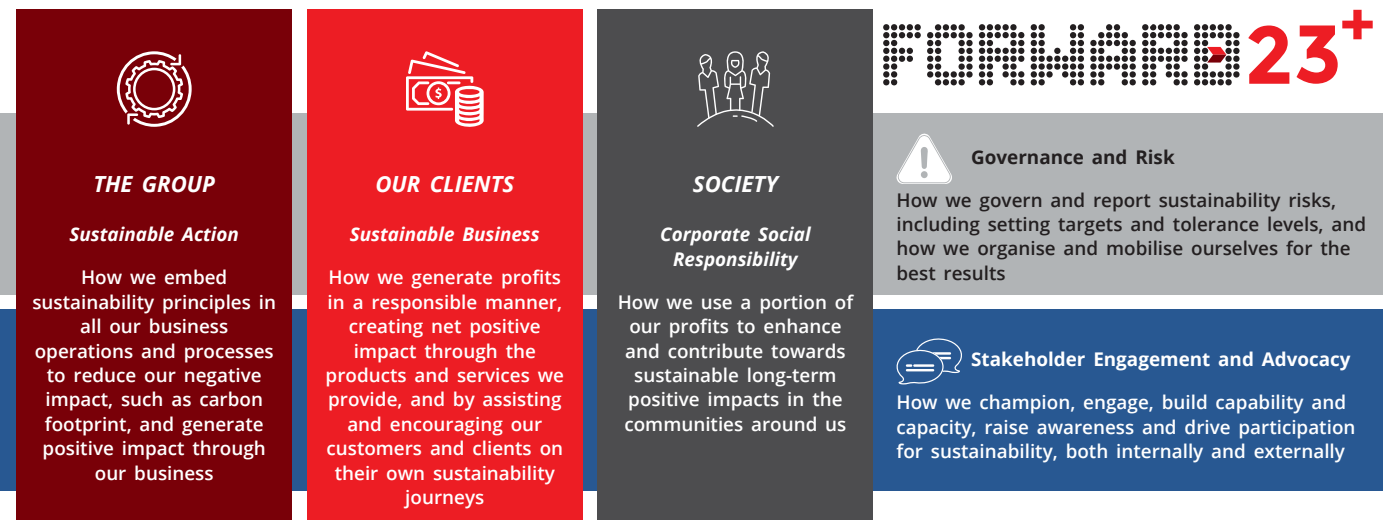


<p>Our purpose is to build a high performing sustainable organisation to help advance customers and society. This can only be achieved when we embed a sense of belonging, accountability, and purposeful communications within our organisation and with the communities we operate in</p>	<ul style="list-style-type: none"> Being perceived as insensitive to the local environment and communities Loss of trust from and regulators and being seen as unsupportive of national initiatives 	<ul style="list-style-type: none"> Meaningful corporate social responsibility (CSR) initiatives can increase our visibility and contribute towards our reputation as a responsible financial institution Engaging with communities and local governments will bring important business insights Involving our employees in volunteerism can improve their understanding and ability to serve our customers better, as well as increase motivation and loyalty 	<ul style="list-style-type: none"> Supporting regional and national policies to reduce poverty and build sustainable communities, among others Implementing CSR initiatives that contribute to economic, environmental and social well-being as well as address the needs of stakeholders
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SUSTAINABILITY ROADMAP

The CIMB Group Sustainability Roadmap is developed according to our sustainability principles, and forms the foundation of our strategies and initiatives to steer our business activities and operations towards achieving our sustainability aspirations. The scope of our roadmap covers all areas we may impact or influence, including our own operations, as well as downstream impacts on stakeholders such as customers, and upstream with our suppliers. The roadmap covers our material sustainability matters to deliver net positive impacts to our stakeholders, including the economy, communities and environment.

We have also embedded the Value-Based Intermediation (VBI) principles into our sustainability roadmap. Developed by Bank Negara Malaysia, VBI aims to deliver the intended outcomes of Shariah, applying its principles of benefit attainment and prevention of harm.





Sustainability Principles and Strategy

OUR SCORECARD

Our sustainability commitments are underpinned and tracked via a set of robust value-creation indicators, with quantitative targets where possible, and supplemented with qualitative commitments for the remaining indicators. These targets align with national priorities, the UN SDGs and industry benchmarks. They have been widely discussed with business units and enablers, as well as the Group Sustainability Council, Group Transformation Committee and Board, to ensure that they are relevant and to achieve a balance of reach and practicality.

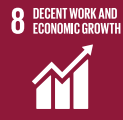






In 2022, we commenced the alignment of our scorecard to reflect our updated material matters. However, Group-level targets on new material matters, such as Human Rights and Biodiversity and Ecosystem Integrity, will only be incorporated after due planning, deliberation and approvals.

SUSTAINABLE ACTION	Success Measures	2019 Baseline	2022 Performance	2024 Goals and Commitments ¹
<p>Material Topics:</p> <ul style="list-style-type: none"> Climate Change Diversity and Inclusion Human Rights Talent Attraction, Growth and Retention <hr/> <p>Related UN SDGs:</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="width: 50%; text-align: center;"> <p>10 REDUCED INEQUALITIES</p> </div> <div style="width: 50%; text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="width: 50%; text-align: center;"> <p>13 CLIMATE ACTION</p> </div> <div style="width: 50%; text-align: center;"> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> </div>	<p>Climate Change</p> <p>GHG emissions reduction (Scope 1 and 2)²</p>	94,834 tonnes CO ₂ e	74,036 tonnes CO ₂ e, reduction of 22% from baseline	25% reduction from 2019 baseline; towards net zero by 2030
	<p>Diversity and Inclusion</p> <p>Women in leadership (GCEO-2 level and above)</p> <p>Gender pay gap³</p>	<p>38% women in leadership (2020 baseline)</p> <p>1 (Male) : 1.00 (Female) for Key Management 1 (Male) : 0.97 (Female) for Senior Management (2020 baseline)</p>	<p>42.4% women in leadership</p> <p>1 (Male): 0.98 (Female) for Key Management 1 (Male): 0.98 (Female) for Senior Management</p>	<p>45% women in leadership</p> <p>CIMB is committed to reducing the gender pay gap</p>

¹ Unless otherwise stated.

² Scope of success measure changed from intensity to absolute reduction to reflect emissions reduction more accurately.

³ In 2021, we revised our methodology to calculate our gender pay gap ratio using a weighted average across business units, business enablers and population size across Malaysia, Indonesia, Singapore and Thailand. The 2020 figures (covering Malaysia only) were restated and used as a baseline based on this methodology. The same methodology continued to be applied in 2022.

SUSTAINABLE BUSINESS	Success Measures	2019 Baseline	2022 Performance	2024 Goals and Commitments ¹
<p>Material Topics:</p> <ul style="list-style-type: none"> Sustainable and Responsible Finance Financial Inclusion and Literacy Cybersecurity and Data Privacy Digitalisation and Innovation Customer Experience Climate Change Biodiversity and Ecosystem Integrity Human Rights <p>Related UN SDGs:</p>       	<p>Customer Experience Relative Net Promoter Score (NPS) compared to peers</p>	Top 48%	Within 74%	Top quartile (25%)
	<p>Sustainable Finance CIMB financing clients with Environmental and Social (E&S) action plans</p>	11 clients with new action plans	89 clients with new action plans	To measure and report progress annually
	<p>Clients that implemented E&S action plans</p>	None, as E&S action plans were only due from 2020 onwards	84% of clients successfully completed E&S action plans due in 2022	To measure and report progress annually
	<p>Green, Social, Sustainable Impact Products and Services (GSSIPS)²</p>	Not measured	RM54.3 billion mobilised from 2021-2022	RM60 billion mobilised from 2021-2024
	<p>Financial Inclusion and Literacy Financing provided to underserved communities³</p>	Not measured	RM14.3 billion	To measure and report progress annually
	<p>Climate Change Reduction in financed emissions</p>	13,811 ktCO ₂ e for nine carbon intensive sectors, covering 61% of total gross financing (2021 baseline)	<p>Baselined financed emissions for nine carbon intensive sectors</p> <p>2030 climate targets set for thermal coal mining and cement sectors</p>	To measure and report progress annually towards Net Zero by 2050

¹ Unless otherwise stated.

² Includes Financial Inclusion figures.

³ Includes financing to low-income individuals and micro and small enterprises.

CORPORATE SOCIAL RESPONSIBILITY	Success Measures	2019 Baseline	2022 Performance	2024 Goals and Commitments ¹
<p>Material Topics:</p> <ul style="list-style-type: none"> Corporate Citizenship <p>Related UN SDGs:</p>     	<p>Corporate Citizenship CSR investments disbursed</p>	RM45.8 million ²	RM34.4 million ³	RM150 million disbursed from 2021 – 2025
	<p>Employee volunteer hours</p>	6,580 hours ⁴	142,914 hours	100,000 hours in employee volunteerism annually, by 2024

¹ Unless otherwise stated.

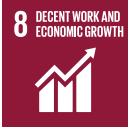




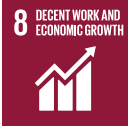

² Total approved.

³ Total disbursed. We updated our reporting definitions to align more closely with the impacts created.

⁴ Malaysia only.



Sustainability Principles and Strategy

	Success Measures	2019 Baseline	2022 Performance	2024 Goals and Commitments ¹
GOVERNANCE AND RISK Material Topics: <ul style="list-style-type: none"> Governance and Ethics Risk Management and Business Resilience Climate Change Human Rights Related UN SDGs:     	Governance and Ethics Material issues supported by policy commitments ²	9 out of 14 (64%) of material issues supported	12 out of 13 (92%) of material issues supported	All material issues supported by policy commitments
	Improvement in governance score on S&P Global Corporate Sustainability Assessment (CSA) ³	Score of 58 (based on 2018 performance)	Score of 75 (based on 2021 performance). A 29% improvement from 2019 baseline	30% improvement from 2019 baseline
	Female representation on the Board ⁴	11%	30%	At least 30%
¹ Unless otherwise stated. ² Total number of material issues has reduced from 14 to 13 since 2019 as part of our materiality refresh exercises. ³ Includes Anti-Crime Policy and Measures, Risk and Crisis Management, Codes of Business Conduct, Tax Strategy, Corporate Governance, Information Security/Cybersecurity and System Availability, Privacy Protection. ⁴ CIMB Group Holdings Berhad.				
STAKEHOLDER ENGAGEMENT AND ADVOCACY Material Topics: <ul style="list-style-type: none"> Talent Attraction, Growth and Retention Sustainable and Responsible Finance Related UN SDGs:  	Talent Attraction, Growth and Retention Employees trained in sustainability each year	2,268	4,416 employees across the region ²	To measure and report progress annually
¹ Unless otherwise stated. ² Excludes e-learning.				

PARTNERSHIPS

We work closely with industry and regulatory bodies to accelerate the mainstreaming of the sustainable development agenda. We are members of international and local working groups, which allow us to share our experiences and adopt best practices and tools. On the other hand, we work with a number of Non-Governmental Organisations who actively support us on various aspects of our sustainability journey.

THE COOLER EARTH SUSTAINABILITY SUMMIT

Our annual flagship event, CIMB's The Cooler Earth Sustainability Summit, is a platform to inspire business leaders, financiers, investors, policy and decision-makers to shift the paradigm of business and finance. Our fourth Summit, themed "Facilitating a Just Transition," focused on building concrete actions to lay a strong foundation for the future.

JOINT COMMITTEE ON CLIMATE CHANGE

We play an active role in the Joint Committee on Climate Change (JC3), which is co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC). This committee works to mobilise collective action in the Malaysian financial sector in order to promote climate resilience in the sector and the wider economy. Inputs, insights, and recommendations are used to shape sustainability policies and regulations set by BNM and the SC.

VALUE-BASED INTERMEDIATION

We are strong advocates of BNM's Value-Based Intermediation (VBI), which aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impacts on the economy, community and environment, and are consistent with shareholders' sustainable returns and long-term interests. CIMB Islamic is currently part of the working group for the VBI Financing and Investment Impact Assessment Framework (VBIAF) Agriculture Sectoral Guide.

NET ZERO BANKING ALLIANCE

We are the first ASEAN bank to join the NZBA, which forms part of the Glasgow Financial Alliance for Net Zero (GFANZ). The NZBA consists of 126 banks from 41 countries that are dedicated to aligning their investments and lending with Net Zero emissions by 2050. The alliance works to reinforce, accelerate and support the implementation of decarbonisation strategies, providing an internationally coherent framework and guidelines, supported by peer learning. As a signatory of NZBA, we mobilise our products, services and relationships to help facilitate a just transition towards a climate-resilient future.

INTERNATIONAL CHAMBER OF COMMERCE (ICC) SUSTAINABLE TRADE FINANCE WORKING GROUP

We are an active member of the ICC Sustainable Trade Finance Working Group, an initiative that was set up in 2016 to develop best practice standards for sustainable trade. The Wave 1 Framework was launched at COP27.

THE CEO ACTION NETWORK

We co-founded the CEO Action Network alongside our partner, IMPACTO, in 2020 to provide a closed-door peer-to-peer informal network of CEOs and Board Members committed to driving sustainable action in corporate Malaysia. With over 60 members from more than 20 critical sectors, CAN aspires to catalyse its members and the broader economy towards shaping future-ready and ESG-integrated business models and ecosystems. CIMB is an active member of the CAN Steering Committee and is Chair of the Working Group.s

As a CAN member, we are committed to meeting Collective Commitments at Level 2¹ by 2023. We have met all of our collective commitments as of the end of 2022, and are currently working with other CAN members to develop an updated and more ambitious set of collective commitments for 2024 and beyond.

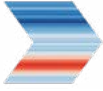
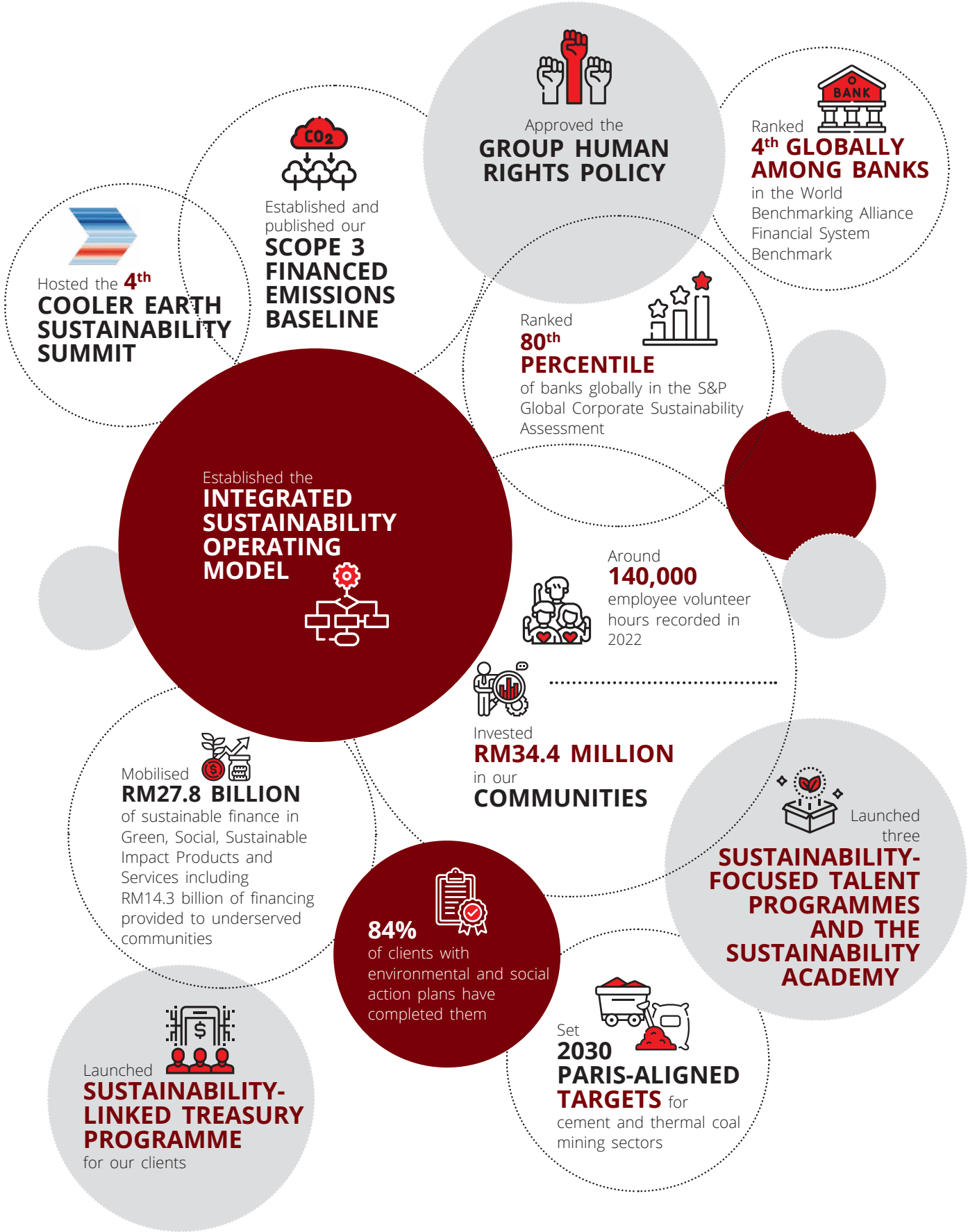
| Read more about our commitments and accomplishments on pages 26 to 28

	Commitment	Status
Governance	<ul style="list-style-type: none"> Disclose material sustainability risks and opportunities Disclose performance criteria of top management linked to ESG 	<ul style="list-style-type: none"> Completed. We refreshed our material matters, risks and opportunities in 2022 Completed and disclosed
	<ul style="list-style-type: none"> Set public targets on GHG Scope 1 and 2 Commit to implement TCFD recommendations 	<ul style="list-style-type: none"> Completed. We have committed to net zero Scope 1 and 2 GHG emissions by 2030 Completed. We are an official supporter of TCFD and have implemented the majority of TCFD recommendations. We are committed to disclosing all TCFD recommendations by 2024
Environment	<ul style="list-style-type: none"> Set public targets on percentage of female composition in top management Conduct human rights risk assessment across own operations and value chain 	<ul style="list-style-type: none"> Completed. We have set a public target of attaining 45% of females in top management by 2024 Completed. We implemented our human rights policy and institutionalised human rights assessments and requirements for our suppliers and financing clients
	<ul style="list-style-type: none"> Set public targets on percentage of female composition in top management Conduct human rights risk assessment across own operations and value chain 	<ul style="list-style-type: none"> Completed. We have set a public target of attaining 45% of females in top management by 2024 Completed. We implemented our human rights policy and institutionalised human rights assessments and requirements for our suppliers and financing clients
People	<ul style="list-style-type: none"> Set public targets on percentage of female composition in top management Conduct human rights risk assessment across own operations and value chain 	<ul style="list-style-type: none"> Completed. We have set a public target of attaining 45% of females in top management by 2024 Completed. We implemented our human rights policy and institutionalised human rights assessments and requirements for our suppliers and financing clients

¹ CAN has outlined 14 commitments under three categories (environment, people and governance) with three progressive levels (level 1, level 2, level 3) of commitment for each category.

| Read more about CIMB's Political Contributions

Sustainability Key Highlights in 2022



Hosted the **4th**
COOLER EARTH
SUSTAINABILITY
SUMMIT



Established and published our
SCOPE 3
FINANCED
EMISSIONS
BASELINE



Approved the
GROUP HUMAN
RIGHTS
POLICY



Ranked
4th GLOBALLY
AMONG BANKS
in the World
Benchmarking Alliance
Financial System
Benchmark



Ranked
80th
PERCENTILE
of banks globally in the S&P
Global Corporate Sustainability
Assessment



Around
140,000
employee volunteer
hours recorded in
2022



Invested
RM34.4 MILLION
in our
COMMUNITIES



Launched
three
**SUSTAINABILITY-
FOCUSED TALENT**
PROGRAMMES
AND THE
SUSTAINABILITY
ACADEMY



84%
of clients with
environmental and social
action plans have
completed them



Set
2030
PARIS-ALIGNED
TARGETS for
cement and thermal coal
mining sectors



Launched
**SUSTAINABILITY-
LINKED TREASURY**
PROGRAMME
for our clients

Established the
INTEGRATED
SUSTAINABILITY
OPERATING
MODEL

AWARDS



TOP EMPLOYER AWARDS



GRADUATE CHOICE AWARD 2022

- Overall ranking top #9
- 1st runner up in Banking category
- 1st runner up in Investment Banking category

GRADUAN BRAND AWARDS 2022

- Overall ranking #3
- 1st runner up Banking category

EMPLOYEE EXPERIENCE AWARD 2022

- Silver – Best Onboarding Experience

SUSTAINABLE BUSINESS AWARDS



We are honoured to have won several awards throughout 2022 for Sustainable Finance, including GSS Bonds/Sukuk, a testament to our continued commitment to providing sustainable capital market solutions.

THE ASSET TRIPLE A COUNTRY AWARDS FOR SUSTAINABLE FINANCE 2022

- Best Issuer for Sustainable Finance – Malaysia
- Best SDG Bond – Malaysia
- Best Bond Adviser, Domestic – Malaysia
- Best Social Bond – Singapore
- Best Green Bond – Indonesia
- Best Green Loan – Indonesia
- Best IPO – Malaysia
- Best IPO – Philippines

THE ASSET TRIPLE A ISLAMIC FINANCE AWARDS 2022

- Best ASEAN Green SRI Sukuk – Malaysia
- Best SRI Sukuk – Malaysia
- Best ASEAN Sustainability Sukuk – Malaysia
- Best Sustainability Sukuk – Malaysia
- Best Sustainability SRI Sukuk – Malaysia
- Best Green Sukuk – Indonesia
- Best SME Solution for CIMB GreenBizReady – Malaysia

ALPHA SOUTHEAST ASIA BEST DEAL AND SOLUTION AWARDS 2022

- Best SRI Sukuk and Best Local Currency Sukuk of the Year for a Sustainability Sukuk Wakalah – Malaysia
- Best Islamic Finance Deal and Most Innovative Islamic Finance Deal of the Year for a Sustainability Sukuk Murabahah – Malaysia
- Best Sovereign Bond and Best Green Sukuk of the Year – Indonesia
- Best Sustainability-linked Transaction of the Year – Thailand

ASIAN BANKING AND FINANCE CORPORATE AND INVESTMENT BANKING AWARDS 2022

- Green Deal of the Year – Malaysia

TRIPLE A SUSTAINABLE CAPITAL MARKETS AWARDS 2022

- Best Syndicated Loan – Indonesia

CIMB GREENBIZREADY™ RECOGNITION



CIMB GreenBizReady™, our complimentary solution to help SMEs who want to embark on or advance their sustainability journey, clinched the “Best SME Solution - Malaysia” at The Asset Triple A Islamic Finance Awards 2022.

We are also pleased to have assisted Salcon Berhad on its sustainability journey through CIMB GreenBizReady™, in partnership with IMPACTO Sdn Bhd. In The Edge ESG Awards 2022, Salcon won the Silver Award in the Utilities category, attributed to its purpose-driven sustainability initiatives.

These awards are a testament to the value we provide our clients through this proposition across SMEs and corporates who are looking to start and progress on their sustainability journey.

Through CIMB GreenBizReady™, CIMB hopes to catalyse the transition of Malaysian SMEs towards the green economy, in line with the Malaysian Government’s aim of advancing the sustainability agenda as part of a holistic and inclusive economic approach.



Governance & Risk

We adopt a principled approach to corporate and sustainability governance. Our commitment to sustainable value focuses on balancing stakeholders' interests – shareholders, employees, customers, communities and everyone else impacted by the work we do. Our dedication to creating sustainable value guides us in fostering a culture of transparency, accountability, and integrity, which is vital in building stakeholders' trust. By prioritising long-term value creation that benefits all, we aim to deliver meaningful and lasting positive impact.

Our robust risk and governance systems are built upon shared values and norms among our employees. This is institutionalised through:



Strong governance systems based on transparency, accountability and integrity



An integrated risk management approach that incorporates environmental and social risk considerations into daily decision-making and operations



Robust policies and frameworks that prioritise social and environmental well-being



Proactive climate change risk management that builds our resiliency while promoting the transition towards a low-carbon economy

MATERIAL TOPICS

2022 ACHIEVEMENTS



Governance and Ethics

- Improved our S&P Global CSA Governance score by 29% from 2019



Risk Management and Business Resilience

- Published CIMB's Sustainable Finance Framework, containing our sector policies and position statements
- Enhanced Group Sustainable Financing Policy to incorporate human rights risks and just transition considerations
- Rolled out new sector guides for mining and manufacturing
- Incorporated an overall sustainability rating into the Group's 2023 Risk Posture Setting exercise



Climate Change: Risks and Opportunities

- Completed scope 3 financed emissions baseline for nine carbon-intensive sectors, covering 61% of the Group's total gross financing
- Established Paris-aligned 2030 climate targets at portfolio level for thermal coal mining and cement sectors
- Completed classification of 2022 financing and investments according to Bank Negara Malaysia (BNM) Climate Change and Principle-based Taxonomy (CCPT)
- Shared CIMB's climate journey and insights in various forums at COP27



Human Rights

- Rolled out CIMB's Group Human Rights Policy



Biodiversity and Ecosystem Integrity

- Established and rolled out the No Deforestation, No Peat, and No Exploitation (NDPE) Policy to palm oil, forestry and timber plantation sectors




GOVERNANCE AND ETHICS

Whilst all banks in Malaysia are highly regulated, the fast-paced environment with constant technological advancement and innovation requires banks to be vigilant in managing their operations and businesses. Effective corporate governance ensures the proper functioning of a bank as an integral and critical part of the economy, society and environment. At CIMB, we emphasise ethical banking practices, embedding healthy risk culture and continuously improving our risk management capability to safeguard stakeholders' interests. We persevere in the culture of transparency, accountability, fairness and integrity to ensure sustainability in our businesses.

THE BOARD: ACCOUNTABLE, FAIR AND DIVERSE

Our Board of Directors is a fundamental component of our corporate governance, putting stakeholder interests at the top of their agenda. The Board is guided by CIMB's Board Charter , which sets out seven principal roles and responsibilities of the Board, including overseeing the development and implementation of a sustainability framework for the Group.

Our Board composition  reflects a diverse mix of skills, backgrounds and experiences, which contributes to more effective and creative decision-making. Taking into account the Group's businesses, as well as regulators' and shareholders' expectations, the Board has identified a set of skills required within the Board. These include operations, risk management, investment and corporate finance, business management and corporate leadership, accounting and finance, audit, technology, law, human resources, and sustainability.

In addition to skills, adequate experience in the banking industry and other financial services, are essential. 90% of our Board members have experience in banking and other financial services. Periodic analysis of the Board composition and diversity are conducted to ensure adherence to the guiding principles in the Board Composition and Skill Set Framework.



The structure of the Board of Directors at CIMB is a one-tier system with a single Board consisting of Independent and Non-Independent Directors. The Board recognises that Independent Directors are essential in protecting the interests of shareholders, including the rights of minority shareholders, and can make significant contributions to the Group by bringing in the quality of detached impartiality. The Group Nomination and Remuneration Committee assesses the independence of Independent Directors and is guided by the definition of "Independent Director" as prescribed by the Main Market Listing Requirements of Bursa Securities and Bank Negara Malaysia's (BNM) Corporate Governance Policy.

As at 31 December 2022, each of the Independent Directors, including the Board Chairperson, was considered to be independent of the management and free from any significant business or other relationships which could

interfere with the exercise of independent judgment or their ability to act in the best interests of CIMB and:

- Was not an Executive Director of CIMB, its subsidiaries or any related corporations of CIMB
- Had not been employed by CIMB in an executive capacity within the last five years
- Was not a family member of any executive director, officer, or major shareholder of CIMB for the past three years; and
- Was not a partner or employee of CIMB's external auditor during the past three years

The Board comprises ten members, of which 80% are Independent Directors. This aligns with the Malaysian Code on Corporate Governance that requires a majority of Independent Directors on the Board.




Governance & Risk

CODE OF ETHICS AND CONDUCT

Our workplace culture is shaped by CIMB's shared values, behaviours, and underlying mindsets. Culture and values are essential to our ability to execute our Forward23+ strategy, which aims to transform CIMB into a high-performing, purpose-driven organisation that advances our customers and society.

Our mantra of "Value Creation, Enabling People, and Integrity" guides our operations, and we are committed to good compliance practices, protecting the privacy of our customers, employees and business, and going the extra mile for our customers.

The CIMB Code of Ethics and Conduct  is important for maintaining and strengthening trust. The Code sets out the standards of conduct expected of all CIMB employees in our engagement with customers, business associates, regulators, colleagues and other stakeholders across the region. We encourage employees to perform an annual refresher of the Code to remain informed and updated.

Additionally, all employees across our regional offices have various channels available to raise any workplace concerns, including:

- Raising concerns directly with a manager or supervisor, with an option to escalate to senior management directly;
- Contacting a human resource representative; and
- Submitting a report anonymously to country-specific whistleblowing emails.





In the last three years, the Code of Ethics and Conduct has covered our employees, subsidiaries, contractors, suppliers and service providers. We provide annual training and collect digital acknowledgement that they have understood and adhered to our Code of Ethics and Conduct.


One breach of the Code of Ethics and Conduct in Malaysia was reported in 2022. The matter was investigated, and the employee has since been dismissed.

WHISTLEBLOWING

The CIMB Group Whistleblowing Policy has been enhanced to clearly lay out multiple channels for employees and other business relations such as suppliers, clients and the public for reporting any cases of inappropriate, unethical or unlawful behaviour and practices by the management or employees. We protect the confidential information of the whistleblower and only authorised personnel have access to such information. The Group Audit Committee (GAC) is responsible to report to the Board of Directors on this confidential information.

Whistleblowing Channels

 "Have Your Say" mailbox located at various divisions	 Email to whistleblowing@cimb.com
 Ordinary mail labeled "To be opened strictly by Addressee" and addressed to Chairman of the GAC of the Board	 Email, phone or write directly to the Chairman of GAC, Group Chief Executive Officer, Group Chief People Officer and/or Group Chief Internal Auditor

Our website has been updated with the refreshed policy , which has been approved by the Board and communicated to our employees and stakeholders.



A snapshot of our electronic direct mail encouraging employees to report harassment via Whistleblowing channels. This is part of our routine communications with our employees.

GRIEVANCE MECHANISMS

We provide appropriate and safe channels to facilitate employer-employee communication, namely our grievance settlement process and whistleblowing channels. These channels allow employees to safely raise and address issues concerning their working conditions, supervisors, colleagues or incidences of harassment, discrimination or violence. As part of our Human Rights Policy implementation, we will focus on enhancing current grievance mechanisms.



BRIBERY AND CORRUPTION

We are committed to conducting our business free from any form of bribery or corruption. We adopt a zero-tolerance approach to all acts of bribery or corruption perpetrated by employees, suppliers and other business relations. The Board and employees are expected to adhere to all local anti-bribery and anti-corruption legislations, and to remain vigilant about wrongdoing, malpractice or irregularities in the workplace. All employees must report any such instances to the management immediately.

Effective 2021, all employees are required to complete mandatory Anti-Bribery and Corruption Awareness e-Learning once every two years, building greater internal awareness and competence around relevant anti-bribery and corruption laws.

Our Anti-Bribery and Corruption Policy is made available on our website and communicated to all our relevant stakeholders.

The prevention and mitigation of bribery in CIMB is led by our Integrity and Governance Unit (IGU), which fosters and upholds the principles and culture of anti-corruption, abuse of power and malpractices. The unit reports independently to the Board of Directors on bribery and corruption cases across the Group every month. To guide their actions, IGU rolled out the Group Integrity and Governance Framework that sets out best practices to support effective prevention and mitigation of bribery and corruption. Anti-bribery and corruption have been further embedded via our Compliance Risk Assessment Methodology. This ensures adequate and timely risk identification through annual assessments while continuously addressing emerging material impacts.

We have also strengthened our anti-corruption agenda by establishing CIMB's Organisation Anti-Corruption Plan, which has been approved by the Group Sustainability and Governance Committee in 2022. Additionally, we organised the Corporate Integrity Pledge event on 14 November 2022, which reaffirmed our commitments against corruption which our promise towards good governance with representatives from the Malaysian Anti-Corruption Commission.

SAFEGUARDING AGAINST FINANCIAL CRIME

We take a zero-tolerance approach towards money laundering, terrorism financing, proliferation financing, human trafficking and any activity that is prohibited by law. CIMB strengthens financial integrity by assimilating the ethical dimension as one of the strategic priorities in combating financial crimes, apart from constant strategy review to fight against this plague.

CIMB has established processes and procedures for conducting Customer Due Diligence (CDD) on both face-to-face and online customers. Watchlist screening is performed during either the CDD process or the Ongoing CDD process. This screening strengthens the risk identification process. We have established procedures to handle, review and monitor Politically Exposed Persons (PEPs). We require our senior management to sign off on PEP customers as well as customers from countries, businesses and products with a higher risk of money laundering and terrorism.

| Read more about CIMB Anti-Money Laundering and Counter Financing of Terrorism policy

RESPONSIBLE TAX MANAGEMENT

Taxes help spur economic growth and enable governments to meet societal demands. Therefore, we view responsible tax management as a corporate responsibility. We are committed to avoiding the use of secrecy jurisdictions or "tax havens" for tax avoidance purposes. We consistently comply with tax laws and pay all taxes legally due in all jurisdictions in which we operate. This involves timely and accurate registration, filing of tax returns by their due dates, appropriate documentation as well as transparent tax reporting.

We manage our relationships with tax authorities and regulators in a transparent and professional manner. As an industry leader, we also contribute to developing tax policies and legislations, typically through direct engagement with tax authorities, public consultation processes or in our role as a member of an industry group.

| Read more about CIMB's tax policy



Governance & Risk




RISK MANAGEMENT AND BUSINESS RESILIENCE

Effective Risk Management provides resiliency in businesses during periods of uncertainties. Being a resilient organisation, we anticipate risks in advance, take proactive measures to mitigate their effects, and respond and adapt quickly to occurrences. At CIMB, we are guided by a robust risk management framework to ensure business continuity through four core activities: Risk Identification, Risk Assessment, Risk Mitigation, and Risk Monitoring. Our goal is to enhance the bank's risk management capability to meet regulatory expectations, safeguard the bank's interests, and ensure commercial sustainability.

ENTERPRISE-WIDE RISK MANAGEMENT (EWRM) FRAMEWORK

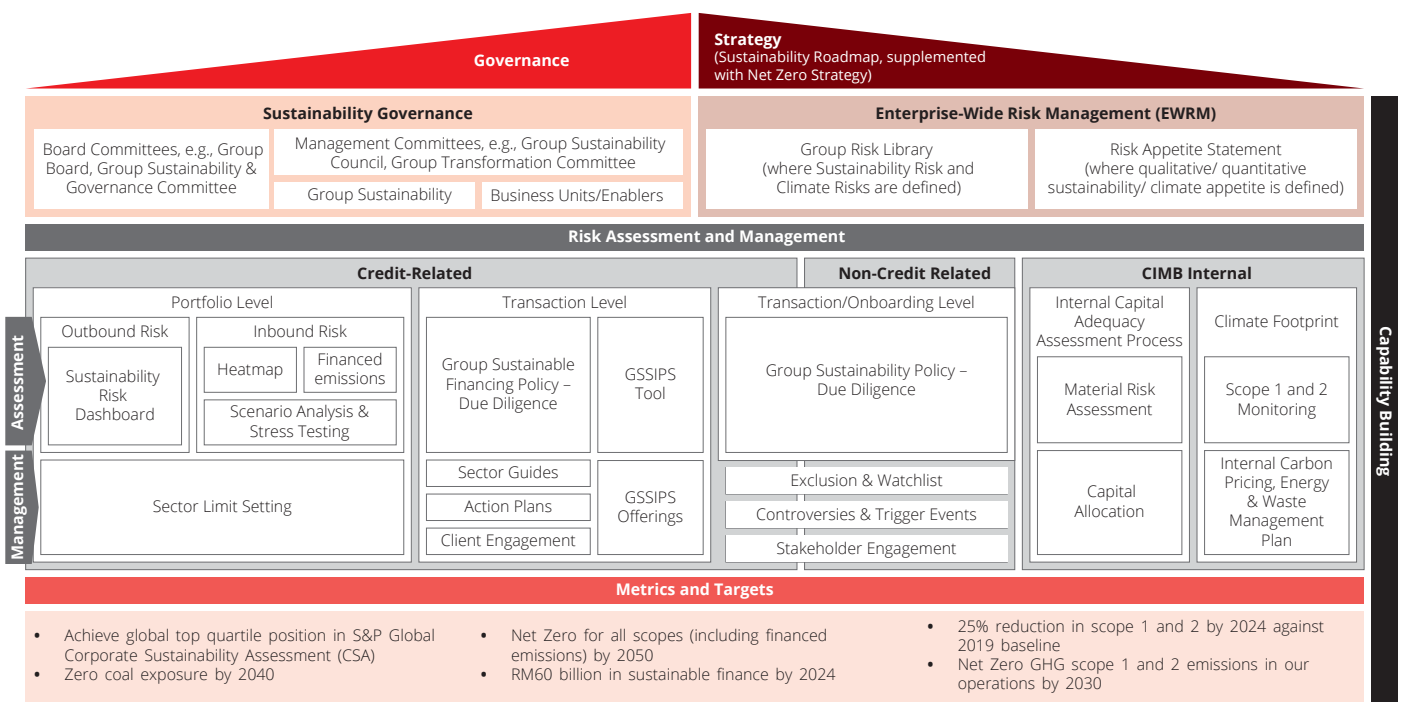
CIMB's Enterprise-Wide Risk Management (EWRM) Framework provides broad objectives and an overarching risk management architecture for managing risks for all entities within the Group. Sustainability risk is outlined as one of the main risks to be addressed, amongst others such as credit risk, market risk, operational risk, reputational risk etc. The key features of the EWRM framework include risk culture, governance and organisation, risk appetite, risk management processes and risk management infrastructure.

We adopt the three lines of defence model in implementing the Group EWRM framework , which provides clear accountability of risk management across CIMB Group.

Since 2018, sustainability risk has been integrated as part of the EWRM. The scope of risk includes, amongst others:

Environmental Risks	Social Risks	Economic/Ethical Risks
<ul style="list-style-type: none"> Energy, Water, Waste and Emissions Management Risk Climate Change: Physical and Transition Risk 	<ul style="list-style-type: none"> Employee Health and Safety Rules Events Risk Employee Wellbeing Risk Employee Diversity and Inclusion Risk Human Rights Risk Corporate Social Responsibility Risk 	<ul style="list-style-type: none"> Employee Conduct Risk Sustainable Financing Risk Financial Inclusion Risk Sustainable Procurement Risk Treating Customer Fairly Risk

SUSTAINABILITY RISK MANAGEMENT FRAMEWORK



We take into account a broad scope of environmental, social and economic/ethical considerations in assessing sustainability risks within our business operations.



Environmental Risks Considered



Climate Change

Business activities that may be impacted by climate change, leading to business disruption and/or negative financial impacts, including:

- Physical risks such as floods, droughts and other extreme weather events, either impacting the business activity itself or via the supply chain; and
- Transition risks in moving towards a low-carbon economy, such as regulatory changes, carbon pricing and shifting away from fossil fuels.



Deforestation

Activities which involve the clearing of forest cover to accommodate agricultural, livestock ranching, industrial, development, urbanisation and logging.



Biodiversity Loss

Activities which negatively impact habitats, including invasion of non-native species, overexploitation and depletion of biodiversity stocks, and environmental pollution.



Marine Environment

Activities that cause negative impacts on the marine ecosystem through ocean pollution.



Energy Use

High or inefficient energy use in the form of electricity and other energy sources, resulting in higher GHG emissions.



Water Scarcity

High rates of water use, and activities in water-scarce and water catchment areas, where developments could impact water availability.



Waste and Pollution

Inadequate management of waste and by-products, leading to terrestrial, freshwater and/or marine pollution.



Ecosystem Degradation

Permanent changes or significant impacts to a sensitive physical environment such as mangrove, peat swamp or limestone areas.



Social Risks Considered



Health and Safety

Unsafe working conditions due to a lack of personal protective equipment, policies and procedures on workplace safety, and adequate medical coverage.



Human Rights and Labour Issues

Activities impacting workers' rights and well-being, including working conditions and benefits, fair remuneration, gender equality and no discrimination, contractual agreements, right to form associations, freedom of movement, debt bondage, access to remedy, and provision of basic needs, including housing, access to water, healthcare and education, among others.



Negative Impacts on Communities

Activities that impact native customary rights and inhabited areas, including not obtaining the Free, Prior and Informed Consent of communities impacted by business activities.



Economic/Ethical Risks Considered



Institutional Integrity

Poor management practices that may result in non-fulfilment of sustainability policies and commitments, as well as negative environmental, social or reputational impacts.



Governance & Risk

The environmental and social risks outlined above could result in financial risks to CIMB. In arriving at financing and other business decisions, the following risks are considered in line with CIMB's sustainability commitments:



Credit Risk

The potential for financial losses arising from a client's failure to meet their obligations to the bank due to reasons such as failure to anticipate and manage environmental and social risks in the business, inadequate control over environmental impacts, or failure to adequately address a critical incident due to poor management oversight



Collateral Risk

The potential for financial losses arising from the loss or devaluation of collateral pledged to the bank, for example, due to a client's failure to adequately protect these assets through effective environmental and social risk management systems and controls



Legal Risk

The potential impacts of legal or regulatory non-compliances arising from failure to adequately address environmental and social risks leading to regulatory fines, penalties, sanctions, etc



Reputational Risk

The potential risk of sustainability issues highlighted in national or international media, with regard to potential or alleged material issues such as the legality of operations, the imminent risk to life, and other major controversies, that may also negatively impact the bank by association



Market Risk

The potential for disruption and shifts in value, supply and demand for products and services due to environmental and social risks linked to their production or consumption




Technology Risk

The potential for displacement and disruption of business models, technologies and machinery due to the transition to sustainable, low-carbon, energy-efficient production methods resulting in loss of customers and market share




EMERGING RISKS

Emerging risks refer to potential risks that may not yet be fully recognised or understood but may significantly impact society, organisations and individuals. In CIMB, we are proactive in emerging risk identification through information gathering from internal and external sources (such as industry reports, market trends, regulatory changes, stakeholder feedback, etc.) and actively participating in roundtable discussions for policy development.

Emerging Risk	Description of Risks	Potential Business Impact	Actions
 <p>Biodiversity Loss and Ecosystem Collapse</p>	<p><u>Biodiversity Loss</u></p> <ul style="list-style-type: none"> a) Biodiversity loss refers to the decline in the variety and abundance of species, as well as the degradation of ecosystems and the services they provide b) This loss can occur due to a range of factors, including habitat destruction, pollution, climate change, over-exploitation of resources, and invasive species <p><u>Ecosystem Collapse</u></p> <ul style="list-style-type: none"> a) Ecosystem collapse refers to the rapid and irreversible loss of the structure, function and services of an ecosystem b) This occurs when an ecosystem experiences a major disturbance, such as a natural disaster, disease outbreak, or human intervention, that disrupts the delicate balance of interactions between species and the physical environment 	<p>Both biodiversity loss and ecosystem collapse pose significant risks to human well-being and the global economy. Some impacts from biodiversity risk includes:</p> <ul style="list-style-type: none"> a) Reduced productivity, which can lead to reduced food security impacting the supply chain b) Increased disease transmission due to the destruction of biological pest control systems c) Negative impacts that disproportionately affect vulnerable communities <p>In the context of financial institutions, potential negative impacts can be direct and/or indirect from lending, financing, investing and underwriting activities.</p>	<p>CIMB recognises the importance of biodiversity protection and restoration in maintaining a balanced ecosystem. Group Sustainability has been actively involved in the following:</p> <ul style="list-style-type: none"> a) Participating and contributing in roundtable discussions to shape future policies b) Exploring and discussing with industry players to understand the challenges and brainstorm for holistic solutions c) Participating in international discussion forums to explore and discuss best practices



Governance & Risk

Emerging Risk	Description of Risks	Potential Business Impact	Actions
 <p>Climate Change</p>	<p><u>Physical Risk</u></p> <p>Physical risks arise from exposure to detrimental climate change and/or extreme weather. Acute physical risks relate to specific weather events, while chronic physical risks are associated with longer-term changes in climate pattern</p> <p><u>Transition Risk</u></p> <p>Transition risk relates to a transition to a lower-carbon economy. This may involve policy implementation and technology and market changes associated with climate change</p>	<p>Our current understanding of the real damages caused by climate change upon society, businesses and the environment is still limited due to its non-linearity and long time horizon.</p> <p>Notwithstanding this limitation, it is clear that climate change will pose significant risks to the financial system and the economy if left unaddressed. According to S&P Global, almost 60% of companies in the S&P 500 (with a market capitalisation of US\$18 trillion) hold assets that are at high risk of physical climate change impacts¹. Data from the European Central Bank² also indicates that a higher exposure of a bank to clients with high emission intensity coincides with higher expected losses over a 30-year period.</p> <p>In the context of CIMB, climate-related physical and transition risks may lead to financial risks such as:</p> <ul style="list-style-type: none"> a) Impact on the repayment capacity of customers, leading to a possible increase in default rates b) Impact on collateral value due to the stranding of climate-misaligned assets c) Reputational repercussions due to CIMB's financing of carbon-intensive sectors such as coal <p> Read more about our climate risk assessment on pages 61 to 67</p>	<p>CIMB acknowledges climate change as an emerging risk that will materially impact our customers and stakeholders, which in turn affect our own resilience. To this end, we have taken steps to manage such risks. These include, among others:</p> <ul style="list-style-type: none"> a) Establishing a Climate Risk team within Group Risk to establish and execute a robust climate risk management framework b) Establishing 2030 climate targets for two sectors, thermal coal mining and cement c) Conducting a transition risk scenario analysis on non-retail financing clients and a physical risk assessment on our mortgage book <p> Read more about CIMB's climate action on pages 50 to 65</p>

¹ The Big Picture On Climate Risk, S&P Global, January 2020.

² Climate-Related Risk to Financial Stability, Tina Emambakhsh et al., May 2022.

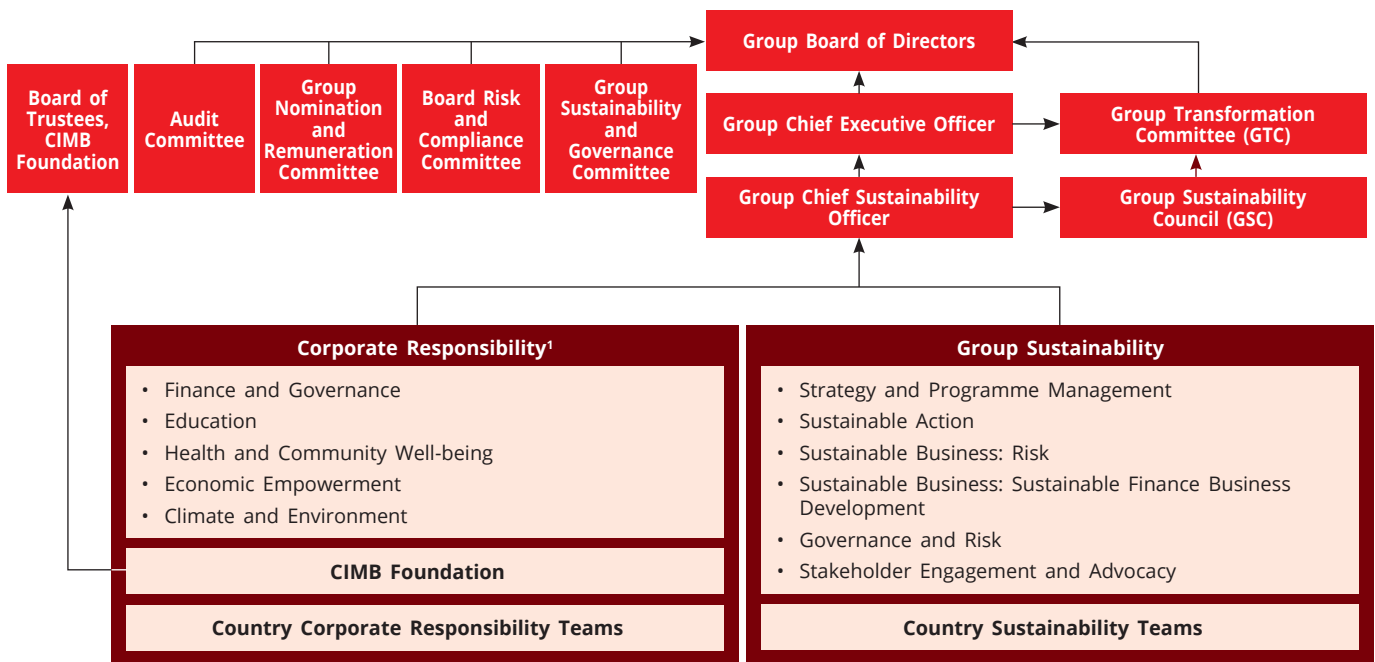
GOVERNANCE OF SUSTAINABILITY

Sustainability has been institutionalised into our business through CIMB's sustainability governance framework. The framework has been designed with a clear delineation of roles and responsibilities that ensure accountability, transparency and effective execution of our sustainability decisions. We continuously review and enhance our sustainability governance and operating model to ensure it remains robust, resilient and up-to-date with new developments.

The Group Sustainability and Governance Committee (GSGC) oversees and steers our sustainability risks and opportunities, providing the Board with effective decision-making capabilities. The committee advocates for sustainability and strengthened governance across the Group, fostering a work environment that prioritises positive impacts, ethics, and integrity.

The Board is the highest governance body accountable for CIMB's sustainability strategy, material ESG issues, as well as opportunities and risks. Sustainability-related roles and responsibilities of the Board are incorporated in the Board Charter. Sustainability is also embedded in the roles and responsibilities of various Board Committees.

SUSTAINABILITY GOVERNANCE AND OPERATING MODEL



¹ CIMB Malaysia's Corporate Responsibility team has dual reporting to Group Chief Sustainability Officer and Chief Executive Officer of CIMB Foundation.

The Group Sustainability Council (GSC) assists the Group Chief Sustainability Officer in the development and execution of CIMB's sustainability priorities, in line with strategic outcomes set by the Board, GSGC and Group CEO. The GSC's roles and responsibilities include monitoring the sustainability risk profile of the Group's business activities and ensuring the implementation of appropriate sustainability policies, procedures, and controls. The GSC reports to the Group Transformation Committee (GTC), which assists the Group CEO in directing and steering CIMB's overall strategy, including sustainability, which is a key programme under CIMB's Forward23+ strategy. The GSC also acts as the governing body for assets under CIMB's own sustainability bonds/ Sukuk.

Implementation of the Group's sustainability strategy is executed by various Business Units and Business Enablers, catalysed and supported by the Group Sustainability Division. The Group Chief Sustainability Officer reports to the Group CEO, and leads the Sustainability and Corporate Responsibility teams across the region.



Governance & Risk

In order to scale up and mainstream the Group's sustainability efforts, we implemented the Integrated Sustainability Operating Model in 2022. Starting in Malaysia, we are putting in place full-time sustainability specialists and part-time champions within business units and enabling functions to drive sustainable finance from the forefront. This is our first step towards a more decentralised model to ramp up sustainability innovation and embed sustainability culture, values and accountability across the Group. In 2023, our focus will be to implement the integrated sustainability operating model in Indonesia, Singapore and Thailand.

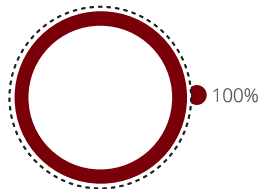
In addition to sustainable finance teams in Wholesale, Commercial, Consumer and Islamic Banking, we have established a Climate Risk team within Group Risk with a mandate to establish and execute a robust climate risk management framework focusing on the Group's scope 3 financed emissions.



GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE

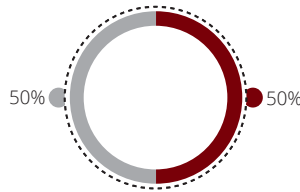
The GSGC convenes every quarter and assists the Board in fulfilling its responsibilities in advocating and fostering a culture of sustainability, ethical conduct, and integrity in our corporate DNA. The GSGC provides oversight on implementing the Group's sustainability and climate change strategy, where we aim to proactively create a net positive impact on our material matters. The committee also oversees the management of bribery, corruption and other related risks.

Independence



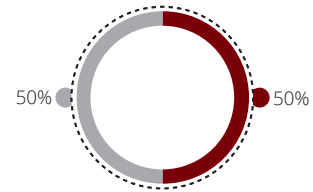
● Independent Directors
● Non-Independent Directors

Gender



● Female
● Male

Sustainability/climate-related experience



● Yes
● No



BOARD RISK AND COMPLIANCE COMMITTEE

Provides oversight and advice to the Board and management in respect of sustainability and climate-related risks, including monitoring of the Group's exposure to high sustainability risk sectors and clients, sustainability risk appetite setting as well as regulatory compliance.



AUDIT COMMITTEE

Supports the Board in ensuring reliable and transparent reporting and a robust internal control system for sustainability-related matters.



GROUP NOMINATION AND REMUNERATION COMMITTEE

Ensures the growth in sustainability knowledge and competence among Directors, taking into account board diversity and sustainability experience in Director nominations.

SUSTAINABILITY LINKAGES TO PAY

CIMB Group's commitment to sustainability is demonstrated by the fact that our CEO, top management, and all divisions have sustainability key performance indicators (KPIs). Sustainability-linked remuneration is an effective way of ensuring that our leadership, business units and enabling functions remain focused on our sustainability goals.

We have a corporate-level sustainability scorecard containing KPIs that must be achieved within pre-determined timeframes as guided by our sustainability objectives. The sustainability performance of the Group is measured against these KPIs, and the scorecard is used to assess and report progress to our governing committees.

The success of sustainability KPIs directly impacts the bonus pool funding of all divisions, linking the compensation of the entire population of each division to the success of their sustainability initiatives and goals via divisional collective scorecards. The scorecard metrics include both internal targets and external commitments in the areas of environmental (including climate change), social, economic performance, and corporate governance, including leading and lagging indicators.


Examples of sustainability KPIs for business divisions include the mobilisation of sustainable finance under CIMB's Green, Social, Sustainable Impact Products and Services (GSSIPS) framework, successful implementation of sustainability policies, and employee training on sustainability. On the other hand, KPIs specific to business enablers include targets on human capital development, diversity and inclusion, talent attraction and retention, sustainable supply chain, and cybersecurity.

SUSTAINABILITY POLICIES


GROUP SUSTAINABILITY POLICY

All sustainability endeavours are guided by the Group Sustainability Policy (GSP) . It outlines our overarching principles and approach to sustainability, including sustainability risk management. The GSP is adopted by all regional business units and enablers to identify, assess, mitigate and manage sustainability risks within our operations and across our value chain.

GROUP SUSTAINABLE FINANCING POLICY

Environmental and Social (E&S) risks within non-retail financing transactions and capital-raising deals are governed under the Group Sustainable Financing Policy (GSFP) . The policy is implemented to integrate E&S considerations into CIMB's financing decisions at the client and transaction level, in order to manage E&S risks arising directly or indirectly from CIMB-financed clients and activities.

GROUP HUMAN RIGHTS POLICY

In 2022, we developed CIMB's Group Human Rights Policy . The policy describes our commitments, principles and approaches to human rights. It addresses the identification, assessment and management of salient human rights risks, which are those with the potential to cause the most severe negative impacts.

SUSTAINABLE AND RESPONSIBLE FINANCE: MANAGING E&S RISKS IN FINANCING TRANSACTIONS

As a bank, our environmental and social risks extend beyond our own operations to the products and services provided to our clients. The sustainability of our business includes ensuring that our clients are also future-proof. Emerging evidence shows that effective sustainability-aligned businesses are more resilient to unexpected shocks and turbulence, with S&P reporting that sustainable funds outperformed the broader market during the first year of the COVID-19 pandemic¹.

Sustainable finance contributes to positive socio-economic progress. Therefore, we work closely with our clients to manage and mitigate their E&S risks and encourage them to shift towards more resilient and sustainable business models. Through sustainable and responsible financing practices, we are helping to protect our customers, business and the financial system as a whole.

SUSTAINABLE FINANCING POLICY AND FRAMEWORK


The Group Sustainable Financing Policy (GSFP) governs the handling of environmental and social risks in non-retail financing and capital raising transactions. In 2022, we updated the GSFP to incorporate our sustainability commitments on No Deforestation, No Peat, and No Exploitation (NDPE), and our commitment to respect human rights. We also incorporated considerations towards a just transition as part of our sustainability principles. These updates are progressively being implemented across our regional offices, such as those in Indonesia, Singapore, Thailand and Cambodia.

¹ ESG Funds Beat Out S&P 500 in 1st Year of COVID; How 1 Fund Shot to the Top, Esther Whieldon and Robert Clark, S&P Global, April 2021.




Governance & Risk

We carry out control testing every six months to ensure effective policy implementation, which is subject to periodic audits by the Group Corporate Assurance Division.

We published our Sustainable Finance Framework  which summarises our policy, risk management processes (such as basic and enhanced sustainability due diligence, exclusion list, and permitted exemptions), and high sustainability risk sector position statements (including our NDPE requirements for palm oil, forestry and timber plantation sectors, and human rights requirements across all sectors).

To manage climate risk at a portfolio level, we set 2030 climate targets for two sectors – thermal coal mining and cement. In 2023, we plan to establish interim climate targets and design appropriate transition plans for carbon-intensive sectors towards achieving Net Zero to address climate transition risks.

 | Read more about our climate transition risks on pages 50 to 70

HIGH SUSTAINABILITY RISK SECTORS

CIMB has identified 148 sub-sectors within ten main industries that are classified as high sustainability risk sectors. These sub-sectors are regularly updated based on global frameworks, and in 2022, we added rubber, manufacturing, livestock and fisheries, transport and storage, and waste treatment to the list. We have developed seven Sector Guides that cover palm oil, forestry, oil and gas, construction and infrastructure, coal, mining and quarrying, and manufacturing sectors.

We take a structured and inclusive approach to establish our risk appetite and requirements for high sustainability risk sectors. This includes referencing global and local standards and engaging with internal and external stakeholders before finalising our policies.

Process	Details
Sector mapping against international environmental and social (E&S) risk frameworks	<ul style="list-style-type: none"> E&S risk indicators and scoring are identified based on international risk frameworks published by credible bodies such as International Finance Corporation, European Bank for Reconstruction and Development, Sustainalytics, etc. Each sector is rated against the E&S risk indicators, and those with medium to high risk are included in our High Sustainability Risk category
Benchmarking against industry sustainability standards	<p>Sector requirements are updated with reference to the latest sustainability standards including:</p> <ul style="list-style-type: none"> Voluntary or mandatory certifications Industry guidelines such as those published by the International Labour Organization (ILO) and International Council on Mining and Metals Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) sector guides Government roadmaps and global treaties such as Zero Single-Use Plastics and The Rotterdam Convention
Socialisation on revised sector requirements	<ul style="list-style-type: none"> Experts' views are sought on latest sustainability expectations, such as human rights requirements, deforestation monitoring, and peat Feedback is obtained from business units and clients on the implementation of the revised requirements
Regional rollout	<ul style="list-style-type: none"> Targeted training is conducted on the revised GSFP and sector requirements The revised policy and sector requirements are communicated and rolled out regionally

Portfolio Exposure to High Sustainability Risk Sectors



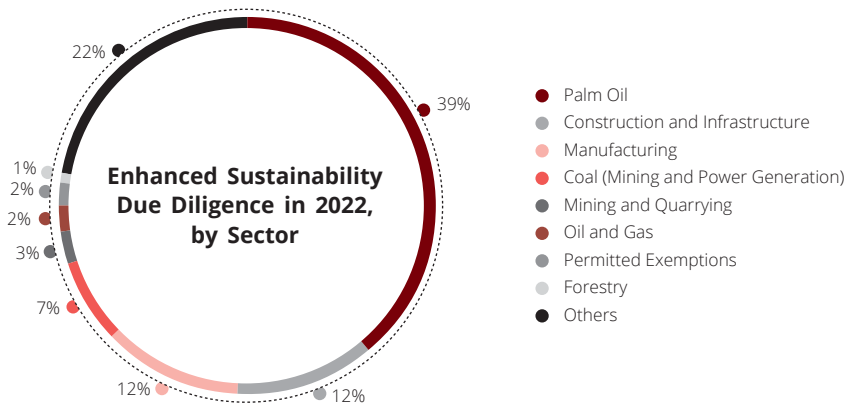
Exposure as % of total Group gross loans/ financing as at 31 December 2022 in Malaysia, Indonesia, Singapore, Thailand and International Offices.



Governance & Risk

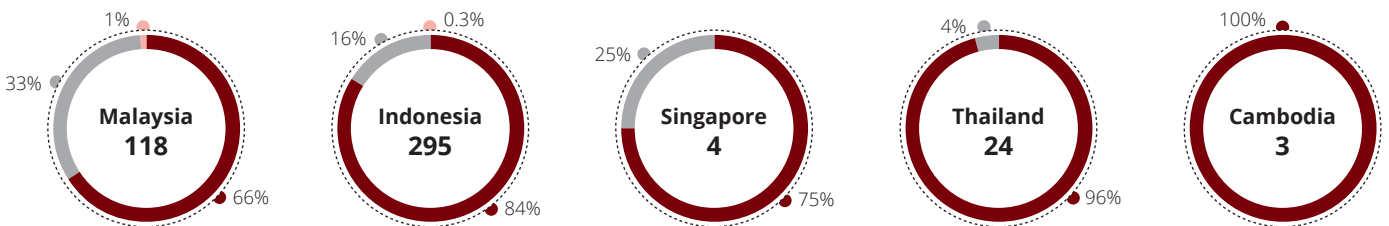
ENHANCED SUSTAINABILITY DUE DILIGENCE

The Group Sustainability team carries out Enhanced Sustainability Due Diligence (ESDD) on clients who are exposed to a high level of environmental or social risk. Generally, ESDD is conducted on clients who fail the Basic Sustainability Due Diligence (BSDD), operate in pre-selected high sustainability risk sectors, do not meet our Sector Guide requirements, or have been identified by reputable sources as being involved in environmental or social issues. Our ESDD framework is designed in accordance with internationally acknowledged best practices, as outlined in the UN Environment Programme Finance Initiative (UNEP FI) Environmental and Social Risk Analysis programme, and considers the risk implications of large-scale projects.



To ensure compliance with our Sector Guides and address any environmental or social risks, CIMB requires customers to provide necessary documents for verification. If a client does not meet the sector requirements, we work with them to develop time-bound action plans with progress checkpoints at least once a year. However, if a client repeatedly fails to complete the agreed-upon action plans, or is associated with significant environmental or social impacts that exceed our risk appetite, we may refuse any further financing or capital raising requests, and, in certain cases, terminate our relationship with them.

Enhanced Sustainability Due Diligence



- Cases recommended for approval based on low/mitigated sustainability risks
- Cases recommended for approval with E&S action plans
- Cases not recommended due to elevated sustainability risk



444
ESDD cases completed



20%
of cases recommended for approval with E&S action plans



84%
of clients completed their E&S action plans

CLIENTS WITH ACTION PLANS DUE IN 2022

In 2022, we observed an overall increase in cases recommended for approval with action plans, which is consistent with the growing demand for sector guides such as NDPE and human rights. We had a total of 30 clients with action plans due during the same period. Of those:








- 21 clients completed their action plans
- Five clients had requested for extensions, which were subsequently granted by CIMB. All extensions were related to delays in obtaining palm oil or forestry sustainability certifications due to COVID-19 lockdowns, which hampered auditing processes
- Four clients from construction, power generation and manufacturing sectors had not completed the action plans within the agreed timeline. Official reminders have been sent to these clients, and if they fail to complete their agreed action plans after two notices, we will consider adding them to the Sustainability Watchlist. This means that these clients will be prohibited from any new or additional financing facilities / capital-raising services

Sectors	Action Plans	No. of Cases	Type of Financing	Completion Status		
				Completed	Extended	Not completed
Palm Oil	<ul style="list-style-type: none"> • Obtain MSPO/ISPO certification • Establish NDPE policy/commitment 	7	General and Project Financing	4	3	
Forestry	<ul style="list-style-type: none"> • Obtain Forest Management Certificate 	2	General Financing		2	
Construction and Infrastructure	<ul style="list-style-type: none"> • Enhance Occupational Safety and Health (OSH) policy • Implement environmental remediation measures • Provide updates on resolution of litigation cases 	7	General and Project Financing	6		1
Oil and Gas	<ul style="list-style-type: none"> • Conduct E&S assessment and develop guidelines 	1	General Financing	1		
Coal (Mining and Power Generation)	<ul style="list-style-type: none"> • Establish diversification strategy • Establish collective agreement • Implement environmental remediation measures 	3	General Financing	2		1
Mining and Quarrying	<ul style="list-style-type: none"> • Establish NDPE policy/commitment • Implement environmental remediation measures 	2	General and Project Financing	2		
Manufacturing	<ul style="list-style-type: none"> • Implement human rights remediation measures • Implement environmental remediation measures • Provide updates on resolution of litigation cases 	5	General Financing	3		2
Others	<ul style="list-style-type: none"> • Maintain Responsible Gaming certification • Obtain environmental management rating • Implement remediation measures on OSH 	3	General Financing	3		
TOTAL		30		21	5	4

Governance & Risk

SUSTAINABILITY RISK ENGAGEMENT WITH OUR CLIENTS

This year, we conducted one-on-one engagements with financing clients from six sectors to discuss sustainability risks and safeguards. The main objectives of these engagements were to discuss progress concerning earlier-agreed sustainability action plans, to clarify challenges faced and any issues arising, communicate and discuss our new policies and requirements on topics such as NDPE, human rights and climate risks, and encourage our clients to transition towards more sustainable practices.

Sectors	Examples of Issues Discussed	Examples of Engagement Outcomes
 Palm Oil	<ul style="list-style-type: none"> • NDPE and human rights risks • RSPO/MSPO/ISPO* certification status 	<ul style="list-style-type: none"> • NDPE commitments • Clear plans to complete sustainable palm oil certification
 Forestry		
 Mining and Quarrying	<ul style="list-style-type: none"> • E&S risks from mining operations in forested areas • Climate-related transition risk 	<ul style="list-style-type: none"> • E&S impact preventive and mitigation actions • Initiated climate transition plan
 Construction	<ul style="list-style-type: none"> • Human rights risks • Climate-related physical risk 	<ul style="list-style-type: none"> • Human rights risk control measures • Climate impact awareness
 Oil and Gas	<ul style="list-style-type: none"> • E&S risks in high-risk segments • Human rights risks 	<ul style="list-style-type: none"> • Commitment to establish policy statements for high-risk activities • Human rights risk control measures
 Manufacturing	<ul style="list-style-type: none"> • Human rights risks • Climate-related transition risk 	<ul style="list-style-type: none"> • Human rights risk control measures • Initiated climate transition plan
 Coal (Mining and Power Generation)	<ul style="list-style-type: none"> • Climate-related transition risk 	<ul style="list-style-type: none"> • Continuous discussion on transition financing

* NDPE – No Deforestation, No Peat, and No Exploitation.

* E&S – Environmental and Social.

* RSPO – Roundtable on Sustainable Palm Oil; MPSO – Malaysia Sustainable Palm Oil; ISPO – Indonesian Sustainable Palm Oil.

SELECTED SECTOR CASE STUDIES

Manufacturing Sector

The manufacturing sector has been listed as one of our high sustainability risk sectors since July 2022. This sector includes the production and processing of carbon-intensive products e.g., iron ore, cement and automotive, pulp and paper or rubber products, and other products e.g., chemicals, plastics and textiles etc.

Manufacturing firms that employ a large number of foreign or low-wage workers are increasingly scrutinised for their human rights practices. As part of CIMB's Human Rights Policy, such clients are required to establish:

- a human rights policy/commitment
- carry out human rights due diligence to identify and mitigate potential risks; and
- establish a grievance mechanism that ensures anonymity and prohibits retaliation.

In 2022, we assessed 53 manufacturing clients, with 11 asked to commit to action plans to improve their human rights practices. Apart from our policy requirements, some action plans included implementing stronger governance to address human rights risks, and ensuring management commitments to zero recruitment fees are clear. Some clients have engaged external experts to scrutinise their recruitment processes involving foreign workers.

In 2023, we plan to conduct targeted sectoral engagements to raise awareness among our manufacturing clients about human rights requirements and best practices for mitigating supply chain risk.

Palm Oil and Forestry Sectors

We have established a No Deforestation, No Peat, and No Exploitation (NDPE) requirements for the palm oil and forestry sectors. Indonesia and Malaysia, which account for more than 80% of global palm oil production, have committed to reducing their greenhouse gas (GHG) emissions intensity, including via forest conservation and peat restoration.

Following the incorporation of NDPE requirements into our sector guides, we engaged with a number of palm oil and forestry clients, especially those with potential greenfield developments or expansion plans. For clients with existing plantations on peat, we highlighted our expectations on the best industry practices such as fire prevention plans, drainage maintenance and water table management.

In 2022, we assessed 174 palm oil and three forestry clients, where 50 clients were requested to commit to action plans. These included establishing or strengthening NDPE commitments and improving compliance with sustainability certification requirements.

Coal Sector (Mining and Power Generation)

In December 2020, we committed to phasing out coal by 2040. Starting in 2021, we no longer provide asset-level or general corporate financing for new thermal coal mines and coal-fired power plants, as well as expansions, except for existing commitments. In September 2022, we announced an interim target to reduce our financing and investment exposure to the thermal coal mining sector by 50% by 2030.

To ensure that our clients are aligned with our commitment, we engaged with them to understand their plans, progress and challenges towards diversifying away from coal. We also communicated our enhanced expectations, which include setting up long-term and short-term climate targets and disclosing annual GHG emissions and emission intensity. Additionally, we highlighted the outcomes of our Paris Agreement Capital Transition Assessment (PACTA) scenario analysis to help clients align their projected outcomes with the temperature goals of the Paris Agreement.

Regionally, out of the 30 clients assessed, one was issued with an action plan to establish environmental and human rights control measures.



Governance & Risk



CLIMATE CHANGE: RISKS AND OPPORTUNITIES

Climate change is no longer a distant future threat, but a present-day reality. The Intergovernmental Panel on Climate Change (IPCC) states that every region is already experiencing the effects of climate change, with extreme weather events like heatwaves, droughts, and tropical cyclones increasing in frequency and intensity.

The implications of climate change are significant for global financial stability, both companies and individuals. The physical impacts of climate change can lead to damage to assets, operational disruptions, and negative effects on customers and stakeholders. Additionally, companies that fail to respond appropriately to policy, technological, and market changes aimed at addressing climate change may face regulatory, reputational, and market risks.

Despite the risks and uncertainties posed by climate change, there are also opportunities to be seized, such as the growing demand for green financing.

GLOBAL, REGIONAL AND NATIONAL DEVELOPMENTS IN 2022

Unprecedented floods which left millions of people stranded in Bangladesh, and the unfortunate landslide in Batang Kali, Malaysia, which took the lives of 31 victims, were only two of the many disasters that occurred in 2022. These events serve as a vivid reminder of the worsening impacts of climate change and the need for stronger climate resilience. At the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) in Sharm El-Sheikh, Egypt, there was a historic agreement on “loss and damage” funds, which will provide vulnerable countries with much-needed financial support to cope with climate change.

Despite rising geopolitical tensions, political uncertainties, inflation, and a focus on post-COVID-19 economic recovery, there were many significant developments in climate policy, regulation, and technology throughout 2022. The ability of corporations and financial institutions to navigate this increasingly dynamic landscape, with its climate-related risks and opportunities, is being put to the test.



GLOBAL

Development	Why it Matters to CIMB
European Union (EU) Carbon Border Adjustment Mechanism to begin in 2023	CIMB’s clients that export goods such as iron, steel and cement to the EU will need to report their greenhouse gas emissions and bear a carbon levy, which drives up their cost of doing business and impacts their competitiveness vis-a-vis less carbon-intensive peers
Sustainability and climate exposure drafts by the International Sustainability Standards Board	Increased transparency and harmonisation of sustainability and climate-related disclosures among corporates will benefit CIMB as an information user and enable us to more accurately assess and monitor our climate risk at both client and portfolio levels



REGIONAL

Development

New climate-related supervisory and regulatory expectations of financial institutions (e.g., ASEAN Taxonomy, Bank Negara Malaysia (BNM) Policy Document on Climate Risk Management and Scenario Analysis, Indonesia Green Taxonomy, Hong Kong Monetary Authority Supervisory Policy Manual GS-1 on Climate Risk Management)

Why it Matters to CIMB

As a bank with a pan-ASEAN footprint, CIMB is subjected to rapidly evolving regulatory regimes on climate change across multiple jurisdictions. Ensuring internal readiness within the Group is crucial to ensure timely and effective compliance

Policy enablement for climate-supporting and transitioning businesses (e.g., Sarawak state government amended its land code to allow state lands to be used as carbon storage sites, Indonesia's plan to strengthen industries such as nickel production for Electric Vehicle batteries)

A conducive policy environment provides greater certainty for companies transitioning their business towards a low-carbon trajectory. CIMB actively seeks to support those companies by offering the required capital, provided that such activities do not cause significant harm to the broader environment and communities



NATIONAL

Development

Implementation of various national carbon tax and emission trading schemes (e.g., Singapore's carbon tax, Indonesia's coal carbon trading mechanism)

Why it Matters to CIMB

In countries where a carbon tax has been introduced or an emissions trading scheme has been initiated, clients will have to account for these changes in their operations moving forward. This will likely impact their cost of doing business and may affect their credit risk

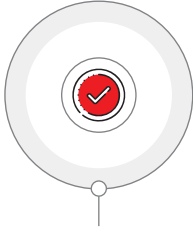
Launches of carbon credit marketplaces (e.g., Bursa Carbon Exchange, Climate Impact X)

Financial institutions such as CIMB have the opportunity to play an intermediary role and contribute to a more vibrant carbon market (e.g., financing for carbon projects, carbon trading)



Governance & Risk

OUR PROGRESS IN 2022



Formed a dedicated **Climate Risk** unit under Group Risk

Reduced scope 1 and 2 emissions by **22%** compared to 2019 baseline

Implemented an **internal carbon pricing** mechanism for scope 2 emissions

Completed **financed emissions baseline** for nine carbon-intensive sectors, covering 61% of the Group's total gross loans/ financing

Paris-aligned 2030 climate targets established at portfolio level for **thermal coal mining and cement sectors**

Expanded **PACTA scenario analysis** to a broader group of sectors, including cement and steel manufacturing

Completed classification of 2022 financing and investments according to **BNM's Climate Change and Principle-based Taxonomy (CCPT)**

RM379 million of new climate supporting financing provided in 2022 to support clients in Malaysia to decarbonise and build climate resilience

Signed a **memorandum of understanding with YTL-SV Carbon** on carbon-related projects and services for clients

Shared CIMB's climate journey and insights in various forums at **COP27**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As an official supporter of the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), we aim to fully align our climate-related disclosures with the TCFD Recommendations by 2024.

In this section on Climate Change: Risks and Opportunities, we emphasise CIMB's unwavering commitment to delivering disclosures that are consistent with the TCFD Recommendations. We have already disclosed information aligned with TCFD in our 2021 Sustainability Report, while also making use of other reporting frameworks and guidance documents, including the TCFD Application Guide for Malaysian Financial Institutions, the Enhanced Sustainability Reporting Framework, and the Exposure Draft IFRS S2 Climate-related Disclosures, to further enhance the quality and transparency of our disclosures.

Our aim is to provide stakeholders, particularly investors and clients, with balanced and comparable information on our climate risks, opportunities, and performance to date. We strive to include an entity- and branch-specific information where possible, such as information specific to Singapore.

Our climate disclosures follow the "double materiality" principle, which means we report on both the impacts of climate change on CIMB and our direct and indirect impacts on climate change. However, due to the long-term nature of climate change, some assumptions and estimates are necessary when determining the materiality of information. Furthermore, forward-looking statements such as climate goals and targets are subject to risks, uncertainties, and other factors beyond our control.

As we continue to strengthen our internal climate capabilities, data, and practices, we expect our climate-related disclosures to evolve and advance over time. To avoid redundancy, readers should refer to other sections of this Sustainability Report where indicated. We have included a TCFD Index on page 166 of this report for easy reference.

GOVERNANCE

BOARD OVERSIGHT

The CIMB Group Berhad Board of Directors (Group Board or the Board) holds the highest responsibility for all sustainability matters, including climate change. To assist them, the Group Sustainability and Governance Committee provides focused guidance on strategic sustainability matters, particularly on the Group's climate change strategy. Meanwhile, the Board Risk and Compliance Committee (BRCC) sets climate risk appetite and management practices, the Audit Committee (AC) ensures internal control against climate risks, and the Group Nomination and Remuneration Committee (GNRC) assesses board-level climate competency.

MANAGEMENT RESPONSIBILITIES

At the management level, the Group Transformation Committee (GTC) and Group Sustainability Council (GSC) play vital roles in sustainability matters, including climate change. The GSC, led by the Group Chief Sustainability Officer (GCSO) and composed of regional and cross-functional representatives, formulates and monitors the Group's climate change strategy, goals, targets, and action plans. It also sets portfolio and sector-specific targets as guided by the Group's commitments under the Net Zero Banking Alliance. On the other hand, the GTC, led by the Group Chief Executive Officer, ensures timely and effective implementation of the Forward23+ Sustainability Programme, including climate-related projects.

Throughout 2022, climate-related matters were extensively discussed across key board and management committees, with a strong emphasis on implementing projects and initiatives that will contribute to the Group's progress towards Net Zero by 2050.

Forum	Committee	Meeting Frequency	Number of Climate-Related Matters Discussed [^]	Key Climate-Related Matters
<p>Board level</p>	Group Board	Bi-monthly	2	<ul style="list-style-type: none"> • Policy, regulatory and industry updates on climate topics • The Group's Climate Change/Net Zero performance to-date • Sustainability risk posture and appetite setting, including climate-related factors • Climate change updates as part of Composite Risk Rating discussions with BNM • The Group's climate-related projects and initiatives, e.g., <ul style="list-style-type: none"> – Financed emissions baselining – Interim climate targets for thermal coal mining and cement sectors – Mortgage portfolio flood risk assessment pilot – Scope 1 and 2 operational greenhouse gas (GHG) emissions reduction levers (e.g., internal carbon pricing) and performance – Incorporation of climate change assessment into sustainability due diligence – Green, Social, Sustainable Products and Services (GSSIPS) Tool rollout to facilitate BNM CCPT classification
	GSGC	Quarterly/As required	5	
	BRCC	Monthly	4	
	AC	Quarterly	1	
	GNRC	As required*	1	
<p>Management level</p>	GTC	Monthly	4	<ul style="list-style-type: none"> • Risk dashboard reporting on the Group's exposure to high sustainability risk sectors and clients • Internal audit on scope 1 and 2 operational GHG emissions accounting and reporting • Resource plan for Group Sustainability Division and Climate Risk Unit
	GSC	Bi-monthly	5	

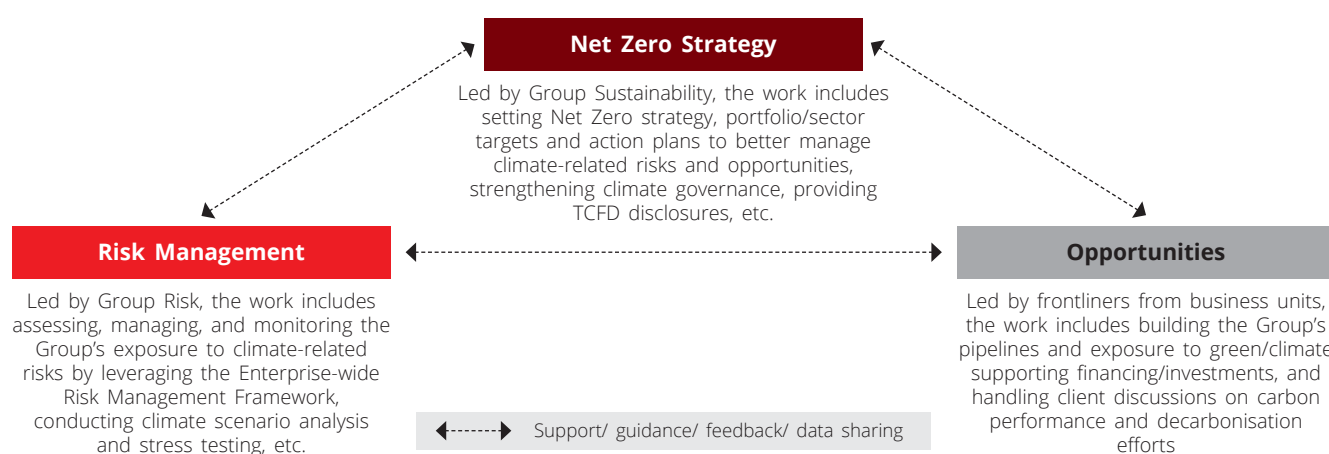
* The total number of meetings shall not be less than four times a year.

[^] Addressed at Board and/or management meetings either as a standalone topic or as part of a broader discourse on sustainability.

Governance & Risk

The Group Sustainability Division, led by the Group Chief Sustainability Officer, is responsible for addressing scope 1 and 2 GHG emissions by implementing appropriate frameworks, policies, and strategies such as internal carbon pricing. This division also supports other business units and enablers in executing these strategies. The Group Administration and Property Management team is responsible for reducing CIMB's operational impacts on the climate and the vulnerability of its operating premises to physical climate risks. With the help of the Group Sustainability team, this team is driving reductions of CIMB's environmental footprint, including GHG emissions from energy use, water, and waste, through measures such as optimising office spaces and improving energy efficiency in CIMB's offices.

In 2022, a Climate Risk Unit was established under Group Risk, which is in the second line of defense. This unit complements the Net Zero Strategy and target-setting work of Group Sustainability. It aims to deepen the Group's understanding of its exposure to climate-related risks arising from financing and investment activities, as well as its management actions.



CAPACITY BUILDING FOR BOARD AND MANAGEMENT

In 2022, 95% of Group Board members attended sustainability-related training, which includes topics relating to climate change. To ensure sustainability is properly embedded within the organisation, we will continue to build our internal capability at all levels.

A top priority for the Group is to develop the board and management's understanding and capacity to navigate a complex and regulated climate landscape. To this end, in 2022, the Group collaborated with subject matter experts, banks, and non-governmental organisations to conduct a series of internal training and knowledge-sharing sessions. Topics included:

- Stakeholder expectations of banks, including regulators' requirements on climate risk management, taxonomies, scenario analysis and stress testing
- Benchmarking of climate leadership among peer banks
- Best practices, levers and capabilities needed to achieve Net Zero, such as portfolio alignment target setting
- Net Zero pathways for Malaysia and its implications for CIMB
- Sustainable and transition finance opportunities

CLIMATE-RELATED KPIS

The Group's performance is measured through balanced collective scorecards, which consist of financial and non-financial metrics such as profitability, cost, capital, strategic initiatives, risk, audit and compliance. The collective scorecards are cascaded to the business units and enabler functions accordingly, and are used to determine the allocation of the bonus pool based on their performance for the year.

At the employee level, performance is assessed against a set of balanced goals that support the priority measures and targets set out in the collective scorecards. In addition to financial targets, the goals in an employee's scorecard usually include measures on customer experience, long-term initiatives, risk management and process controls, audit, and compliance findings, among others. Variable remuneration for each employee is determined based on their individual assessment and the collective scorecard performance of the business unit/function to which they belong, subject to the adequacy of the allocated bonus pool.

In 2022, the Group continued to use collective and individual scorecards to mobilise and orientate Group-wide efforts and contributions towards a set of common sustainability and climate goals. These included:

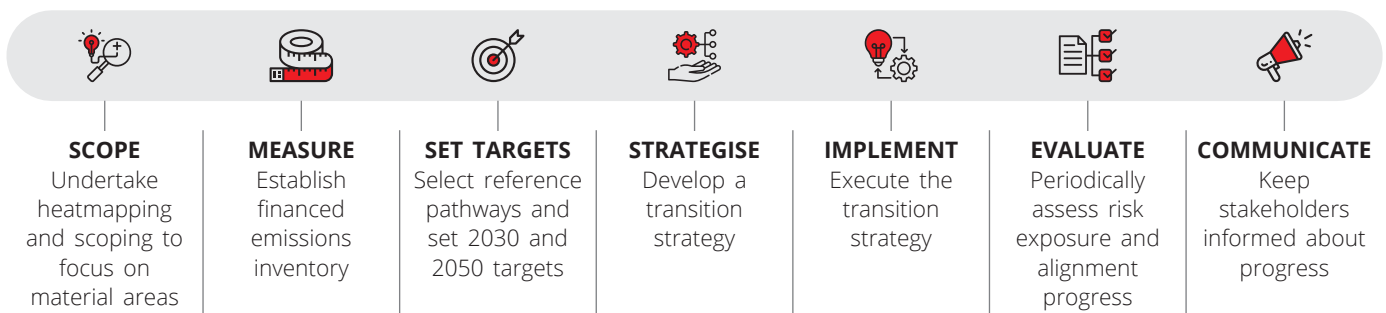
- Establishment of financed emissions baseline and interim climate targets for selected sectors
- Implementation of a flood risk assessment pilot on Malaysia’s mortgage book
- Rollout of the GSSIPS Tool to business units
- Reduction in scope 1 and 2 GHG emissions
- Green financing mobilised for retail and non-retail clients

STRATEGY

OUR APPROACH TO CLIMATE CHANGE

Looking ahead to 2050, we want to see a world where GHG emissions are stopped and reversed, our biodiversity is protected, and businesses, technology and society all thrive while respecting nature.

At CIMB, our goal is to turn this vision into reality. As a Net Zero Banking Alliance member, we are committed to aligning our financing and investment portfolios with pathways to Net Zero by 2050, consistent with a maximum temperature rise of 1.5 degree Celsius above pre-industrial levels by 2100. Achieving this means significantly reducing our clients' emissions and balancing them with carbon neutralisation and compensation in our overall portfolios. We are taking a measured approach to climate change, with significant work ahead of us to develop the right strategies and make the necessary changes, both internally and with our clients.



SCOPE

IDENTIFYING KEY RISKS AND OPPORTUNITIES

We view climate change as an emerging risk that could materially impact our ability to create value for our stakeholders in the long term. As a start, we completed a qualitative evaluation to understand the drivers behind climate-related risks, how such risks transmit through macroeconomic and microeconomic channels, and in turn, impact us as a financial institution. Whilst climate-related transition and physical risks could manifest across various risk types, credit risk implications remain the most material.



Governance & Risk

Climate Risk Category and Risk Driver	Impact to CIMB		Impact Time Horizon
	Risk Type	Impact Description	
<p>Transition Risk</p> <ul style="list-style-type: none"> Policy and Regulatory Changes Technology Shifts Investor Expectations Consumer Preferences <p>Physical Risk</p> <ul style="list-style-type: none"> Acute Chronic 	<p>Credit Risk</p>	<ul style="list-style-type: none"> Impacts on repayment capacity of customers, leading to a possible increase in default rates Impacts on collateral value due to stranding of climate-misaligned assets 	Medium to long term
	<p>Market Risk</p>	<ul style="list-style-type: none"> High volatility and potential abrupt decline in the value of climate-incompatible securities underwritten or held by CIMB 	Medium to long term
	<p>Liquidity and Funding Risk</p>	<ul style="list-style-type: none"> Inability of CIMB's customers to repay their facilities as contracted, which in turn affects the Group's liquidity Significant withdrawals of deposits or drawdown of credit lines by customers to fund capital expenditures in low-carbon technology or to recover from damages caused by extreme events 	Medium to long term
	<p>Reputational Risk</p>	<ul style="list-style-type: none"> Reputational repercussions due to CIMB's financing of carbon-intensive sectors such as coal Poor stakeholder confidence in CIMB's sustainability efforts and ability to manage our exposure to climate-related risk 	Short, medium to long term
	<p>Operational Risk</p>	<ul style="list-style-type: none"> Disruption to operations and damage to CIMB's physical assets (e.g., branches) due to rising frequency and impact of extreme weather events such as floods Changes to internal policies and procedures to ensure compliance with new regulations around climate change 	Short, medium to long term
	<p>Strategic Risk</p>	<ul style="list-style-type: none"> Loss of competitiveness, market share and attractiveness to investors due to inability to shift from "brown" to "green" financing 	Medium to long term
	<p>Enterprise-wide Risk (Capital Risk)</p>	<ul style="list-style-type: none"> Inadequate capital to cater for climate-related risks, which may result in the inability to absorb losses, fund business investments and maintain public confidence 	Medium to long term

Note: "Short Term" indicates a duration of less than one year; "Medium Term" indicates a duration of one to five years; "Long Term" indicates a duration of more than five years. We intend to align the timeframes based on the average life of our portfolios as well as regulatory guidance in the future.

To tackle the challenges of climate change, a substantial amount of capital is needed to fund various mitigation and adaptation projects, technologies and measures. In Malaysia, a recent study by WWF-BCG estimated that up to RM400 billion of investments are required over a 30-year period in areas such as power, transport, and carbon capture, utilisation and storage for the country to achieve its Net Zero goal by 2050¹.

At the same time, micro, small and medium-sized enterprises (MSMEs) play a vital role in ASEAN economies and supply chains, contributing to 85% of employment and half of the region’s GDP². It is crucial to ensure that these enterprises are not left out of the Net Zero discussions. This also presents opportunities for banks like CIMB to provide the necessary capital and support that MSMEs require to decarbonise and prepare for a low-carbon economy.

At CIMB, we are committed to supporting our clients’ climate-supporting initiatives through a range of GSSIPS. In 2022, we signed a memorandum of understanding with YTL-SV Carbon to collaborate on carbon-related projects and services to provide our customers with a comprehensive solution and financing for carbon emission-reducing projects.



UNDERSTANDING OUR FINANCED EMISSIONS

In 2021, we stepped up our climate pledge by targeting to achieve Net Zero overall GHG emissions by 2050. As a financial institution, the vast majority of our GHG emissions come from scope 3 emissions, notably in the form of “financed emissions”.

In order to better understand our emissions and develop decarbonisation strategies, we have begun measuring financed emissions associated with our on-balance sheet financing for clients in four key operating markets: Malaysia, Indonesia, Singapore, and Thailand. These markets account for over 99% of CIMB’s revenue and profits. Our financed emissions data covers nine carbon-intensive sectors and five asset classes, following the UN Environment Programme Finance Initiative (UNEP FI) Guidelines for Climate Target Setting for Banks. To establish our financed emissions inventory, we reference the Partnership for Carbon Accounting Financials (PCAF) methodology, an open-source global GHG accounting standard for financial institutions.

Sector	PCAF Asset Classes Covered
Agriculture	<ul style="list-style-type: none"> • Business Loans/ Financing
Aluminum	
Cement	
Coal	
Iron and steel	
Oil and gas	
Power generation	
Real estate, both commercial and residential	<ul style="list-style-type: none"> • Business Loans/ Financing • Commercial Real Estate • Mortgages
Transport	<ul style="list-style-type: none"> • Business Loans/ Financing • Motor Vehicle Loans/ Financing


¹ Securing Our Future: Net Zero Pathways for Malaysia, WWF Malaysia and Boston Consulting Group, November 2021.

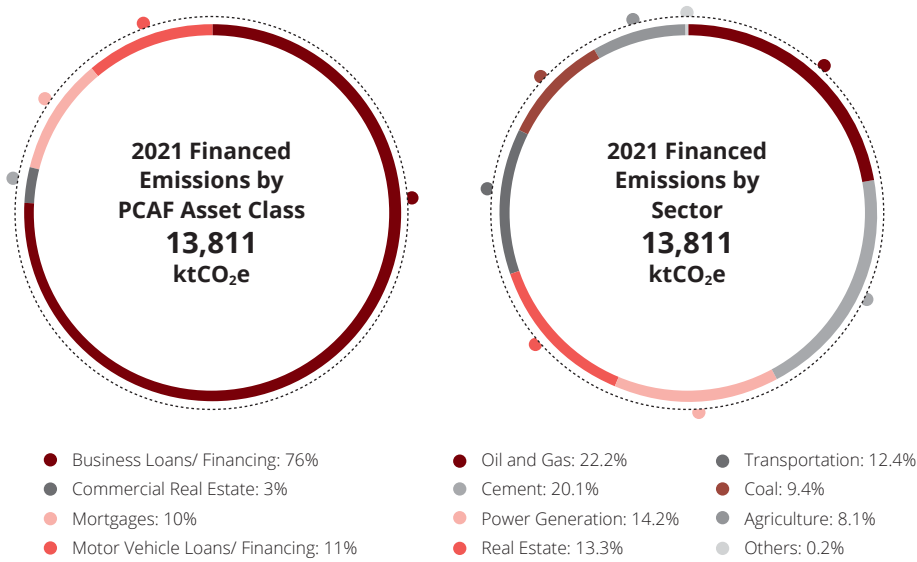
² Development of Micro, Small and Medium Enterprises in ASEAN (MSMEs), Development of South East Asian Nations, 2020.



Governance & Risk

To ensure that our financed emissions inventory is as complete and precise as possible, we apply a set of guiding principles in carrying out this exercise:

Guiding Principle	Our Approach
Map against the International Standard Industrial Classification of All Economic Activities (ISIC) and define our boundary	Before performing any measurement or estimation, we map the internal sector codes of our clients against the ISIC. We then identify which ISIC codes should be included in the boundary of our financed emissions. Generally, only clients operating in the upstream and mid-stream segments of their sectors are included, in line with current market practices and guidance, including the Science Based Targets initiative's (SBTi) Financial Sector Science-Based Targets Guidance.
Focus efforts on the largest exposures	For the non-retail segment, we focus on assessing the top 70% of our clients (based on principal balance) within each identified sector. This ensures that we allocate our resources where they matter most. For these clients, we use the highest data quality possible to derive their emissions. The remaining 30%, which are usually made up of small exposures, are estimated using financial data, where available. For the retail segment (i.e., mortgages and hire purchases), 100% of the book is estimated using a standardised approach for the highest data quality.
Strive to use data of the highest quality	We strive to capture clients' self-reported emissions, where possible. This ensures that the data we use is as accurate as possible. Where self-reported data is not available, we use proxies such as physical activity data (e.g., metric tonnes of steel produced) or revenue/assets. These proxies are used to calculate estimated emissions using industry average emission factors. The average PCAF data quality score for each sector is disclosed alongside the emissions data for transparency.
Leverage PCAF database of emission factors	We rely on emission factors provided in the PCAF web-based emission factors database  , which is only accessible to PCAF members, to estimate the emissions of our clients in a given sector. If an emission factor is not available on PCAF, we identify an alternative factor from scientific research papers, government databases and other credible sources.
Extrapolate to estimate emissions for remaining clients	In the absence of financial and physical activity data (especially for private companies and SMEs), we apply an internal extrapolation approach to estimate the emissions for the remaining clients, by applying the average financed emissions intensity of clients for which we have data within the same sector.



In 2021, our overall financed emissions for four key operating markets (i.e., Malaysia, Indonesia, Singapore, and Thailand) stood at 13,811 ktCO₂e, representing 61% of the Group's total gross loans/ financing. Oil and Gas, Cement, and Power Generation are the top three largest contributing sectors to our financed emissions, making up more than half of our financed emissions, despite being only slightly over 4% of our gross loan/financing coverage.



SET TARGETS

ESTABLISHING INTERIM CLIMATE TARGETS

We have established our scope 3 financed emissions inventory for our carbon-intensive sectors, enabling us to create climate targets and transition plans towards achieving Net Zero for these priority sectors. In 2022, we published our first round of 2030 climate targets for the thermal coal mining and cement sectors, becoming the second ASEAN bank and the first Malaysian bank to set concrete targets in line with globally recognised 1.5 degree Celsius climate scenarios.

Our interim target is to halve our financing and investment exposure to the thermal coal mining sector by 2030, as a step towards phasing out coal from our portfolio by 2040. Additionally, we aim to decrease the physical intensity of financing clients in the cement sector by 36% from 0.72 to 0.46 tCO₂e/t cement produced by 2030. By 2023, we aim to create client engagement and decarbonisation plans specific to the thermal coal mining and cement sectors. We will introduce more sectoral targets and transition plans by 2024, covering power generation (including coal-fired power plants/generation companies), transport, iron and steel, aluminium, real estate, oil and gas, and agriculture.

Governance & Risk

OUR NET ZERO 2050 STRATEGY

With an overarching goal of Net Zero by 2050, we aim to accelerate our support for key stakeholders, particularly our financing clients, to decarbonise and adapt to climate change. We continue to develop and implement effective measures to mitigate our direct and indirect impacts on climate (outbound impacts), as well as our exposure to climate-related risks (inbound impacts).

Our Net Zero strategy measures and action plans are structured based on the following verticals:

Our Aspirations and Targets

- Net Zero for all emissions, including financed emissions, by 2050, consistent with the 1.5 degree Celsius trajectory
- Halve thermal coal mining exposure by 2030
- Reduce the physical intensity of the cement sector by 36% by 2030
- Mobilise RM60 billion of sustainable finance by 2024

1. Reduce Our Footprint

- Exclude financing of the most harmful activities and technologies
- Work with clients to limit adverse climate impacts through action plans, continual engagement and support



Key Activities in 2022

- Onboarded new tools (e.g., Climate Central) to strengthen climate risk assessment at the transactional level
- Communicated our interim climate targets for thermal coal mining and cement sectors to business units, especially the frontliners
- Initiated discussions with selected cement clients regarding our interim climate target and expectations of the sector

[Read more about our suite of climate risk assessment tools and interim climate targets on pages 59 and 66 to 67](#)

2. Increase Our Handprint

- Finance transition, low-carbon, carbon neutral and carbon negative activities and technologies
- Finance Net Zero clients



Key Activities in 2022

- Deployed a team of sustainable finance specialists to identify and build a pipeline of transition and green finance opportunities
- Completed various green and sustainability-linked transactions including with IJM Group (a Malaysia-based property developer)
- Approved around RM40 million worth of financing for SMEs via the BNM Low Carbon Transition Finance Facility (LCTF)
- Became a Partner Financial Institution for Enterprise Singapore's Enterprise Financing Scheme – Green

[Read more about our sustainable and responsible finance on pages 101 to 107](#)

3. Transform Our Financing Portfolio

- Manage overall exposure to carbon-intensive sectors
- Increase portfolio exposure to climate-supporting clients, activities and technologies

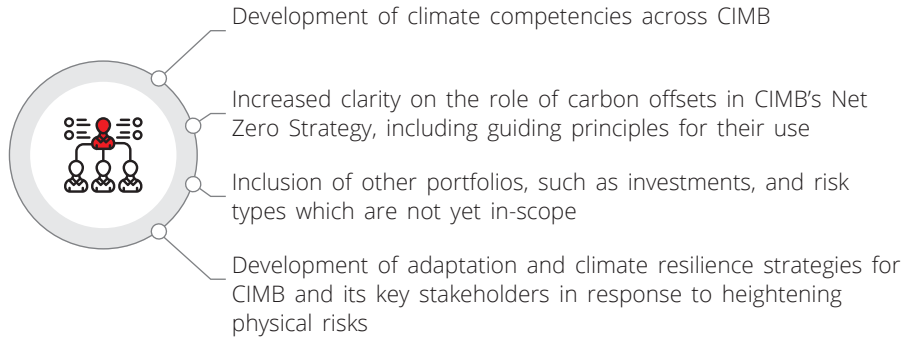


Key Activities in 2022

- Incorporated an Overall Sustainability Rating into the Group's 2023 risk posture setting process
- Expanded the sector coverage of PACTA scenario analysis to include cement and steel manufacturing
- Piloted a flood risk assessment on selected mortgages in Malaysia to assess flood implications to property value and delinquency rate among customers

[Read more about our transition risk scenario analysis and retail flood risk assessment on pages 61 to 65](#)

New methods, frameworks, technologies, and standards constantly emerge as the world races towards Net Zero. It is therefore imperative for us to continuously review our Net Zero Strategy and strengthen our approaches in line with market practices. We intend to address and provide greater emphasis on several areas in the next update of our Net Zero Strategy:



EVALUATE

TRANSITION RISK SCENARIO ANALYSIS

In 2021, we began our first pilot analysis of transition risks using the Paris Agreement Capital Transition Assessment for Banks (PACTA for Banks) tool, developed by 2° Investing Initiative (2DII). In June 2022, 2DII transferred stewardship of PACTA to RMI, formally known as the Rocky Mountain Institute.

Through this pilot, we evaluated the alignment of our loan/ financing book in three carbon-intensive sectors (oil and gas, power, and automotive) with the temperature goals of the Paris Agreement by comparing desired sectoral decarbonisation pathways and technology roadmaps with our own sector exposures and projections. For more information on the PACTA for Banks methodology and our 2021 pilot, please refer to the Transition Monitor website and pages 85 to 88 of our Sustainability Report 2021 .






In 2022, we continued to use PACTA for Banks to conduct transition risk scenario analyses and monitor the temperature alignment of our non-retail loan/ financing portfolios in Malaysia and Singapore. In addition to the three sectors assessed in 2021, we expanded our analysis this year to include two other climate-relevant sectors, cement and steel.

SCOPE AND PARAMETERS

Similar to our 2021 pilot (based on outstanding financing amount as at 31 December 2020), we relied on the Asset-Based Company Dataset (ABCD) provided by Asset Resolution for use in the PACTA analysis. The ABCD contains five-year quarterly forecasts of over 40,000 companies globally. Corporate and Commercial banking clients in Malaysia and Singapore were matched with the ABCD, based on outstanding financing amount as at 31 December 2021 (Portfolio). Our match success rate by loan/ financing size is 100% for oil and gas (upstream), 88% for power (generation), 3% for automotive (manufacturing), 100% for cement (manufacturing), and 55% for steel (manufacturing). Coal (mining), considered a climate-relevant sector under PACTA for Banks, was excluded, as we could not match our clients to the ABCD.

Governance & Risk

Key parameters used in our analysis are tabulated below.

Sector, Segment and Climate-Critical Technologies		Climate Scenarios			Region Benchmark	Other Important Parameters
		Scenario Name	Implied Temperature Rise (Probability)	Publication		
 Oil and Gas Upstream <ul style="list-style-type: none"> Oil Extraction Gas Extraction 	Net Zero Emissions by 2050 (NZE)	1.4°C (50%)	International Energy Agency (IEA) World Energy Outlook (WEO) (2021)	Global	<ul style="list-style-type: none"> Market Benchmark: Corporate Economy Metric: Production Volume Trajectory Allocation Rule: Portfolio-weight approach 	
	Sustainable Development Scenario (SDS)	1.6°C (50%)				
	Announced Pledges Scenario (APS)	2.1°C (50%)				
	Stated Policy Scenario (STEPS)	2.6°C (50%)				
 Power Generation <ul style="list-style-type: none"> Coal Capacity Oil Capacity Gas Capacity Hydro Capacity Renewable Capacity 	SDS	1.6°C (50%)	South-East Asia			
	APS	2.1°C (50%)				
	STEPS	2.6°C (50%)				
 Automotive Car Manufacturing <ul style="list-style-type: none"> Internal Combustion Engine (ICE) Vehicles Hybrid Vehicles Electric Vehicles 	NZE	1.4°C (50%)	IEA Net Zero by 2050 (2021)	Global		
	 Cement Manufacturing	NZE	1.4°C (50%)	IEA WEO (2021)	Global	<ul style="list-style-type: none"> Market Benchmark: Corporate Economy Metric: Emissions Intensity Allocation Rule: Portfolio-weight approach
 Steel Manufacturing						

- The PACTA methodology does not extend to the entire value chain of a given sector and instead focuses on the part which controls the bulk of the sector's climate system impact, which would spur other activities in the sector to fall into alignment.
- Climate scenarios (preformatted for PACTA for Banks) were selected based on sectoral and regional coverage, as well as recognition amongst policymakers and financial institutions. Read the full list of the most up-to-date preformatted PACTA for Banks. For further details on the enhancements made to the list of scenarios, with 2021 as a starting year (versus 2020, which was used in our pilot study). [Read more about Climate scenarios.](#)
- Implied Temperature Rise (ITR) represents the projected increase in global average temperatures by 2100, above pre-industrial levels.
- Different scenarios have varying carbon budgets and probabilities of achieving the carbon budget.
- Where possible, we use a regional benchmark for a more granular and relevant comparison. For example, we use a regional benchmark for power, since power is primarily produced and consumed within the same region.
- The global and South-East Asia corporate economy refers to all the assets in the world and South-East Asia respectively, within the ABCD. A comparison of our loan/financing portfolio against the corporate economy is made to see if we outperform, underperform or are on par with the broader market's progress towards climate goals.
- PACTA offers three main metrics of portfolio alignment: Technology Mix, Production Volume Trajectory and Emission Intensity. The Technology Mix and the Production Volume Trajectory are used for Oil and Gas, Power, and Automotive, where technology roadmaps are known. Emission Intensity is used for Steel, and Cement, where technology roadmaps are less well-defined. In this report, we use Production Volume Trajectory, which measures the alignment of our portfolio's projected production volumes, based on the 5-year capital plans of our clients, to those given in climate scenarios, as well as Emissions Intensity which takes a convergence approach to alignment. Note that PACTA assumes a static balance sheet i.e., loan/financing exposures analysed (in this report as at 31 December 2021) are kept constant for five years (deemed as an appropriate timeframe for reliable data to be gathered). Thus, the projected figures computed are a result of any changes in the production plans of the companies we finance as captured in the ABCD, rather than a change in the composition of our loan/financing book.
- We apply a portfolio-weight approach whereby a client's alignment with a given climate metric is allocated to our loan/financing book based on the relative exposure of our book to that client. For example, if our loan/financing book allocates 80% of our capital to a client, 80% of that client's required alignment per a given climate metric is allocated to our loan/financing book.





FINDINGS

Interpret with Caution

Climate scenario analysis is an approach used to enhance our critical strategic thinking. Scenarios are hypothetical constructs ("what if"), and shall not be deemed as forecasts or projections ("what is likely to happen"). The results derived from the PACTA for Bank tool provide an indicative view of the alignment of our selected portfolios against a set of climate scenarios. However, caution must be exercised when interpreting the results, as are any potential implications that we draw from them. Whilst improvements have been made to the underlying data, including data enhancement and coverage, other analysis limitations (e.g., low match rate in the Automotive sector) identified from the 2021 pilot study remain. As such, this section should still be read as the documentation of our study rather than a conclusive analysis with a concrete plan on what we need to do next.

As our internal capacity and capabilities continue to develop, including setting up a dedicated Climate Risk unit, we are working towards resolving these limitations and eventually producing results that better reflect our portfolios' alignment and their subsequent impacts.

The table below provides an overview of the temperature outcomes of planned production capacity up to 2026, based on production volume attributable to our financing for clients in the Oil and Gas, Power and Automotive sectors, as well as alignment of emission intensity trajectories of the Cement and Steel sectors, respectively.

		Our Portfolio (CIMB)	Corporate Economy (Market benchmark)	CIMB vs Market benchmark
 Oil and Gas (Global)	Oil Extraction	▲ 1.6 - 2.1°C	■ >2.6°C	Better
	Gas Extraction	■ >2.6°C	▼ >2.6°C	On Par
 Power (South-East Asia)	Coal Capacity	■ <1.6°C	■ >2.6°C	Better
	Oil Capacity	■ >2.6°C	■ >2.6°C	On Par
	Gas Capacity	■ <1.6°C	■ >2.6°C	Better
	Hydro Capacity	▼ > 2.6°C	■ <1.6°C	Worse
	Renewable Capacity	■ > 2.6°C	▲ <1.6°C	Worse
 Automotive (Global)	ICE Vehicles	■ >1.4°C	■ >1.4°C	On Par
	Hybrid Vehicles	■ >1.4°C	▼ >1.4°C	On Par
	Electric Vehicles	■ >1.4°C	■ >1.4°C	On Par
	Fuel Cells	■ >1.4°C	■ >1.4°C	On Par
 Cement and Steel (Global)	Cement	Misaligned with NZE	Misaligned with NZE	On Par
	Steel	Misaligned with NZE	Misaligned with NZE	On Par

- ▲ Better off compared to 2021 pilot results
- No significant change compared to 2021 pilot results
- ▼ Worse off compared to 2021 pilot results



Governance & Risk



Oil and Gas

Compared to our 2021 pilot study, there was a significant improvement in the temperature alignment of our Oil and Gas portfolio this year, bringing it closer to APS and SDS by 2026. This was due to a decrease in the reported oil production volume trajectory of our clients in ABCD between 2023 and 2026, as well as changes in our Oil and Gas portfolio composition. However, our portfolio for gas remains misaligned with all scenarios, including STEPS, APS, SDS, and NZE, at the global level. Additionally, the corporate economy trajectory worsened compared to its performance in the 2021 pilot study.

The Russia-Ukraine war, which escalated in 2022, served as a reminder of the importance of energy security. Therefore, we prioritise steering our portfolio towards low and zero-carbon alternatives in an expedient and just manner to effectively and practically balance out the contraction in oil and gas production required by the NZE scenario by 2050. As we enter the second phase of interim climate target setting in 2023, we intend to establish a target that puts us on track towards Net Zero, while considering the social and economic needs of vulnerable segments in our developing markets.



Power

Against the backdrop of our Coal Sector Guide and our commitment to phasing out coal by 2040, our trajectory for coal and gas capacity remains aligned with the SDS at the regional level and outpaces regional benchmarks. However, our hydro capacity worsened in 2022 and underperformed compared to the corporate benchmark, primarily due to changes in our power portfolio composition and a reduction in the hydro production volume trajectory of our clients in ABCD. Our trajectory for oil capacity remains misaligned with all scenarios. The same trend is also observed for our renewables portfolio. Therefore, decarbonising judiciously is necessary to manage our exposure to climate-related risks and take advantage of the growing renewables market.



Automotive

Our ability to match our clients to ABCD data for this sector further reduced from 7% in 2021 to only 3% in 2022 due to changes in clients' outstanding amounts, which impacted the relative share of matched clients within the sector. Therefore, the results presented remain highly indicative. Nevertheless, the indicative results show that the Automotive sector continues to be misaligned with the NZE scenario, indicating potential exposure to transition risks. On the other hand, there is a significant opportunity for us to build loan/ financing exposure to low-carbon alternatives, such as hybrid and electric vehicle segments, given the rising customer demand and a more conducive policy environment worldwide.



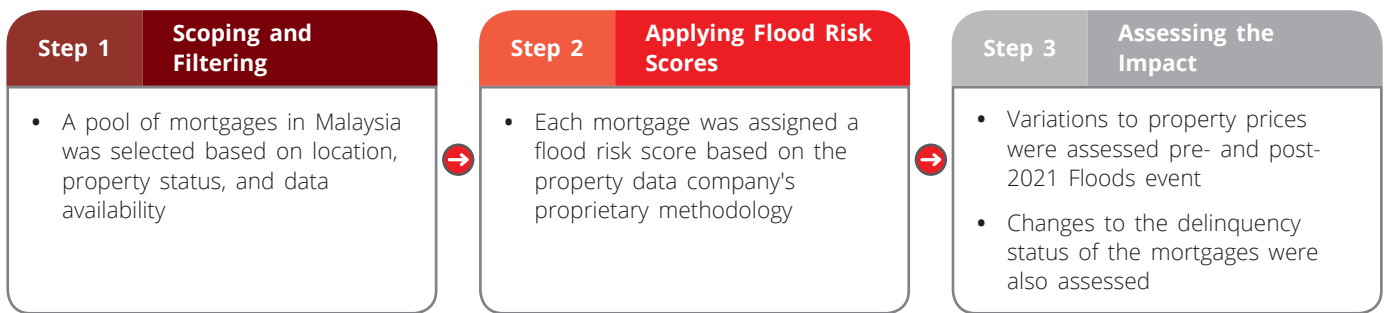
Cement and Steel

Our trajectories for cement and steel based on our loan/ financing exposures ending in 2021 are found to be misaligned with the NZE pathway, respectively. This means that our clients are emitting more tonnes of CO₂ per tonne of cement or steel produced (tCO₂e/t) compared to the required intensity by NZE. As part of our NZBA commitment, we established a 2030 target to reduce our cement portfolio carbon intensity to 0.46 tCO₂e/t of cement produced. We will also set an appropriate interim target to steer our steel sector in the right direction towards Net Zero. For our existing clients, our immediate priority is to ensure that they start aligning themselves with the Net Zero agenda from a commitment and strategic standpoint. To achieve this, we intend to initiate more frequent and targeted conversations with our clients, help them understand our expectations (e.g., data disclosures and decarbonisation plans), and enable them to adopt sustainable and climate-supporting practices through financing and incentives.

RETAIL FLOOD RISK ASSESSMENT PILOT

In late 2021 and early 2022, Malaysia suffered from severe floods (2021 Floods). The flood resulted in almost 50 deaths, required the evacuation of approximately 400,000 people, and caused an estimated financial loss of RM6.1 billion.

To evaluate the immediate financial impact of the flood, we worked with a property data company that uses artificial intelligence and proprietary algorithms to collect, clean, and analyse built-environment-related data. We conducted an assessment to determine the effects of the 2021 Floods on collateral valuation (i.e., property prices) and customers' repayment abilities. Additionally, we identified potential areas for future improvement in terms of our internal analytical capabilities, data availability, risk management strategies, and management actions.



Contrary to our expectations, we could not conclude from the analysis that floods would result in decreases in collateral value or impact the repayment ability of our mortgage customers. This inconclusive outcome could be due to several reasons. For instance, flood risk might have already been priced into property valuations from the outset (i.e., beyond the time horizon considered for the pilot), or a confluence of other factors (e.g., government intervention) which could have helped mitigate significant changes in property prices. Our analysis was also limited by a relatively small sample size, reducing the power of our analysis.

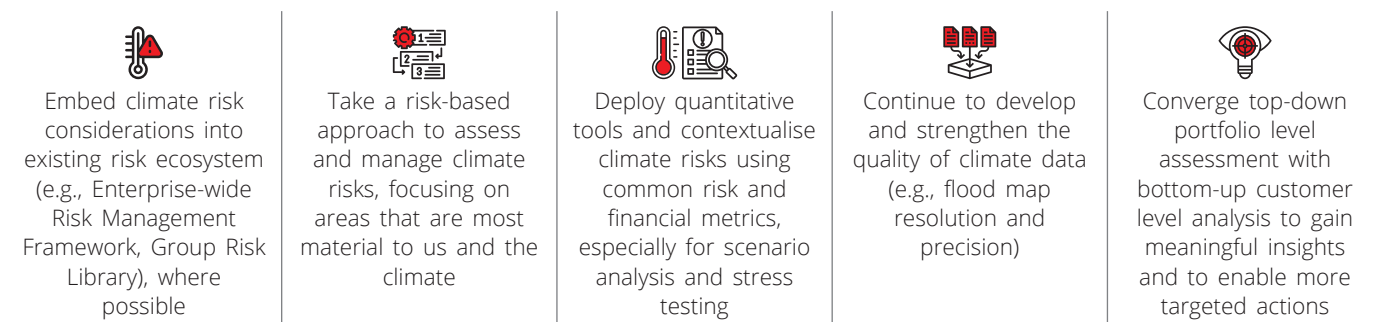
Along with our first physical risk scenario analysis pilot in 2021 using the SwissRe CatNet® Geo Risk tool and the Physical Risk – Real Estate Assessment tool by Acclimatise, this pilot provides another reference point for future development. We will continue to explore various tools and models to improve our insights into our exposure to physical risks under various climate scenarios as well as to mitigate physical risks associated with our financing transactions.

RISK MANAGEMENT

At CIMB, we have instituted a Sustainability Risk Management Framework to guide our assessment and management of sustainability risks in a manner that is consistent with the Group's Enterprise-wide Risk Management Framework. Sustainability Risk is recognised as a standalone risk type within the Group Risk Library. A key sub-component of this is climate risk, encompassing both physical and transition risks. Climate Risk is managed at various levels as part of our Sustainability Risk Management Framework, utilising appropriate policies, procedures, tools and metrics.













ASSESSING AND MANAGING OUR EXPOSURE TO CLIMATE-RELATED RISKS






We currently apply a multi-faceted approach to climate risk assessment, guided by the following principles:



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Our Suite of Climate Risk Assessment Tools

Tool and Assessment Level	Risk Types Considered	Methodology	Management Actions
<p>Material Risk Assessment (MRA) at portfolio level</p>	<p> Transition</p> <p> Physical</p>	<p>MRA is the starting point for CIMB's Internal Capital Adequacy Assessment (ICAAP) process. Business Units and Enablers in the first line of defence perform an annual self-assessment of non-measurable risks (e.g., sustainability risk) and control effectiveness.</p> <p>In 2022, Group Sustainability, as the owner and subject matter expert for Sustainability Risk, continued to leverage the Group's MRA exercise to ensure that relevant divisions duly considered sustainability and climate-related risks from the point of risk-taking activities.</p>	<p>Losses associated with non-measurable risks are estimated, and capital will be set aside for that purpose.</p>
<p>Sustainability Risk Dashboard at portfolio level</p>	<p> Transition</p> <p> Physical</p>	<p>Since 2021, we have been reporting our financing exposure to High Sustainability Risk sectors (including carbon-intensive sectors) as a proxy indicator for our vulnerability to transition risk to relevant risk committees at management and board levels. See page 68 of our Metrics and Targets section for our exposure as at 31 December 2022. </p> <p>In addition to risk aspects, GSSIPS performance is reported as part of the dashboard to provide a more holistic picture from both the risk and opportunity perspectives.</p>	<p>We intend to leverage the dashboard to establish appropriate risk appetite metrics and thresholds for sustainability and climate-related risks. As market best practices are still emerging and developing (e.g., with new expectations and data points), we expect this exercise to take another few years to mature.</p>
<p>Climate Scenario Analysis at customer and portfolio levels</p>	<p> Transition</p> <p> Physical</p>	<p>Please refer to Transition Risk Scenario Analysis section on pages 61 to 64, where our methodologies are provided in detail. </p>	<p>Please refer to Transition Risk Scenario Analysis section on pages 61 to 64. </p>
<p>Sustainability Due Diligence at customer/ transaction level</p>	<p> Transition</p> <p> Physical</p>	<p>In 2022, we road-tested the Coastal Risk Screening Tool developed by Climate Central as part of our Enhanced Sustainability Due Diligence (ESDD) process to evaluate our clients' exposure to coastal flood risk. Several discussions were initiated with our Relationship Managers and clients to discuss the risk assessment outcomes.</p> <p>Refer to our Enhanced Sustainability Due Diligence section on pages 46 to 49 for more information about our due diligence process. </p>	<p>Depending on the outcome of the sustainability due diligence process, clients exposed to high sustainability risks may be required to commit to mitigating action plans, and the transaction may be subjected to escalated approval. In cases where the risk is too high, we may decline the application.</p>

Tool and Assessment Level	Risk Types Considered	Methodology	Management Actions
Financed Emissions Inventory <i>at customer and portfolio levels (new in 2022)</i>	 Transition	Refer to Understanding our Financed Emissions section on pages 57 to 59, where our methodologies are provided in detail. 	Refer to Understanding our Financed Emissions section on pages 57 to 59. 
GSSIPS Tool <i>at customer/ transaction level</i>	 Transition  Physical	We have clear criteria for what we consider climate-supporting assets, which we use to consistently classify and report our financing and investments to our central banks. We have developed and implemented an internal tool to help business units classify their financing and investment assets according to our set of pre-defined qualifying thresholds and criteria.	The GSSIPS Tool allows us to determine the overall proportion of our assets that fall under the "green" or "climate-supporting" category, versus "brown" and "transitioning". We are in the process of expanding the tool to cover additional facilities and transaction types. The percentage of "green" assets will indicate whether we are on target to achieve our 2050 Net Zero objective. It will also prompt us to adopt more extensive measures as necessary.
		Refer to our Sustainable and Responsible Finance: Driving Positive Impacts section on pages 101 to 107. 	

At CIMB, we are committed to enhancing our assessment and management of climate-related risks across a range of sectors, asset classes, and locations in the near, medium, and long term. Over the past year, we placed greater emphasis on sustainability and climate-related risk factors as part of our annual strategy and business planning procedures. We created an Overall Sustainability Rating and integrated it into the Group's 2023 Risk Posture¹ Setting exercise. The sustainability rating for each country business unit was presented to the Board along with other risk considerations, for review and determination of risk postures for the year.

Aspects Considered in the Overall Sustainability Rating

 Transition Risk: Temperature alignment based on PACTA for Banks analysis (for carbon-intensive sectors)	 Physical Risk: Credit exposure to clients at high risk of flooding	 Environmental and Social Risk: Credit exposure to high sustainability risk transactions	 Future Competitiveness: Sustainable finance mobilised
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After the completion of the 2023 Risk Posture Setting exercise, we further integrated a climate overlay focusing on sector sensitivity to transition risks into the Group Risk's 2023 Country Sector Limit Methodology. This mechanism was introduced in 2021 to manage the exposure of our non-retail portfolio to climate-related risks at the sector level.

The climate overlay was developed with reference to the Transition Risk Heatmap from the UN Environment Programme Finance Initiative (UNEP FI) TCFD Phase II banking pilot, and was used as the final sector appetite cap. For example, if a sector's sensitivity to transition risks is assessed as "high" or "unsatisfactory" based on the Transition Risk Heatmap, the sector's appetite may be adjusted to "Restricted" if its existing appetite, without the climate overlay, is higher.

¹ Risk Posture, which forms part of the Risk Appetite Statement, is a tool used by the Board to set a high-level risk direction before the commencement of the formal budgeting process.



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METRICS AND TARGETS

For ease of reference and comparison, we have summarised some of our key climate-related metrics, targets and performance indicators in the following tables:

Overall Exposure to High Sustainability Risk Sectors (% of the Group's Total Gross Loans/ Financing)

Sector	Target	Performance		Page Reference
		2021	2022	
Palm Oil	N/A	2.8%	2.7%	45
Oil and Gas	N/A	2.3%	1.5%	
Coal	<ul style="list-style-type: none"> 50% reduction in exposure by 2030 Complete phase out by 2040 	0.7%	0.7%	
Forestry	N/A	0.7%	0.6%	
Mining and Quarrying	N/A	0.1%	0.1%	
Construction and Infrastructure	N/A	N/A	2.4%	

Temperature Alignment based on the PACTA for Banks Tool

Sector	Segment	Target	Performance		Page Reference
			2021	2022	
Oil and Gas	• Oil Extraction	<1.5°C or Net Zero by 2050	>2.7°C	1.6-2.1°C	61 to 64
	• Gas Extraction		>2.7°C	>2.6°C	
	• Coal Capacity		<1.8°C	<1.6°C	
Power	• Oil Capacity		>2.7°C	>2.6°C	
	• Gas Capacity		<1.8°C	<1.6°C	
	• Hydro Capacity		<1.8°C	>2.6°C	
Automotive	• Renewable Capacity	>2.7°C	>2.6°C		
	• ICE Vehicles	>1.5°C	>1.4°C		
	• Hybrid Vehicles	>1.5°C	>1.4°C		
	• Electric Vehicles	>1.5°C	>1.4°C		
Cement	• Fuel Cells	>1.5°C	>1.4°C		
		N/A	Misaligned with NZE		
Steel		N/A	Misaligned with NZE		

Scope 3 Financed Emissions Inventory

Sector	PCAF Asset Class	Emissions (ktCO ₂ e) ¹			Intensity (ktCO ₂ e/RM million) ²			Data Quality Score ³		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Agriculture		652	1,441	1,120	0.029	0.073	0.050	4.2	3.7	3.9
Cement		3,479	2,096	2,783	1.171	0.847	1.243	4.0	4.1	3.7
Coal		2,072	1,101	1,302	0.899	0.581	0.896	3.3	2.9	3.2
Iron, Steel and Aluminium	Business Loans/ Financing	94	61	30	0.032	0.024	0.012	4.5	4.5	4.7
Oil and Gas		2,763	4,134	3,070	0.319	0.590	0.416	4.7	4.5	4.6
Power Generation		1,898	1,396	1,958	0.317	0.263	0.306	2.9	3.2	2.9
	Business Loans/ Financing	19	22	23	0.001	0.001	0.001	4.5	4.5	4.6
Real Estate	Commercial Real Estate Financing	422	422	412	0.035	0.035	0.033	4.1	4.1	4.1
	Residential Real Estate Financing	1,302	1,352	1,398	0.012	0.012	0.012	4.2	4.2	4.1
Transportation	Business Loans/ Financing	227	241	218	0.052	0.061	0.049	4.5	4.2	4.2
	Motor Vehicle Financing	1,563	1,592	1,497	0.067	0.064	0.059	2.7	2.6	2.7
Overall		14,489	13,856	13,811	0.067	0.063	0.060	4.0	4.0	4.0

The financed emission calculated represents 59% (RM218 billion), 60% (RM219 billion), 61% (RM230 billion) of our total gross loans/ financing for 2019, 2020 and 2021 respectively. Regarding our footnotes:

1. Only scope 1 and 2 GHG emissions are accounted for in our financed emissions calculation
2. The emission intensity of a sector is derived by dividing the financed emissions with the outstanding principal amount of the sector
3. Data quality score is assigned based on PCAF guidance, where the best score is 1 and the worst score is 5

Our financed emissions disclosures will typically lag our other reporting by at least a year as many clients' audited financial statements and GHG emissions data would not be ready by the time we commence our annual exercise in the middle of the year. We are aware that our PCAF data quality is lower compared to some other financial institutions that have disclosed their financed emissions. Due to poorer data quality in some sectors, we are unable to accurately determine the causes and drivers behind the annual changes to the financed emissions of those sectors. To improve this, we plan to work closely with our clients to improve their GHG emissions disclosures. Our financed emissions measurement methodology and inventory will be reviewed regularly as data availability increases over time and market methodologies and climate science evolve.



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2030 Sector-Specific Climate Targets

Sector	Base Year and Value	End Year and Value	Target Change and Metric	Target Method	Scenario Used	Clients' GHG Scopes Included	Scope of Value Chain Included ³	Asset Classes Included	Planned Review Date
Cement	2021: 0.72	2030: 0.46	36% reduction in physical-based emission intensity measured in tCO ₂ e/t of cement produced	Benchmark convergence	SBTi 1.5°C ¹	1 and 2	Manufacture of cement, lime, plaster, articles of concrete, cement and plaster ⁴	Financing only	2025
Thermal Coal Mining	2021: 100	2030: 50	50% reduction in exposure measured in RM outstanding amount value index (starting from 100 in 2021)	Absolute contraction	IEA NZE2050 ²	N/A	Mining of coal ⁵	Financing and investment	2025

¹ SBTi (2022). Cement Science Based Target Setting Guidance. Available at: Cement sector guidance - Science Based Targets.

² IEA (2021). Net Zero by 2050: A Roadmap for the Global Energy Sector. Available at: Net Zero by 2050 - Analysis - IEA.

³ CIMB Internal Sector Codes, which are further mapped against International Standard Industrial Classification (ISIC), were used for target setting.

⁴ Within the value chain included, the target is only applicable to manufacturing or production of cement.

⁵ Within the value chain included, the target is only applicable to clients that generate >5% of revenues from thermal coal mining.

Sustainable Finance

Metric	Target	Performance		Page Reference
		2021	2022	
Total sustainable finance mobilised to-date (RM billion)	RM60 billion by 2024	26.5	54.3	137
Renewable energy financing exposure (RM million)	N/A	527.0	387.1	138
New climate-supporting financing booked in Malaysia (RM million)	N/A	N/A	378.8	52

GHG Scope 1 and 2 Emissions

Metric	Target	Performance		Page Reference
		2021	2022	
GHG scope 1 and 2 emissions absolute reduction (% from 2019 baseline)	25% by 2024, net zero by 2030	24%	22%	75 to 76



BIODIVERSITY AND ECOSYSTEM INTEGRITY

Biodiversity and natural ecosystems provide ecosystem services which people and businesses depend on. However, overexploitation, land degradation and other impacts from human activities are disrupting the integrity of our ecosystem.

Experts estimate that around 200 to 2,000 extinctions occur each year¹, due to ecosystems disruptions. The estimated value of ecosystem services lost worldwide due to land degradation is between US\$6.3 trillion and US\$10.6 trillion annually, or the equivalent of 10-17% of global GDP². Moreover, these losses are unevenly distributed throughout society, often impacting rural and vulnerable communities that largely depend on land for sustenance and income.

CIMB is committed to playing our part in protecting and enhancing biodiversity and ecosystem integrity, and has started integrating some of these considerations into our financing and business decisions.

Biodiversity and ecosystem integrity has become increasingly important to CIMB’s key stakeholder groups, and as an outcome of our materiality exercise in late 2022, we have included this as a material topic for CIMB. We have started with embedding NDPE requirements in our sector guides, and will introduce other policies and safeguards in relation to this topic in the coming years and months.

NO DEFORESTATION, NO PEAT, AND NO EXPLOITATION

In 2022, we rolled out our No Deforestation, No Peat, and No Exploitation (NDPE) policy to the palm oil, forestry and timber plantation sectors in Malaysia and Indonesia, and are continuing to roll this out to other countries and sectors in phases.



No Deforestation

Avoiding deforestation when developing land for commodities or projects, as well as regulating burning, and promoting the reduction of GHG emissions on existing plantations



No Development on Peat

No new peatland developments and encouraging Best Management Practices on existing peat plantations, promoting restoration of peat wherever feasible



No Exploitation


No exploitation of workers and small-scale growers, seeking Free, Prior and Informed Consent from local communities, and demonstrating respect for human rights

Under our NDPE policy, we will not finance or facilitate capital raising for companies that:

- Are directly involved in the new conversion of High Conservation Value (HCV) areas;
- Are directly involved in the new conversion on peat;
- Lack legal rights and a policy/commitment on respecting free, prior, and informed consent of indigenous and local communities; or
- Lack policy/commitment on no exploitation of workers and respecting labour rights.

We also strongly encourage processors, such as palm oil mills, to implement traceability systems for external crop suppliers, construct an assurance method to guarantee crops are lawfully sourced, and engage with external suppliers on their own NDPE standards.

Our sustainability engagement and due diligence processes take into account government policies related to sustainable land use and management. For example, in Indonesia, 2,000 permits across the plantation, forestry, metals, minerals, and mining sectors have been revoked due to various land-use-related concerns, with the government committing to restore two million hectares of peatland and rehabilitate 12 million hectares of degraded forest land.

We also collaborate with external stakeholders to drive transformation within land-use sectors. In 2022, we participated as an advisory team member in the ASEAN Investment Framework for Haze-Free Sustainable Land Management in South-East Asia , which outlines investment needs and opportunities in sustainable agriculture for peat planted areas, fire prevention, phasing in paludiculture, and carbon farming.

¹ How Many Species Are We Losing, World Wide Fund for Nature (WWF), 2020.

² Integrating Ecosystem Values in Cost Benefit Analysis, Bahman Kashi et al., United States Agency International Development, 2018.



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HUMAN RIGHTS

Human rights are fundamental freedoms that must be equally and fairly applied to every individual regardless of race, gender, nationality, religion or any other personal characteristics. Unfortunately, human rights breaches are not uncommon within the business environment. According to the International Labour Organization (ILO), 49.6 million people were living in modern slavery in 2021, of which 27.6 million were in forced labour³.

Companies are facing increased scrutiny and expectations when it comes to their human rights performance. Businesses associated with human rights violations face significant risks, including financial, legal, reputational and stakeholder relations risks.


As a responsible business, we have a duty to uphold international human rights laws and standards across all aspects of our operations, supply chains, and business relationships. This includes promoting fair labour practices and treating all communities with respect, not only as an ethical obligation but also as a social license to operate. By adhering to these principles, we aim to build our reputation as a responsible corporate citizen, which will help to build stakeholder trust for years to come.

Based on CIMB's 2022 materiality assessment, human rights have been identified as a new material matter. This demonstrates the emerging importance of human rights to stakeholders, who recognise the need for businesses to respect the basic rights of everyone.

Human rights compliance is of great importance to our Board and top management. The ultimate responsibility for human rights lies with the Board of Directors and the Group Sustainability and Governance Committee. At the management level, the Group Chief Sustainability Officer is responsible for managing human rights risk as a key element of Sustainability Risk at CIMB.

In this section, we outline our approach to human rights and efforts to ensure that these principles are integrated into all aspects of our business operations. The goal is to not only meet but also exceed industry standards for human rights performance and promote a culture of respect, fairness, and equality in all interactions.

HUMAN RIGHTS POLICY

In 2022, we introduced our Group Human Rights Policy . The main objective of the policy is to provide clarity and transparency on human rights management across the Group. This is to ensure consistency between internal practices and external expectations, including legal and regulatory obligations and voluntary commitments to respect and protect human rights. Within the broader scope of human rights, we focus on issues and risks that are most pertinent to our operations and activities.


COMMITMENTS AND FRAMEWORKS

In particular, we commit to uphold and comply with:

- i. The International Bill of Human Rights, including the Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR);
- ii. UN Guiding Principles on Business and Human Rights;
- iii. ILO Declaration on Fundamental Principles and Rights at Work.

³ Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, International Labour Organization (ILO), September 2022.

With regards to labour rights, we commit to the following:

- i. Avoid causing or contributing to labour rights violations as per national legislation standards. In the event where there is a discrepancy between national, regional, and international standards, we will engage with stakeholders to explore approaches that respect international standards.
- ii. Respect the rights of our employees, including:
 - a. freedom of representation; 
 - b. right to collective bargaining;
 - c. a safe and healthy work environment, including safety from any forms of harassment such as sexual harassment;
 - d. fair recruitment and other people practices;
 - e. preventing modern slavery; and
 - f. respecting regulations on minimum wage and maximum working hours.
- iii. Eliminate discrimination in the workplace and promote diversity and inclusion.

Our framework further adopts principles and recommendations laid out in recognised international, regional and local frameworks, including:

- i. The UN Environment Programme Finance Initiative Principles for Responsible Banking;
- ii. UN Sustainable Development Goals;
- iii. Bank Negara Malaysia's Value-Based Intermediation Financing and Investment Impact Assessment Framework and Association of Banks in Malaysia's ESG Principles.

TURNING OUR POLICY INTO ACTION

The implementation of our Human Rights Policy cuts across all aspects of CIMB's business. Starting in 2022, the integration of human rights considerations into our financing procedures has become a requirement and a key element in our risk assessment process. Due to non-compliance with human rights standards, 32 clients were requested to implement corrective action plans.

 | [Read more about our Group Sustainable Financing Policy](#)

Our human rights due diligence process includes engaging with our suppliers and vendors to conduct Sustainability Due Diligence and to make them aware of CIMB's Vendor Code of Conduct, as outlined in our Group Sustainability Policy. We are guided by the United Nations Guiding Principles on Business and Human Rights to assess actual and potential adverse human rights impacts and how we may have directly caused, contributed, or been linked to an abuse of rights within our supply chain. We have also conducted a human rights risk assessment on selected vendors, starting with security guard providers in Malaysia.

 | [Read more about CIMB's supply chain procurement process on pages 80 to 81](#)

We continue to maintain a strong emphasis and commitment to ensure that the rights of our employees are protected. This includes their freedom of association as well as regulatory labour rights.

 | [Read more about CIMB's freedom of association on page 86](#)

In 2023, we will be focusing on four key areas:

- Expanding our current grievance mechanism to include reports on human rights violations, which will be protected by the CIMB Whistleblower Policy. If investigations reveal that CIMB has caused or contributed to human rights violations, we will take steps to rectify the situation.
- Ensuring the adoption and implementation of our human rights policy across all our operations in the ASEAN region, including Singapore, Thailand, Indonesia, Vietnam, the Philippines, and Cambodia.
- Directing our resources towards capacity building through training for our employees and clients operating in sectors with a high risk of human rights violations. These training sessions will raise awareness and help ensure compliance with our own commitments.
- Increasing transparency on our impact on human rights across our supply chain.

Sustainable Action

At CIMB, operating in a socially and environmentally responsible manner is driven by more than moral obligations or ethics. There is increasing evidence that shows how integrating sustainability throughout the value chain can generate positive financial outcomes. For example, a report estimated that companies that excelled in sustainability recorded operating profits that were 3.1% higher than average and delivered higher annual total returns to shareholders¹. Through Sustainable Action, we also create stakeholder trust, demonstrate strong leadership by example, and build our resilience against sustainability risks – all of which enable our continued performance.



A Low-Carbon Bank

Minimising our operational carbon emissions, along with other environmental impacts



An Engaged and Productive Workforce

Providing a safe and enriching work environment that attracts and retains the industry's top talent



An Inclusive and Fair Work Culture

Encouraging creativity through diversity and inclusion in the workplace

We are committed to improving the lives and well-being of our 33,000 plus employees and 1,500 suppliers across ASEAN. We strive to create a safe, fair and inclusive work environment that contributes to their long-term development and well-being while leaving behind a better planet for future generations.

MATERIAL TOPICS 2022 ACHIEVEMENTS



Climate Change: Operational Emissions

- Achieved 48% reduction of Scope 1 greenhouse gas (GHG) emissions and 21% reduction of Scope 2 GHG emissions against 2019 baseline
- Completed desktop energy audit for three head offices and selected branches, and LED lighting retrofit for Wisma CIMB
- Started measuring the amount of waste generated and recycled across our operations



Talent Attraction, Retention and Growth

- Launched "Forward Your Career" to facilitate internal mobility and promote talent retention
- Successfully piloted the 180° values-based feedback for leaders and people managers
- Launched the Sustainability Academy for stronger internal talent development in the area of sustainability
- Improved organisational health score from 75% in 2021 to 77% in 2022



Diversity and Inclusion

- Maintained a gender pay ratio of 1.00 (male) : 1.01 (female)
- Achieved a 42.4% female representation in leadership (GCEO-2 level and above)
- Introduced the "Diversity and Inclusion in the Workplace" suite of training programmes as part of the CIMB training curriculum

¹ Seeking New Leadership: Responsible Leadership for a Sustainable and Equitable World, Accenture, Young Global Leaders and Global Shapers, January 2020.



CLIMATE CHANGE: SCOPE 1 AND 2 EMISSIONS

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) provides us with abundant robust evidence that climate change is real and the most pervasive threat society has ever faced. According to Swiss Re, climate inaction is expected to lead to losses of between 4% to 18% of global GDP. For CIMB, our real assets, employees, customers and suppliers will be increasingly exposed to the physical effects of extreme weather events and other climate impacts, potentially impacting our long-term performance. Beyond the economic implications, the social cost of climate change will be devastating, with the most vulnerable communities hardest hit.

As a purpose-driven bank, we are committed to reducing our own emissions to meet the 1.5 degree Celsius target established by the Paris Agreement, playing our part to help mitigate climate change. This is reflected in our target to achieve net zero scope 1 and 2 greenhouse gas (GHG) emissions in our operations by 2030.

METHODOLOGY, BASELINE AND PERFORMANCE

In order to accurately track and document our GHG emissions, the Administration and Property Management (APM) teams across the region monitor and report on energy use and other sources of GHG every month to respective in-country sustainability teams. The data is then vetted by Group Sustainability and Group APM. Additionally, we have engaged an auditor since 2019 to ensure the quality and accuracy of the data reported, specifically for scope 1 and scope 2 GHG emissions.

CIMB developed its scope 1 and 2 GHG baselines in 2019, covering Malaysia, Indonesia, Singapore, Thailand, and Cambodia. Vietnam, with two branches and 161 staff, and the Philippines, with one branch and 292 staff, along with two other international branches, were excluded due to their immateriality. The scope for this baselining included direct scope 1 GHG emissions³ and indirect scope 2 GHG emissions⁴.

In 2019, our baseline year, our scope 1 and 2 GHG emissions stood at 94,834 tCO₂e. Of this, Malaysia accounted for 52%, Indonesia 39%, Thailand 7%, Singapore 1%, and Cambodia 1% of the GHG emissions. Scope 1 GHG emissions accounted for 5% of scope 1 and 2 emissions, whereas scope 2 was 95%.

Overall, scope 1 and 2 GHG emissions have been on a downward trend since 2019, with the regional COVID restrictions in 2020 and 2021 resulting in significant reductions. Although 2022 emissions are slightly higher than 2021, we have seen emissions settling in 'the new normal' at 22% lower than the 2019 baseline. In addition to greater digitalisation and staff continuing to work-from-home or in a hybrid manner in 2022, the rollout of GHG reduction initiatives has started yielding the anticipated energy savings.

In 2022, we started to measure operational scope 3 GHG emissions, including GHG from water, waste and business travel, along with scope 3 financed emissions. As a financial institution, the vast majority of our overall emissions arise from our scope 3 financed emissions.

| Read more about CIMB's financed emissions on pages 57 to 59

³ Direct GHG emissions occur from sources that are owned or controlled by the company, such as, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.

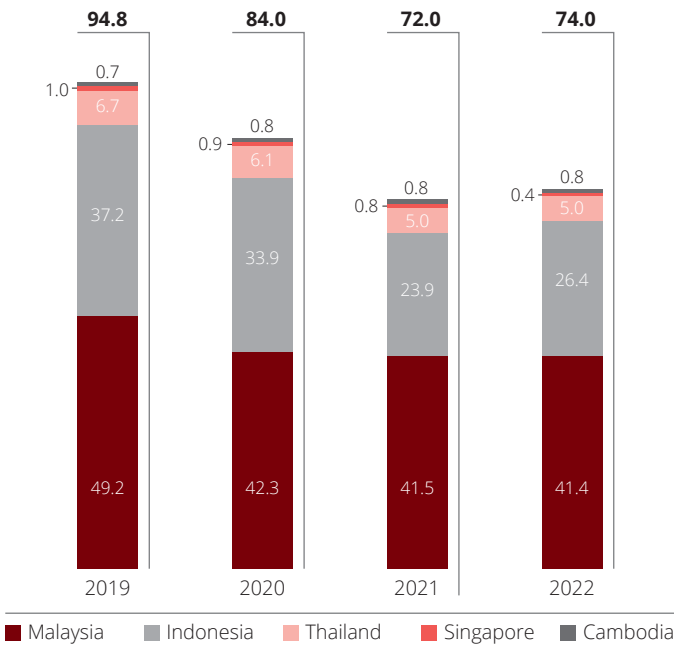
⁴ Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.



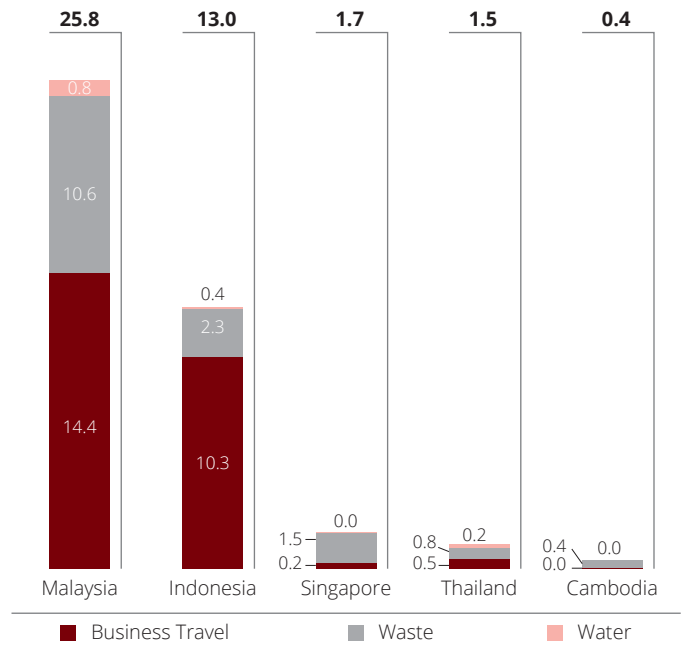
Sustainable Action

GHG Scope 1, 2 and 3 Emissions

GHG Scope 1 and 2 emissions (thousand tCO₂e)



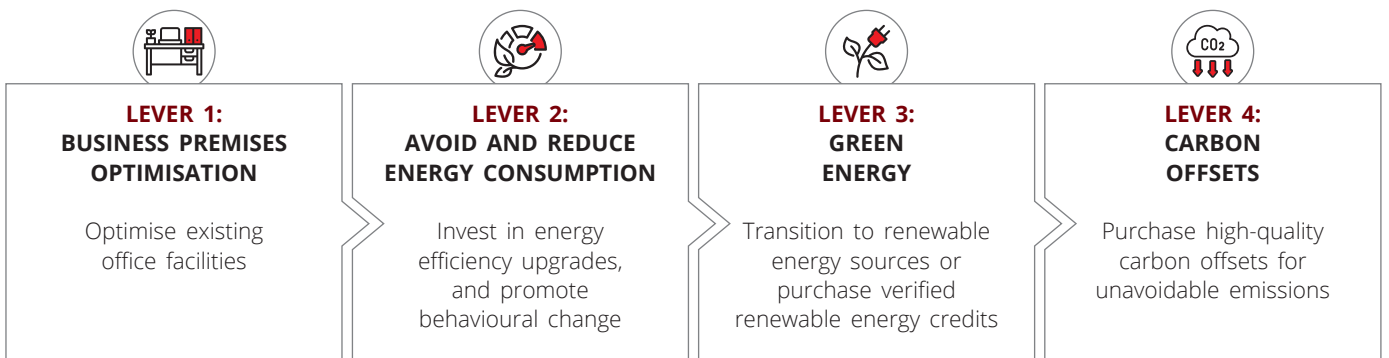
GHG Scope 3 emissions for 2022, excluding category 15 (hundred tCO₂e)



In terms of scope 1 GHG emissions, we recorded absolute GHG emissions of 2,620 tCO₂e, which is 48% below our target of capping scope 1 GHG emissions at 4,998 tCO₂e for the year 2022. This reduction is attributed to operational optimisation and integration of virtual meetings as a 'new normal' way of working. As we progress towards operationalising net zero 2030, we aim to gradually reduce our capping of scope 1 GHG emissions in absolute terms. With regards to scope 2 GHG emissions, we recorded absolute emissions of 71,416 tCO₂e, which is 6% below our target of capping scope 2 GHG emissions at 75,611 tCO₂e for the year 2022. Consolidating scope 1 and 2 GHG emissions, we achieved a GHG emission reduction of 22% in 2022 compared to our baseline year of 2019.

ROADMAP TOWARDS NET ZERO GHG SCOPE 1 AND 2 EMISSIONS BY 2030

We have a robust roadmap to reduce our scope 1 and 2 emissions to net zero by 2030, guided by a four-pronged strategy designed to guide us in reducing our operational GHG emissions in the most effective, responsible, and cost-optimised manner.



SHORT-TERM INITIATIVES (2022-2025)

Our focus in the shorter term is on initiatives that yield quick energy-saving returns. Such initiatives include switching to energy-efficient LED lighting, incorporating motion sensors and phasing out old and inefficient single split unit cooling systems. A combination of lighting and cooling upgrades, together with electric vehicle charging, is planned for a selected group of branches pioneering sustainability at CIMB.

MEDIUM-TERM INITIATIVES (2025-2027)

Medium-term initiatives require greater expenditure but will yield greater savings. These include automated central monitoring systems, chiller replacements or connection to district cooling systems, as well as renewable energy systems. While we prefer onsite renewable energy systems, there are limited opportunities within our premises due to the need for sufficiently large roof spaces. We have started with a solar system at our CIMB Thai headquarters, with plans to install solar photovoltaic (PV) systems for selected head offices and branches across the region.

Additionally, we will purchase Renewable Energy Certificates (RECs) progressively for each country. RECs are market-based instruments that represent the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. They are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource. In Malaysia, RECs can be purchased from Tenaga Nasional Berhad via the Green Electricity Tariff.

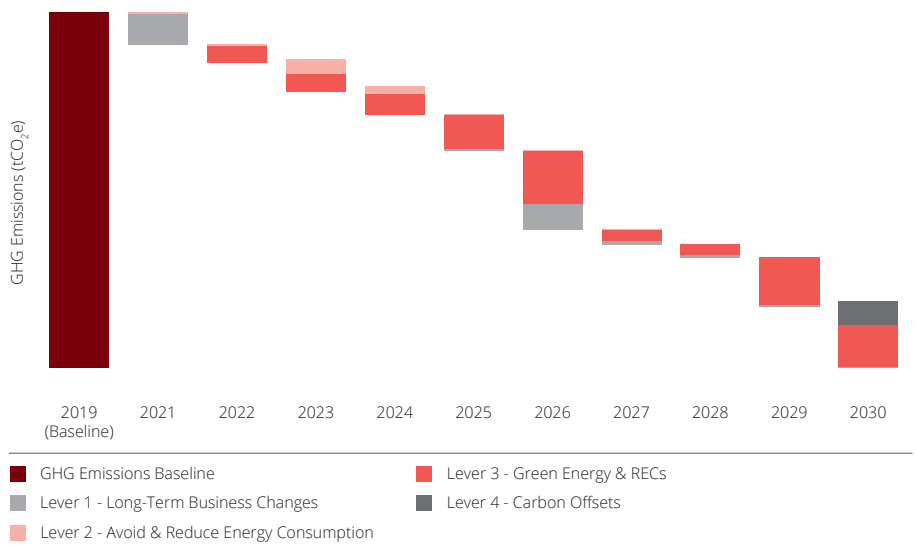
LONG-TERM INITIATIVES (BEYOND 2027)

CIMB is exploring the purchase of green electricity via the recently-launched Corporate Green Power Programme in Malaysia. The programme allows organisations to indirectly purchase renewable energy from solar power providers via the national energy grid on a long-term basis.

We envisage the purchase of high-quality carbon credits, tradable certificates or permits representing the right to emit a set amount of carbon dioxide to tackle our residual scope 1 GHG emissions. However, as the cost of carbon offsets is projected to increase in the coming years, these credits will only be purchased after all other options to reduce carbon emissions have been carried out.

ROADMAP TO 2030

Our high-level roadmap to net zero 2030 is shown in the diagram below. However, this is a forward-looking projection, and we anticipate changes in the future based on advancements in technology, policy changes by the government, or new energy schemes in the market.








Sustainable Action

KEY PROJECTS AND INITIATIVES

In 2022, we continued to execute projects and initiatives to reduce our emissions, despite delays in 2020 and 2021 caused by COVID-related priorities and disruptions.

Lever	2022 Projects/Initiatives	Details	Countries
 Business Premises Optimisation	Premises Optimisation	<ul style="list-style-type: none"> Consolidation of head offices and branches 	Malaysia Indonesia Singapore
	LED Lighting Retrofit	<ul style="list-style-type: none"> Progressive LED lighting replacements for all branches 	Malaysia Indonesia Thailand
	Centralised Cooling	<ul style="list-style-type: none"> Progressive upgrades at head offices and branches to switch to more centralised forms of cooling including Variable Refrigerant Flow (VRF) and district cooling 	Malaysia
	Motion Sensors	<ul style="list-style-type: none"> Progressive motion sensor installations for branches and head offices 	Indonesia
 Avoid and Reduce Energy Consumption	Energy Audits	<ul style="list-style-type: none"> Detailed energy audits for head offices and branches with the aim of switching out old and inefficient equipment 	Malaysia Indonesia
	Green Buildings	<ul style="list-style-type: none"> The Singapore head office was moved into a Green Mark Platinum building, substantially reducing electricity consumption CIMB Hub, a new head office building in Malaysia, is located in a building pursuing Green Building Index certification Conduct feasibility studies on more head offices for green building certification across the region 	Malaysia Singapore Thailand
	Greening Data Centres	<ul style="list-style-type: none"> Regional data centres underwent energy efficiency upgrades, including LED lighting replacements, using energy-efficient server equipment and switching to green energy 	Malaysia Indonesia Singapore Thailand Cambodia
 Green Energy	Onsite Renewable Energy	<ul style="list-style-type: none"> Rooftop solar PV systems on our assets 	Indonesia Thailand

GREEN CANTEEN

We launched the Green Canteen in our headquarters building in Thailand. The Green Canteen is fitted with energy-efficient LED lighting and uses renewable energy from a rooftop solar PV system. Additionally, staff are encouraged to reduce their waste by bringing their own containers, recycling plastic bottles, and separating food waste.



Rooftop solar PV system



Plastic recycling collection point

INTERNAL CARBON PRICE


As an economic incentive for business units and operating entities across the Group's markets to reduce their emissions, we set up an Internal Carbon Price (ICP) framework in 2021 where operating entities and business units will be charged a penalty for every tonne of scope 2 GHG emissions emitted in excess of their divisional cap. The ICP was rolled out at a country level in 2021 and will be rolled out at a divisional level in 2023.

The objectives of ICP include:

- to prepare for GHG regulations such as carbon taxes
- to drive internal behavioural changes by putting an additional charge on carbon emissions
- to include carbon costs into our own investments and upgrades, such that higher carbon investments would yield poorer returns

Based on benchmarks and projections of prices of renewable energy certificates and carbon credits, as well as carbon taxes, the ICP has been set at RM70 per tonne for 2023 and is expected to be ramped up to between RM275 and RM355 per tonne by 2030. Proceeds will be reinvested into green capital expenditure to reduce scope 1 and 2 emissions or purchase (RECs) and carbon offsets as needed.

OPERATIONAL SCOPE 3 EMISSIONS

Apart from our financed emissions (Category 15 – Investments), which is described on pages 57 to 59 , our significant operational scope 3 GHG emissions consist of the use of water (Category 1 – Purchased Goods and Services), waste generated (Category 5 – Waste Generated in Operations) and business travel by our employees (Category 6 – Business Travel). As an office-based business, water and paper consumption are relevant to our emissions profile, while frequent client and staff meetings necessitate business travel. All operational scope 3 GHG emissions data were obtained from our finance and human resource systems, vendors and suppliers.

WATER

We have been recording water consumption since 2019, and after three years of increased water consumption, 2022 recorded a 27% year-on-year reduction in water consumption, equal to 400,488 m³ or 138 tCO₂e.

WASTE

This year, we started measuring the waste generated across our head offices and branches in our main operating markets, in addition to the annual recycling data we have reported. With over 600 premises across the region, obtaining accurate site data across all our operations is not feasible. We, therefore, conducted sampling studies and extrapolated waste intensity data to estimate the overall waste generated.

We recorded a total of 1,794 tonnes of waste generated in 2022, of which 14% was recycled and the rest sent to the landfill or incinerated. This resulted in an annual waste intensity of 0.05 tonnes per full-time employee and an annual GHG emission of 1,557 tCO₂e. With a better view of the waste generated across our operations, we will be developing initiatives to reduce waste and increase the diversion of waste from landfill starting in 2023.

As part of CIMB Thai's Triathlon Event in December, the team collaborated with the nearby Ban Surasak School to reduce and manage waste for the event. Eight garbage bins were donated alongside efforts to set up a waste separation station. Students from the school, as well as CIMB Thai employees, volunteered to sort the waste during the event.

From October 2022, CIMB Vietnam ran a campaign to encourage staff to reduce single-use plastic. This campaign involved stopping orders of small mineral water bottles and designating one week per month as a plastic-free week. During this time, employees were encouraged to demonstrate their zero-waste practices and winners were awarded zero-waste gifts. In 2023, CIMB Vietnam plans to continue promoting the plastic-free message through a bank-wide pilot campaign and aims to introduce waste management policies to its Vietnam branches in the second half of the year.

BUSINESS TRAVEL

We also started quantifying emissions from business travel for all employees in Malaysia, Indonesia, Thailand, Singapore and Cambodia. Travel data was extracted from our claims and finance systems, including distances travelled via different modes of transport such as cars, motorcycles, trains, rail and air travel, and then converted to carbon emissions using the appropriate emission factors. Total GHG emissions from business travel in 2022 stood at 2,547 tCO₂e. The two main contributors are emissions from cars at 64% and air travel at 32%. Malaysia and Indonesia make up almost the entirety of business travel emissions in the region, with 57% and 40%, respectively.



Sustainable Action

SUSTAINABLE SUPPLY CHAIN

Supply chain sustainability is a source of business and stakeholder value. Our network of suppliers delivers critical products and services that contribute to our long-term business objectives. Through responsible and sustainable procurement practices, we can reap financial benefits while contributing to socio-economic development and improving the livelihoods of local businesses. On the other hand, weak sustainability performance within the supply chain exposes us to operational and reputational risks, such as regulatory fines, stop-work orders, protests and other disruptions.


We strive to source ethically and sustainably, prioritising local businesses and small and medium-sized enterprises (SMEs). Our supplier network comprises an estimated 1,500 suppliers in Malaysia, Indonesia, Singapore, and Thailand, ranging from large multinationals to SMEs. We are committed to doing our part to positively influence our suppliers towards more sustainable practices, and to provide opportunities to domestic businesses in the markets we operate in.

In 2022, we procured over RM1.7 billion worth of products and services through our suppliers. Our largest spending is within our Technology, Operations, Administration and Property departments.

PROCUREMENT GOVERNANCE AND VENDOR CODE OF CONDUCT

The Group Strategic Procurement team is responsible for managing sustainable procurement practices based on the principles outlined in the Group Sustainability Policy. All new suppliers are required to register through the CIMB eProcurement Portal and adhere to the applicable laws, regulations and standards within the geographies in which they operate. Our Vendor Code of Conduct (VCOC) establishes expectations for current and prospective suppliers regarding ethical and responsible business conduct, human rights and environmental stewardship . Environmental, social and governance (ESG) issues and risks are integrated into our procurement and risk management processes.

In 2022, we enhanced our VCOC with stronger commitments aligned with our latest ESG strategy. Additionally, we started requiring vendors to formally acknowledge the VCOC. By the end of 2022, 63% of our active vendors had acknowledged it.

The Group's Whistleblowing Policy  is an avenue for suppliers to confidentially report suspected unethical, illegal, or improper behaviours or activities.

ENCOURAGING SUSTAINABLE PRACTICES AMONG OUR SUPPLIERS

Basic Sustainability Due Diligence is conducted as part of the vendor onboarding process. If the vendor fails the due diligence, the case will be escalated to Group Sustainability for investigation and recommendation on whether to proceed with the onboarding.

In order to encourage sustainable practices among our suppliers, we have developed and integrated sustainability criteria into the tender evaluation process. These additional criteria include addressing climate risk, strengthening environmental protection, respecting human rights, and promoting diversity and inclusion. Suppliers who demonstrate stronger commitments and performance in environmental and social sustainability will receive additional points in the tender process.

We work with a diverse group of suppliers across different geographies, industries and sizes, and at various stages of sustainability maturity. This includes helping them to increase their sustainability maturity by conducting engagement activities that raise awareness of social and environmental practices. We also encourage our suppliers to participate in CIMB-led sustainability events, such as The Cooler Earth Sustainability Summit. In 2022, we engaged 170 suppliers across the region.

CASE STUDY

HUMAN RIGHTS ASSESSMENT ON OUR SUPPLIERS

As part of our commitment to ensure a sustainable supply chain, we began conducting thematic risk assessments on our portfolio of suppliers. In 2022, we conducted human rights risk assessments in areas of high potential risk, starting with the companies that provide security guard services across Malaysia due to the known high social risk within the industry.

A survey was sent to selected security firms to assess the level of respect for human rights within their operations. This included assessing their policies and commitments to respect human rights, their practices in terms of the treatment of foreign workers, and fair treatment for all employees. A site visit was also conducted to assess the condition of workers' accommodation. The study assessed a quarter of our security guards in Malaysia, covering our largest vendors.

Of the vendors assessed, more than 60% did not have a specific human rights policy or commitment to respect human rights. However, all of the vendors assessed had put in place adequate structures to maintain and protect workers' welfare in terms of wages, accommodation, and overtime, among others. In 2023, we plan to expand our assessment scope, formally engaging with all security firms on this topic.



Sustainable Action



TALENT ATTRACTION, GROWTH AND RETENTION

Building a sustainable and resilient business requires looking at the way we manage our people, who are the critical success factor in the execution of our strategy. It is important to create a nurturing and fair work environment that meets the needs of the workforce, which includes taking care of the physical and mental health of our people. A study by the World Health Organisation (WHO) found that depression and anxiety cost the global economy US\$1 trillion yearly from reduced productivity¹.

By paying attention to how we manage, reward, develop and motivate our people, we are able to attract and retain valuable talent to help meet our long-term objectives while helping to avoid costs related to high employee turnover. Recruitment, onboarding and training new employees takes time and resources. A report estimates that replacing exiting employees cost companies around 1.5 to 2.0 times their salary². There are also less obvious costs to employee attrition, such as impacts on employee morale, our reputation, and lower productivity and quality of work.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Our employees' safety, wellness and well-being remain a top priority. To ensure that the needs of our employees are given equal importance alongside business and client needs, we offer a range of benefits to safeguard and promote their well-being. Our comprehensive benefit offerings include long-term savings for retirement, physical and mental health coverage, as well as programmes designed to support their financial, social and spiritual well-being.

Wellness Programmes in 2022



Physical and Mental Health

- Health talks and fairs
- Onsite dentist and clinic
- Honour-based medical leave
- Long-term disability insurance
- Mental health services



Financial Well-being

- Savings for retirement beyond regulatory requirement
- Staff scholarships and sponsorships
- Employee financing and other banking facilities at preferential rates
- Interest/profit-free home financing
- Financial support for single parents
- Financial support for parents of children with special needs
- **FLEX4ALL**
Employees can choose to adjust when they start and finish work, as long as they work the standard number of hours per day
- **Reduced Work Week**
Employees work fewer days with reduced workload



Family-friendly Workplace

- **Six-month maternity leave (first-time mothers)**
180 days (26 weeks) of paid maternity leave for the birth of their firstborn child, beyond the minimum legal requirement of 14 weeks³
- **Enhanced maternity leave for subsequent children**
Up to 90 days (13 weeks) of extended maternity leave on a half-pay basis, and no change to benefits
- **One-month paternity leave (first-time fathers)**
30 days of paid paternity leave for first-time fathers (beyond the minimum regulatory requirement of seven), and five working days paid leave for subsequent children⁴
- **Adoption leave**
Up to 60 days of paid leave for adopted children
- **Onsite lactation rooms for breastfeeding mothers**

¹ Mental Health at Work, World Health Organization (WHO), September 2022.

² The High Cost of Employee Turnover, Workhuman, October 2022.

³ Legal requirement for maternity leave was 60 days before 1 January 2023 and 98 days (14 weeks) after that date.

⁴ Before 1 January 2023, Malaysia did not have a legal requirement for paternity leave.

OCCUPATIONAL SAFETY AND HEALTH GOVERNANCE

CIMB Group puts the highest priority on the occupational safety and health (OSH) of employees. We strive to minimise or eliminate any potential risks in the workplace that could affect their well-being. We have put in place the Group Occupational Safety and Health Policy, which is endorsed by the Board of Directors. The policy highlights our commitment and provides overall OSH governance to ensure the effectiveness of the policy in meeting its objectives and taking action to achieve the intended outcomes of the OSH management system. We extend the scope of the policy beyond our employees to include on-site contract workers, vendors, and customers across all our geographical locations.

In ensuring the effectiveness of the OSH governance, the Group Chief Executive Officer (GCEO) is accountable for delivering optimal OSH practices across the Group. Along with the Board of Directors, the GCEO oversees the implementation of OSH, including the following main functions:

- Ensuring that there are processes and resources available for the corporate policy to be enacted;
- Setting OSH targets and goals for the Group; and
- Maintaining control and taking responsibility for providing a proper work environment and ensuring employees perform work safely.

The Head of the OSH Unit is responsible for ensuring compliance with OSH policies and procedures, and their performance appraisal and remuneration are based on meeting OSH targets. The OSH Unit collaborates with representatives from both the employer and employee sides of the OSH Committees, which are derived from various divisions including Human Resources. These representatives provide guidance on OSH implementation to the business units. OSH matters are also escalated to the Board of Directors during their bi-monthly meetings or as and when required.

CIMB's OSH principles are based on the Plan, Do, Check, Act concept.

- **Plan Stage:** We assess OSH-related risks and opportunities for prioritisation
- **Do Stage:** We create action plans with quantitative targets for identified risks and opportunities
- **Check Stage:** We monitor and measure the performance of the action plans against targets
- **Act Stage:** We review and take action for continuous improvement of OSH performance to achieve the intended outcomes

We worked with our employees and other stakeholders to create an OSH policy that follows local safety regulations at all of our locations. In the future, we may adopt additional international standards as necessary.

In conjunction with the policy, we have developed the Group Occupational Safety and Health Procedure. Our OSH Management System includes the following key elements:

- **Hazard Identification, Risk Assessment and Risk Control (HIRARC)**
This sets the necessary process for us to identify OSH risks in the workplace and outline the risk control action plans to address them. The HIRARC process also extends to implementation planning and performance monitoring.
- **OSH performance, measurement and monitoring**
This element prioritises and integrates action plans (including those that arise from HIRARC) with quantitative performance targets to address the identified OSH risks.
- **Emergency preparedness and response**
This element includes the necessary processes to prepare for emergencies, such as the process for Emergency Response Team (ERT) setup and establishing requirements to ensure the competency of the ERT. We outline specific tasks for different scenarios to integrate emergency preparedness into our OSH Management System.
- **Control of Infectious Diseases**
This element aims to reduce and/ or prevent workplace health issues and risks (such as tuberculosis, influenza and COVID-19). We continuously strive towards zero health issues and risks within our workplace.
- **OSH Audit and Workplace Safety Inspection**
This element is integrated into our OSH Management System, with inspections by the OSH Committee every quarter. In addition, we are also subjected to yearly Inspections by the Department of Occupational Safety and Health, Malaysia and our OSH Internal Auditors.
- **Incident Reporting and Investigation**
We provide specific guidelines for reporting and investigation of OSH-related incidents (such as work-related injuries, ill health or diseases) as part of our OSH Management System.



Sustainable Action

As part of our OSH Management System, we prioritise the safety and health of our employees by providing them with training on OSH-related matters. Our training covers work-related injuries, illnesses, diseases, and incidents. In FY2022, we trained 725 employees for a total of 358 hours.

To raise awareness on OSH topics, our OSH Unit actively circulates infographics through our CIMB Pulse Newsletter. In 2022, we broadcasted a total of 15 infographics to inform and educate our employees on specific OSH topics and encourage healthy behaviours within our team.

We also require our vendors to comply with relevant OSH laws and regulations at the local and national levels as part of our procurement and contractual requirements. During our vendor engagement sessions, we introduce our OSH policy and criteria to ensure compliance.

HYBRID WORK ENVIRONMENT

Based on the positive lessons learnt from the pandemic, we have embraced the hybrid way of working as a permanent arrangement. The hybrid working arrangement, formalised in our flexible working arrangement policy in November 2021, has since been adopted in stages across the region.

48% of CIMB employees are categorised as flex employees and are eligible for hybrid working. On average, flex employees are able to work-from-home at least two to three days per week, depending on business needs and local regulations. Introducing hybrid working is a significant step towards being more inclusive of the diverse needs of our workforce.

In order to support and help employees maintain a high level of productivity, CIMB has introduced various resources to help employees navigate the new normal way of working.



Guidelines for successful hybrid working for both supervisors and staff



Introduction of Microsoft 365 and collaboration tools such as Microsoft Teams and online learning tools

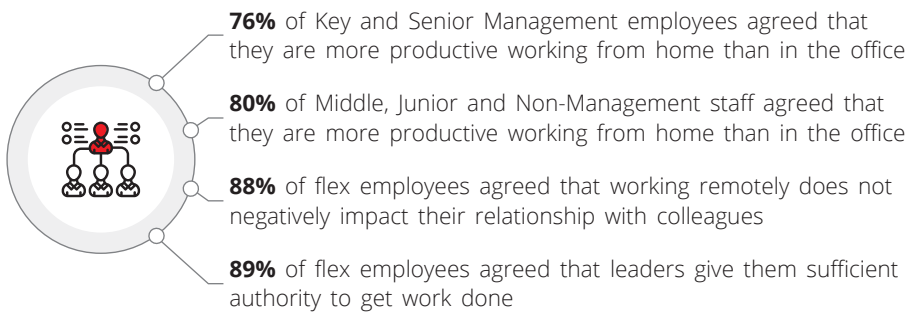


Set up of co-working spaces and hot-desking systems at head office buildings



Mobile data allowance for junior staff

One year into formally implementing hybrid working, we ran a pulse survey in Malaysia, Indonesia and Thailand to find out how CIMBians felt about the new working arrangements:

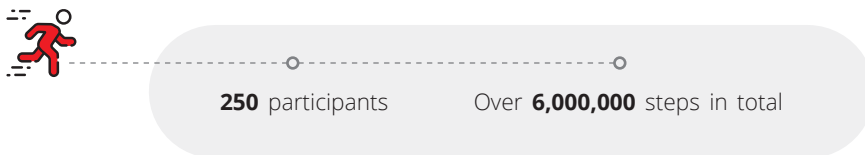


MENTAL WELL-BEING

To provide employees with the right level of support to manage their overall well-being, we continued to drive our mental health programmes. In Malaysia, this is conducted in collaboration with a professional service partner. The facilities offered include:

- A 24/7 emotional well-being careline and WhatsApp text line, available in English, Bahasa Malaysia and Mandarin
- One-on-one remote consultations with professionals of choice, including mental health coaches, dietitians, and career coaches
- Digital coaching with a multidisciplinary team of health coaches, including a medical advisor, dietitian, fitness coach, financial planner, executive coach and pharmacist
- DASS-21, a clinically validated assessment to measure the current state of emotional well-being and check levels of depression, anxiety or stress
- Wellness webinars
- Mental health education resources

Additionally, we continued CIMB's 7-Day Step Challenge in 2022 to encourage our employees to stay active and healthy.



Our businesses across the region also supported the nurturing of wellness all around through various campaigns:

- **CIMB Niaga**
HyWork campaign that covered a variety of activities, including inspirational sharing sessions, spiritual sessions for Muslim and Christian employees, physical health activities, quizzes to engage employees and volunteerism activities
- **CIMB Singapore**
Wellness@Work (W@W) campaign that included activities and awareness sessions on mental well-being, workplace wellness, nutrition, disease prevention and physical health



Sustainable Action

LABOUR RIGHTS AND FREEDOM OF ASSOCIATION

CIMB Group respects our employees' rights as workers, including their freedom of association and collective bargaining. A total of 37% of employees Group-wide are covered under employee unions.



37% of employees Group-wide covered under employee unions

Employees under union by country



Malaysia
53%



Indonesia
19%



Singapore
2%

In Malaysia, we renewed the collective bargaining agreement for 2021-2023 with the Association of Bank Officers Peninsular Malaysia (ABOM), CIMB Bank Berhad Executive Staff Union, Kesatuan Pegawai-pegawai Bank Sabah, Kesatuan Pegawai-pegawai Bank Sarawak and the National Union of Commercial Workers. The new collective agreements include, among others, increases in fixed annual increments, inpatient and outpatient medical coverage for staff and their dependents, childbirth coverage, maximum housing loan entitlement, childcare subsidy and paid leave entitlement for both Muslim and non-Muslim pilgrimages.

In Indonesia, the 2022-2024 union collective agreements were renewed to reflect medical benefit entitlements for retired employees, additional days for paternity leave, and higher budget allocation for team building. Employees in CIMB Niaga are part of the Serikat Pekerja Ikatan Komunitas Niaga, Serikat Pekerja Ikatan Karyawan CIMB Niaga, Serikat Pekerja Bank CIMB Niaga Indonesia, and Serikat Kerja Karyawan Bank CIMB Niaga.

ESCALATION PROCESS FOR REPORTING INCIDENTS

Employees deserve to work in an environment that feels safe and secure. Therefore, it is our responsibility as an employer to ensure that employees across all levels uphold the highest standards of professionalism, integrity and ethics in their every conduct. All CIMBians are expected to adhere to the following policies, which guide them on how to treat each other with respect and professionalism, and articulates their rights as an employee:

- The **Code of Ethics and Conduct** prohibits any form of discrimination, bullying, intimidation or harassment, including sexual harassment. We practice zero tolerance towards any form of discrimination and harassment. The Code also expressly prohibits any acts of violence, including threats of violence, against any other person associated with the conduct of our business.
- The **Sexual Harassment Policy** ensures that appropriate disciplinary action is taken against any employees in the event of involvement in sexual harassment at the workplace. No employee, regardless of gender, should be subject to unsolicited and unwelcomed sexual advances or conduct, either verbal or physical.
- The **Whistleblowing Policy** enables employees to safely speak up and report any misconduct within the Group. It protects employees against any ongoing discriminatory behaviour and harassment, which is resolved through our grievance settlement process.

We train all our employees on the above policies and ensure they are fully aware of our stand with regard to discrimination and harassment in the workplace.










Employees in violation of the Code of Ethics and Conduct and related Group policies will be subject to disciplinary action, which may include termination of service.

We have an escalation process in place for reporting incidents related to labour rights. Starting with the initial reporting of the incident via a whistleblowing or grievance channel, a designated person from the channel will be assigned to attend to the report. From there, the incident is investigated to gather additional information and determine the appropriate course of action. Depending on the severity of the incident, this could involve a further escalation to higher-level managers or executives, as well as external parties such as legal or regulatory authorities. Throughout the escalation process, we are committed to ensuring that all parties involved are informed of the status of the incident and any actions taken, while also maintaining the confidentiality and protecting the rights of all individuals involved.

ENGAGING OUR EMPLOYEES

We conduct an annual Organizational Health Index (OHI) survey to measure and improve the effectiveness of our internal practices and the engagement levels of our employees. In 2020, we changed the way we measure our organisational health beyond employee engagement levels, and adopted the OHI tool in place of the Employee Engagement Survey tool that we had been using previously.

The OHI survey is an instrument built to measure nine organisational outcomes, including in terms of employee motivation, leadership, work environment, culture and internal capabilities.

 <p>Direction The extent to which employees understand the organisation's strategy and goals.</p>	 <p>Leadership The effectiveness of leaders in driving organisational performance and engaging employees.</p>	 <p>Culture and Climate The extent to which employees feel supported and valued, and the level of collaboration and trust within the organisation.</p>
 <p>Accountability The degree to which employees take responsibility for their actions and performance, and the level of clarity around roles and responsibilities.</p>	 <p>Coordination and Control The effectiveness of processes and systems for managing resources, and the level of alignment and consistency across the organisation.</p>	 <p>Innovation The extent to which the organisation encourages and fosters innovation and creativity.</p>
 <p>External Orientation The organisation's ability to respond to changes in the external environment and anticipate future trends and challenges.</p>	 <p>Capabilities The organisation's ability to develop and leverage its capabilities and expertise to drive performance and growth.</p>	 <p>Capacity The extent to which the organisation has the resources and infrastructure to support its goals and objectives.</p>

The nine organisational outcomes are represented by 37 management practices. Employees across the Group respond to each question on a 5-point rating scale (1: Strongly Disagree; 5: Strongly Agree).

Respondents are asked to rate their level of agreement with a series of statements related to each dimension. The scores for each dimension are then aggregated to generate an overall score for the organisation's health.

The overall score is a composite measure of an organisation's health, based on the scores for each of the nine dimensions. The overall score ranges from 0 to 100, with higher scores indicating better organisational health.

The score can be generally described as follows:



- **0-20** indicates that the organisation is in critical condition and requires immediate attention to address the areas of weakness.
- **20-40** indicates that the organisation is below average and needs significant improvement across several dimensions.
- **40-60** indicates that the organisation is average and has strengths and weaknesses across the different dimensions.
- **60-80** indicates that the organisation is above average and has several strengths, but still has room for improvement in some areas.
- **80-100** indicates that the organisation is excellent and has strong overall health, with best practices and strengths across multiple dimensions.

The score provides a comprehensive and objective assessment of an organisation's health, and in CIMB, we use it to identify areas of strength and weakness, prioritise improvement efforts, and track progress over time.



Sustainable Action

This year, 83% of our total of 31,264 employees provided valid responses to the survey, an improvement from 77% valid responses in 2021.

2022 Results



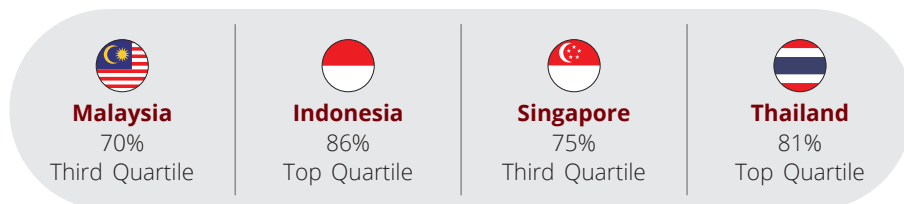
Organizational Health Index



Employee level 2022 OHI score



Country 2022 OHI score



* The 2019 score was calculated using the Employee Engagement Survey tool as explained in the introduction of this section.

Our improved OHI score in 2022 reflects the various initiatives undertaken to address the gaps identified in our previous OHI survey, including:

1. Creating an enabling work environment

- Introduced hybrid-working arrangements as a permanent offering for employees
- Incorporated mental health support as part of our benefit offerings
- Introduced performance check-ins with supervisors to encourage performance dialogue

2. Enhancing financial incentives, rewards and recognition

- Conducted a market salary benchmarking exercise to review country salary structures. The exercise started with Malaysia in 2022
- Conducted benchmarking and reviewed the competitiveness of our employee benefits
- Designed a flexible benefits model to cater to diverse needs. Development is underway

3. Communicating career opportunities across the Group

- Delivered weekly internal advertisements of job openings across the Group
- Enhanced the process for internal mobility with increased transparency of the process
- Published the career pathing toolkit for transparency and clarity on career growth

While the 2022 OHI survey uncovered strong positives and major improvements in our organisational health, we will continue to focus on bettering our practices and outcomes. Specific action plans will be created to address pain points in each division, so that efforts are targeted for the best outcomes.

Key recommendations for improvement in 2023 include:

- Increasing engagement with the non-management group
- Focusing on implementing an effective rewards strategy to boost productivity, retention and healthy competition
- Creating a more open environment for empowerment, dialogue and collaboration

EPICC WORK CULTURE

Everything we do at CIMB Group is underpinned by our EPICC values:



In 2022, we cascaded EPICC throughout the organisation to communicate, increase understanding and encourage daily adoption of the values, starting with the leadership team. 500 CIMB leaders across the region have been trained on the values and how to cascade EPICC to their teams. Additionally, we have a network of 260 Change Agents who support our culture programme and serve as points of contact for everything EPICC.

We ran a pulse survey mid-year to gauge our employees’ feedback on the rollout of our new EPICC values and culture, and found that 73% of CIMB employees knew what EPICC stands for. Of that, 92% agreed that EPICC values are clearly defined and understand what is expected of them as a CIMBian.





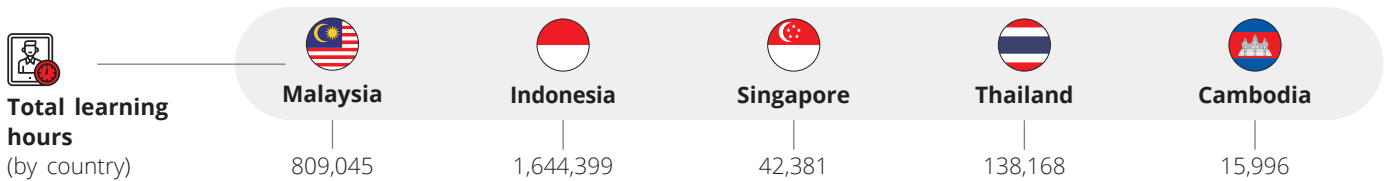
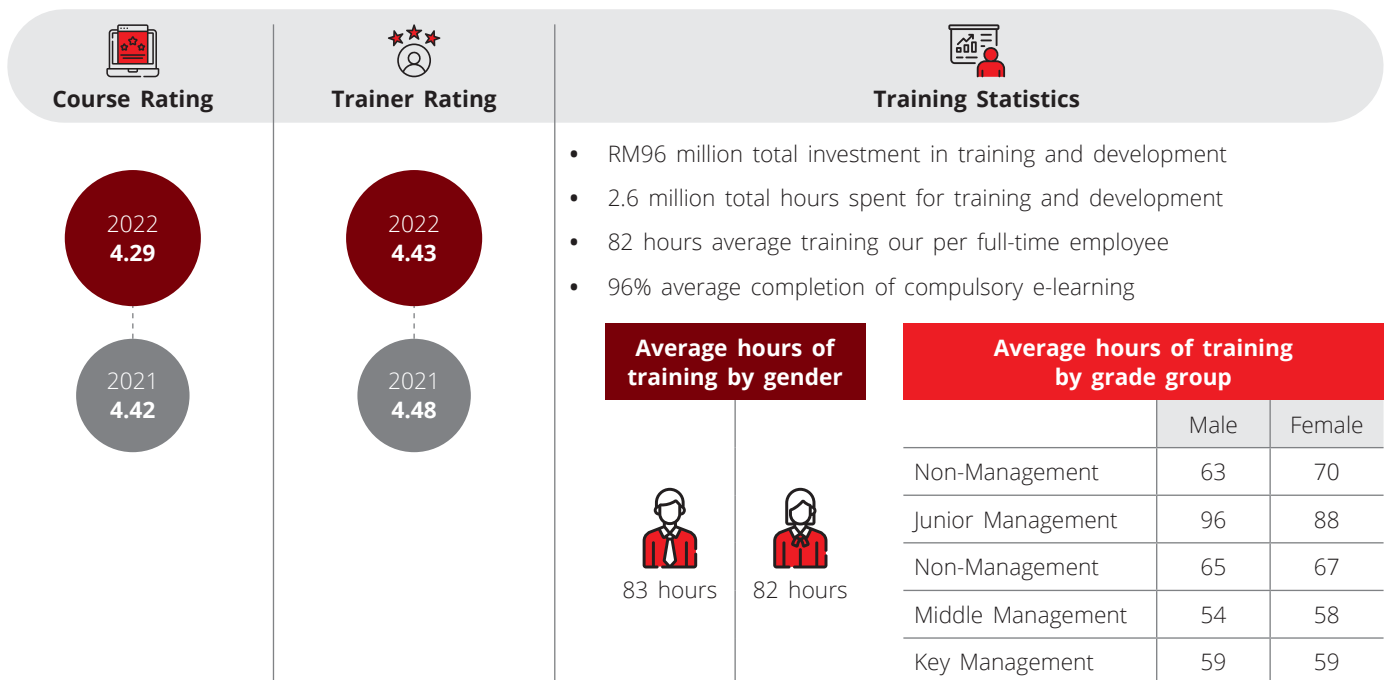
Sustainable Action

LEARNING AND DEVELOPMENT

As a bank, upskilling our people is essential for our long-term success in the fast-paced and dynamic environment. The CIMB University provides comprehensive learning offerings for our learning and development (L&D). Our goal is to ensure that our employees remain competitive and possess relevant skills to thrive in today's challenging business landscape. Our training is offered in various modes, including remote learning, virtual learning, gamified learning, and physical classes, to keep our employees up to date with the latest industry trends and best practices. Our focus is on providing high-quality, well-equipped training that meets #teamCIMB's professional standards.

In 2022, we reviewed over 1,000 existing training curricula to ensure our offerings can better support business needs and personal learning journeys. This resulted in the addition and enhancement of more than 300 training programmes. The key programmes enhanced include: Credit, Wealth Management, Customer Experience, Sustainability and Leadership and Management.

We are committed to providing high-quality training to our employees, and we constantly evaluate our courses and trainers by gathering feedback from our people. This feedback helps us ensure that the training we provide meets the needs of our employees, and that we can continue to improve the quality of our delivery. Additionally, we track the number of employees trained and the total training hours to measure our progress and effectiveness.



SUSTAINABILITY CAPACITY BUILDING AND ENGAGEMENT

We have a comprehensive training and engagement agenda for our employees to develop their understanding of sustainability in the context of our business, in line with our purpose of advancing customers and society. We actively raise awareness and improve technical capacity on sustainability and sustainable finance to enable our teams to support customers in their transition towards a greener and more equitable economy. This includes helping employees understand the fast-changing regulations and market expectations, emerging environmental and social risks as well as opportunities. Our training is designed for various employee groups, and content is tailored to specific roles and responsibilities in supporting CIMB's sustainability targets.

In 2022, we formed the Sustainability Academy to increase our employees' knowledge, understanding and technical know-how in the sustainability space. The curriculum of the Sustainability Academy references credible frameworks such as the Institute of Banking and Finance's Sustainability Finance Technical Skills and Competency Framework.

Learning programmes are tailored to different levels and are role-based to ensure the relevant knowledge and skills are transferred effectively, customised to Board and GEXCO, Senior Leaders, Specialists, Product teams, Risk teams, strategy teams, as well as client-facing employees. The academy utilises various modes of learning, including e-learning, field visits, and peer learning.

SUSTAINABILITY WEEK

We organised the inaugural Sustainability Week to build a greater understanding of sustainability issues among #teamCIMB. Throughout the week, events ranging from talks by subject matter experts, field visits and corporate social responsibility (CSR) activities were organised. The week culminated in an awards night to recognise individuals and divisions that accelerated sustainable finance among clients, as well as driving sustainable practices within our operations.



Sustainability Training in 2022



Board Training

Thematic training for the Board and key management on emerging sustainability risks and opportunities.



Senior Management Training

Sustainability training for our senior management team, with 96.4% completing the programme.



Policy Refreshers

Annual policy and process refreshers for teams implementing the Group Sustainability Policy and Sustainable Financing Policy.



Role-Based Training

Training tailored to Wholesale and Commercial Banking to enhance their understanding and application of sustainability practices.



Sustainability Awareness 101

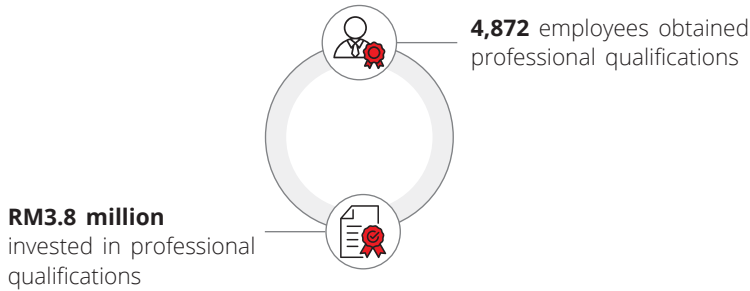
Incorporated sustainability awareness as part of employee orientation, compulsory e-learning at CIMB Niaga, and the PROTÉGÉ Certification Programme.



Sustainable Action

CULTIVATING INDUSTRY EXPERTS

We continue to ensure our employees acquire and develop a high-level level of knowledge and skills in their respective professions to secure professional credibility in our outcomes. Employees are encouraged to enhance their knowledge and skills through professional certification programmes.



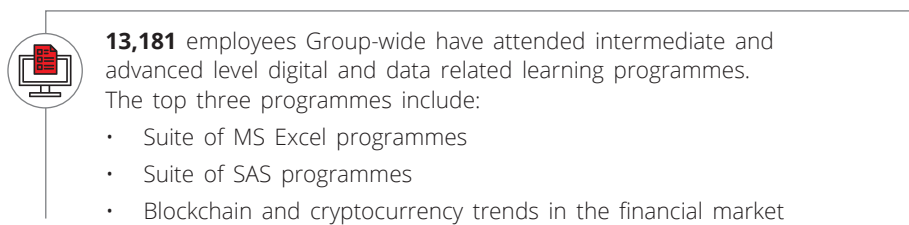
In 2022, 19 employees in Malaysia successfully completed their Chartered Banker Level 2 and 3 certifications. As of 2022, 112 employees are currently in the process of pursuing the certification.

We also promote life-long learning and support employees in their further education, through sponsorships and scholarship awards.



DIGITAL UPSKILLING

As the world around us continues to evolve, our employees need to be equipped with the right skills to remain competitive today and in the future. We continue to focus on our digital upskilling and reskilling efforts through our Digital and Data Academy. The skill areas of focus include Design Thinking, Agile Project Management, Big Data and Data Science, among others.



We also collaborated with Microsoft to launch the “Code Without Barriers” programme. Whilst the programme is targeted primarily at supporting women in the workforce to acquire digital skills, it is also open to all CIMB employees. Employees are offered certification courses, including Microsoft 365 Fundamentals, Microsoft Power BI Data Analyst, Microsoft Azure Administrator, Microsoft Azure AI Fundamentals and Microsoft Power Platform Fundamentals.

FUTURE-PROOFING OUR WORKFORCE

As jobs continue to evolve in line with technological advancement, customer demands and regulatory requirements, CIMB Group continues to upskill and reskill our employees to ensure they are equipped with skills that are up to date, and are able to thrive and succeed in today's evolving environment.

In 2022, we embarked on an effort to upskill and reskill support staff to take on new and expanded roles in our call centre, collection centre, customer resolution unit, sales quality assurance and fraud outbound team. Through this programme, participants are immersed in a three-month “Forward with CIMB” journey, where they are trained in areas such as customer service, language skills, digital literacy, and systems and product knowledge. Participants are then deployed to their new roles and paired with buddies and supervisors for continuous coaching and guidance through on-the-job training. Periodic huddles and follow-ups are scheduled to monitor their well-being and performance in their new roles, with on-the-spot recognition awarded for good performance.

In 2022, 250 employees benefited from the Forward with CIMB Programme and have been placed into new roles across the Bank.

PERFORMANCE MANAGEMENT

The Group's performance is determined in accordance with balanced scorecard principles, and includes key measures on profitability, capital, customer experience, medium- to long-term strategic initiatives, sustainability performance and initiatives, as well as risk, audit and compliance. The Group's key measures are cascaded to the collective scorecards of business units and enabler functions accordingly and subsequently to individual goals.

For each employee, performance is tracked through a set of balanced goals. In addition to financial targets, goals usually include measures on customer experience, long-term initiatives, risk management and process controls, audit and compliance findings as well as people-related measures. At the end of the year, individual performance is assessed based on success in meeting individual goals, in addition to qualitative feedback.

For the Group CEO, performance is likewise measured through a scorecard covering measures of return on equity, cost, risk and controls, customer experience, sustainability performance and strategic initiatives. The Group CEO's performance is assessed based on the scorecard, which forms the basis of the Group CEO's variable compensation.

360° FEEDBACK

To create a more open and empowering work environment, as well as respond to the voice of employees, we piloted a 180° bottom-up assessment in Malaysia, whereby employees were able to provide feedback on their supervisors. The assessment consisted of questions based on CIMB's EPICC values and expected behaviours, which was sent to over 1,000 employees for feedback on 139 managers.

The results of the assessment provided an opportunity for leaders to reflect on their demonstration of EPICC values and enabled them to identify areas for improvement. In addition, we have used the assessment results to identify leaders to enroll in relevant leadership development programmes.

We also have an independent 360° assessment conducted by our partner, Gallup, as additional input for senior leaders' performance appraisals. The 360° assessment is also used as input for senior promotions, to help ensure that those elevated to senior levels within the organisation demonstrate the right values and behaviours.

EMPLOYEE COMPENSATION

CIMB's remuneration programmes are governed by the Group Remuneration Policy, which provides guiding principles in relation to the design and management of CIMB's remuneration programmes. The three key principles of CIMB's Remuneration Policy are:

- Strong governance: ensure strong and independent oversight of the remuneration system
- Appropriate assessment of performance: support a performance-based culture which promotes prudent risk-taking and long-term sustainability
- Market competitiveness: offer rewards that allow CIMB to attract, motivate and retain the right talent

Sustainable Action

PERFORMANCE RELATED COMPENSATION

The Group Nomination and Remuneration Committee (GNRC) determines the overall variable remuneration pool based on the Group's performance, taking into consideration key performance measures in the corporate scorecard and ensuring that CIMB does not pay variable remuneration at a level that would affect shareholders' interest.

The Group pool is allocated to business units and functions based on their respective performance, measured through balanced collective scorecards and guided by the Group CEO. The allocation also takes into consideration input from control functions such as Audit, Compliance and Risk.

Variable remuneration of each employee is determined based on individual assessment and collective scorecard performance of the business unit/function to which the individual belongs, subject to adequacy of the allocated bonus pool. Variable remuneration of the individual may also be adjusted based on accountability for specific audit and compliance findings or disciplinary action.

Performance-based remuneration is payable through annual cash bonuses and share-based plan through participation in the Equity Ownership Plan and/or Long Term Incentive Plan. This is to motivate, reward and retain high-performing employees who generate shareholder value and contribute to the success of the Group. Variable compensation is performance-based and not guaranteed, reflecting the individual employee's performance, business unit or function performance, as well as the Group's results.

LONG-TERM INCENTIVES

Based on a pre-agreed set of eligibility criteria, shares and/or share options may be awarded to employees through participation in the Group's Equity Ownership Plan (EOP) and/or Long Term Incentive Plan (LTIP). The EOP and LTIP serve as the Group's share-based plans, with the intent of:

- Aligning the interests of key personnel to that of shareholders
- Mitigating a short-term mindset and cultivating a focus towards long-term performance
- Retaining key personnel with the Group

Shares under EOP are released progressively to the participants over three years. Over the last five years, 62 million shares (0.6% of issued ordinary shares of the Group) have been transferred to senior management employees via EOP.

The LTIP is a seven-year plan where shares and share options are vested in 2024 and 2025, and are subject to performance conditions set in line with the Group's strategy and targets. Since implementation in 2021, LTIP grants consisting of shares and share options (2.3% of issued ordinary shares) were awarded to top executives and key leaders of the Group, as disclosed in the financial statements.

TALENT AND LEADERSHIP DEVELOPMENT

Talent and leadership development are critical for our long-term value. Investing in employee growth and advancement enhances their performance, fosters employee retention, and helps to build a pipeline of skilled and experienced leaders.

With this in mind, we have ramped up our efforts to institutionalise coaching, with executive coaches assigned to ease the transition of recent senior appointments as they continue their leadership journey with CIMB Group. The coaching assignment tends to be highly personalised, focusing on the expansion of leadership style repertoires, providing support for targeted development, and acting as an independent sounding board. Ten senior leaders underwent executive coaching in 2022.

We also finalised the Accelerated Development Journey framework, which comprises specialised development journeys for our top talent and identified successors to critical roles. The framework focuses on leadership development through education, engagement and immersive experiential learning. These specialised development journeys are put in place with the clear intent to drive career progression and succession realisation.

Junior High Performers	Emerging Leaders	Succession Pool
<p>LEADING SELF</p> <p>Focused on personal leadership agility and capability development</p>	<p>LEADING OTHERS</p> <p>Focused on building team leadership and sharpening potential</p>	<p>LEADING FUNCTIONS</p> <p>Focused on broader organisational leadership and actualising potential</p>

SUCCESSION PLANNING

A key part of our people strategy is ensuring we have robust succession plans in place. Annual reviews are conducted to understand the health of the leadership pipeline, review the career progression of key employees, and recommend intervention plans where necessary. These efforts work to ensure that the Group has a ready pool of talents to draw from in the face of the rapidly evolving banking landscape.



77%

succession realisation for Critical Positions by internal candidates

CAREER PATHING AND DEVELOPMENT

In the spirit of the EPICC: Enabling Talent value, we believe in empowering our employees to take charge of their own careers, pursue their passion and excel in their areas of interest and expertise.

To empower our people to proactively navigate and steer their career growth, we revamped and catalogued career paths for all divisions in CIMB. The result is a Career Pathing Toolkit which provides staff with full visibility on career opportunities and paths that they could take, while mapping out the key skills and competencies required to succeed in those roles.

We strongly encourage all employees to develop quality Individual Development Plans (IDP) as part of their annual performance planning. Good individual development plans enable employees to: break down their career aspirations into bite-sized goals for the year, develop tangible action items for each development goal, and identify the right course of action to take in addressing competency gaps. This helps managers understand their team’s aspirations, thus providing them with specific and constructive feedback.

To enhance the quality and effectiveness of individual development planning, we conducted a series of IDP clinics to provide one-on-one counselling to help our employees craft quality IDPs and coach them on ways to have meaningful and productive performance dialogues with their supervisors.

INTERNAL MOBILITY

This year, we introduced a renewed and enhanced mobility programme, “Forward Your Career”, to allow talent to explore growth opportunities within the Group and enhance talent retention. The new process is more streamlined and automated, and we have also strengthened our resolve to ensure that employees are able to transfer and not be held back by their existing supervisors beyond the agreed period.

STRETCHED ASSIGNMENTS

For employees who are interested in exploring different areas of work but do not wish to transfer permanently, we provide opportunities for stretched assignments. One example is via the Journey Transformation and Digitisation (JTD) initiative, which seeks to enhance Customer Journeys, Operational Enablement and Employee Experience across CIMB, primarily by increasing digitisation, as well as other methods such as policy enablement, process reengineering and zero base design. Employees can take on short- and long-term projects via the JTD initiative to contribute their expertise and capabilities towards enhancing the efficiency of the Bank, while developing new skills and broadening exposure.



Sustainable Action

BUILDING A STRONG TALENT PIPELINE

In parallel to nurturing and developing our employees, we prioritise strengthening our talent pipeline for a continuous supply of quality talent. In doing so, we ensure all employees have equitable access to advancement opportunities. We have in place holistic, effective and efficient programmes to manage talent attraction, growth, and retention that enables business continuity, productivity, performance, and competitiveness in the long term.

In 2022, we continued to provide opportunities for fresh graduates and young talent to develop skills and acquire valuable industry experience through our graduate and internship programmes. In addition, to help address the significant shortage of sustainability talents to meet the growing demands needed to address the sustainability agenda across our operating footprint, we launched three sustainability-focused talent programmes to recruit and retain emerging sustainability talents: The Complete Banker – Sustainability, The Complete Banker – Fusion with sustainability placements, and the CIMB Sustainability Fellowship programme.



Scholarships

- **CIMB ASEAN Scholarship** – CIMB's flagship programme that provides talented students with opportunities to attend the world's best universities locally and abroad. 106 scholarships have been awarded to top talents in ASEAN since its inception, and 38 former scholars are now working in CIMB across the region, with many more expected to join upon graduation.
- **CIMB Niaga Scholarship Programme** – This programme has supported over 1,176 Indonesian scholars in their undergraduate education through bursaries and soft skills training since 2006. In 2022, scholarships were offered to 50 students from 19 different universities in Indonesia.




Apprenticeships

- **Digital Apprenticeship Programme** – An inclusive pathway to a career in the digital economy for students from low and lower-middle income families through a structured six-month internship programme which combines classroom learning with job rotations.
- **Protégé** – An eight-month work experience placement to increase the employability of graduates. In the last three years, 754 trainees were offered employment with CIMB following their completion of the programme.



Graduate Programmes

- **The Complete Banker** – Our award-winning flagship graduate talent programme has developed and groomed over 868 graduates regionally for business and leadership roles within CIMB.
- **The Complete Banker – Digital** – A programme to attract top IT graduates, with 12 months of job rotation for knowledge and experience in developing digital solutions for banking. Since its introduction in 2020, 25 talents have been selected to join the programme.
- **The Complete Banker – Sustainability**  – A two-year talent programme with direct entry into Group Sustainability. The programme was officially launched during The Cooler Earth Sustainability Summit in September 2022, and is expected to welcome its first participants in April 2023.
- **The Complete Banker – Fusion** – A two-year talent programme that provides graduates with the opportunity to experience working with employers in different industries. Our partners include PwC, Accenture, Zico Law, Teach for Malaysia, Roundtable on Sustainable Palm Oil (RSPO), WWF and DXC Technology.



Fellowships

- **CIMB Sustainability Fellowship** – A six-month programme targeted at supporting individuals with at least three years of professional working experience, who are interested in switching career tracks into sustainability and sustainable finance. The programme is accepting applications and plans to onboard its first Fellows in 2023.

CIMB TRAVELLING LEADERS

We leverage on our leaders travelling abroad to engage with our scholars and youths in different educational institutions as a way to expand our talent sourcing channels and promote CIMB.



DIVERSITY AND INCLUSION

We have the transformative power to create a more open, diverse and inclusive society, which begins within the walls of our organisation. Not only does diversity and inclusion (D&I) contribute to social justice and empowerment, but it is also good for business. A study by Forbes found that diverse teams are better at decision-making 87% of the time compared to less diverse teams³. Diverse teams are also more creative, providing different perspectives and a broader understanding of the world on a deeper level, thus bringing more innovative ideas and solutions. An inclusive work culture also attracts a diverse range of talents and contributes to better employee engagement.

As a leading focused ASEAN bank, we believe the diversity of our people, as well as our way of working, creates a significant positive impact on the way we operate. Thus, in parallel to our focus on developing an agile workforce that is equipped with future-ready skills, we also strive to foster a work environment that is conducive, inclusive and one that enables employees to healthily balance both personal and professional commitments.

With this in mind, we embrace the principles of D&I, built on a foundation of equality and fairness. We strive to create an environment where our people feel welcomed and are given equal, fair and inclusive opportunities, regardless of gender, age, background, beliefs, ethnicity, skills and abilities. Our policy of non-discrimination ensures that employees are selected, developed, progressed and rewarded based on merit, and are able to equally access available opportunities within the Group.

CIMB's Key Diversity and Inclusion Principles



Equal Opportunities and Fair Treatment

We aim to provide equal opportunities for employment, development, and career progression based on objective criteria, merit and with due regard for diversity.



Inclusiveness, Dignity and Respect

We strive to maintain a work environment that promotes positive well-being and one where all employees are treated with respect and dignity.

³ New Research: Diversity + Inclusion = Better Decision Making At Work, Erik Larson, Forbes, September 2017.



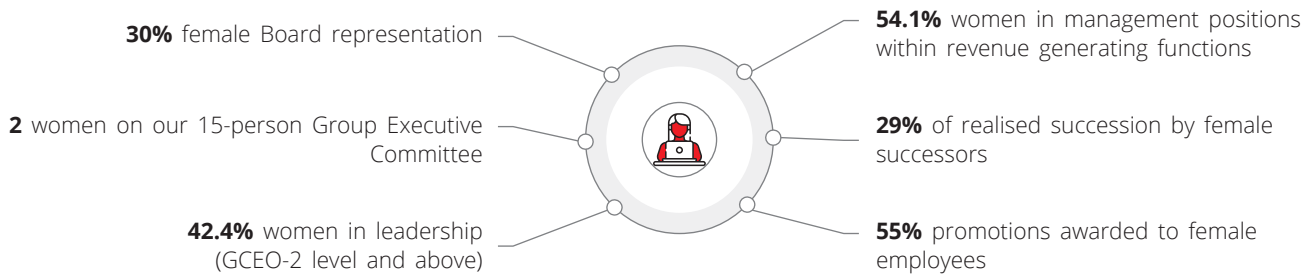
Sustainable Action

WOMEN IN LEADERSHIP

Women represent 57% of our workforce, and 42.4% of our leadership¹ are women. In addition, 34% of our identified pool of digital and data talent are comprised of women.

The representation of females in leadership (GCEO-2 level and above) for 2022 is 42.4%. For 2021, the corresponding female representation ratio was 42.8%. The change was largely influenced by organisational restructuring. Notwithstanding this, we continue to focus on building a healthy and diverse pipeline for leadership succession as part of our efforts to build a strong leadership team.

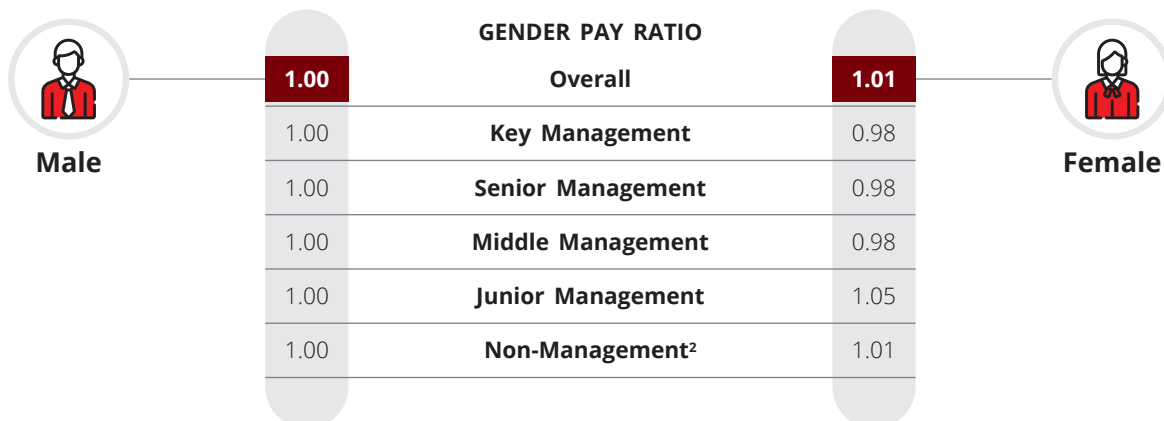
On the softer side of our women-in-leadership initiative, we conducted a series of Fireside Fridays, monthly webinars on topics relating to professional and personal development targeted to female employees. We also hosted informal coaching sessions with female Board members for high-performing female employees from various levels, as well as our graduate trainees.



GENDER PAY EQUALITY

As an inclusive employer, equality in economic participation and opportunities is one of our key priorities. To promote D&I, we carefully review any gender pay gaps to ensure fairness in compensation.

We continued to analyse our gender pay gap for Malaysia, Indonesia, Singapore and Thailand. The gender pay gap analysis compares the average pay of men and women by function (profit-generating vs. enablers) and seniority levels. Based on this comparison, the pay gap between genders at various seniority levels at the overall Group level does not exceed 5%. We will continue to monitor and review the gender pay ratio between our female and male employees to ensure pay equality for all.



¹ The coverage of leadership is defined as Group CEO-2 level and above.

² Employees in the non-management group includes clerical staff, dispatch clerks, drivers, messengers, tea ladies, receptionists, personal assistant, contact centre consultants, callback representatives, negotiators, and support officers.

DIVERSITY AND INCLUSION TRAINING

In 2022, we rolled out our first set of D&I learning programmes, aimed to create a baseline level of understanding of D&I. The topics included Diversity and Inclusion, The Unconscious Bias, Effective Communication for Inclusive and Diverse Teams, and Inclusive Leadership.

A pulse survey was launched to gauge our employees' experience and awareness of D&I. The overall survey results were positive, reflecting our inclusive and nurturing work culture.



D&I Pulse Survey

- ✓ **92%** of employees believed that workforce diversity (in terms of gender, age, background, belief, ethnicity, skills and abilities) is valued at CIMB
- ✓ **90%** of employees agreed that CIMB demonstrates a strong commitment to creating an inclusive work environment
- ✓ **88%** of employees agreed that all CIMBians are given equal opportunities for development and growth regardless of gender, age, socio-economic background, ethnicity and disabilities
- ✓ **88%** of employees were aware of and understood the procedures and channels for reporting incidents relating to discrimination and harassment at the workplace
- ✓ **88%** of employees agreed that CIMB offers learning programmes that promote awareness about diversity and inclusion at the workplace



Sustainable Business

As a financial intermediary, we have the power to create sustainable financial solutions and positive change. Our greatest impact lies in how we do business with our clients. This responsibility has been at the core of our sustainability priorities. As a responsible bank, we recognise our accountability for the activities that we enable through our financial services, as well as our influential role in requiring or encouraging our clients to minimise negative impacts from their activities. This is a key motivation for us to continue to transform our business towards becoming a sustainable banking leader.

A sustainable business model does not mean compromising on a healthy bottom line. On the contrary, aligning our strategy with the objectives of environmental well-being, social equity and economic prosperity is essential to our long-term success. There is increasing evidence that supports this. According to the Morningstar U.S. Sustainability Leaders Index, companies with the best sustainability scores performed 33.3% better in financial returns¹. Becoming a sustainable business means we are built to last, while enabling us to meet the evolving financial needs of our customers and society.



Positive Impact Through Finance

Deliver innovative, relevant and sustainable finance solutions that enable clients to create positive impacts



Empowerment Through Financial Inclusion

Provide accessible and affordable banking services and improve financial literacy for underserved communities



A Culture of Customer Excellence

Develop meaningful long-term customer relationships through seamless yet personalised experiences



Innovative and Technology-Driven

Leverage technologies to improve our processes and better serve our customers








Robust Cybersecurity and Privacy

Strengthen our security processes to protect stakeholder data and privacy

MATERIAL TOPICS

2022 ACHIEVEMENTS

 <p>Sustainable and Responsible Finance: Creating Positive Impacts</p>	<ul style="list-style-type: none"> • Mobilised RM27.8 billion of sustainable finance in Green, Social, Sustainable Impact Products and Services • Launched the first-of-its-kind Sustainability-Linked Treasury Programme in Malaysia • Won 21 awards across the region for Sustainable Finance
 <p>Financial Inclusion and Literacy</p>	<ul style="list-style-type: none"> • Distributed RM10.7 billion of financing to low-income individuals • Provided RM3.6 billion of financing to micro and small enterprises in support of SDG 8: Decent work and economic growth • Trained more than 11,000 youths under our financial literacy programmes
 <p>Customer Experience</p>	<ul style="list-style-type: none"> • Achieved a Net Promoter Score (NPS) within 74% of the industry in our four key markets • Rolled out a strategy to combat financial scams
 <p>Digitisation and Innovation</p>	<ul style="list-style-type: none"> • Maintained 99.50% in CIMB Clicks uptime² • Maintained 99.99% in BizChannel uptime²
 <p>Cybersecurity and Data Privacy</p>	<ul style="list-style-type: none"> • Enhanced our Security Operation Centre and Threat Intelligence to address increasing cyber threats • >100,000 cybersecurity and data privacy lessons completed by over 30,000 CIMBians • Recorded zero major breaches

¹ Why Sustainable Strategies Outperformed in 2021, Lauren Solberg, Morningstar U.S., January 2022.

² Figure is calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance.



SUSTAINABLE AND RESPONSIBLE FINANCE: DRIVING POSITIVE IMPACTS

The financial services sector can play a critical role in driving the sustainability agenda and promoting a more just and sustainable future for all. By channelling funds towards responsible and sustainable projects, financial institutions can help create positive impacts and drive long-term economic growth while addressing some of the world's most pressing challenges.

At CIMB, we take pride in being a long-term partner to our clients, and we know that their future success is our success. Therefore, we are committed to actively supporting them in transitioning to more sustainable and resilient business models and practices. With our expertise and commitment, we are confident in our ability to help our clients future-proof their businesses and positively impact society and the environment.

OUR GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES FRAMEWORK

In September 2022, we announced a doubling of our sustainable finance target to RM60 billion by 2024 under our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. This new target reflects our previous success in mobilising RM30 billion of sustainable finance, which we achieved two years earlier than expected, prompting us to increase our efforts.

The Group's GSSIPS Framework provides a guide and an internal taxonomy for the Group to deliver impactful sustainable finance. It is a living document that allows for emerging sectors, technologies and financing instruments, where we can support our clients to transition to a low-carbon and sustainable future. The GSSIPS

framework is also aligned with industry-wide practice such as Value-based Intermediation (VBI).

VBI is defined as an intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact on the economy, community and environment, consistent with the shareholders' sustainable returns and long-term interests. Pursuing the underpinning thrusts of VBI which are good self-governance, best conduct, entrepreneurial mind-set and community environment through the GSSIPS framework has enabled us to facilitate RM3.8 billion of sustainable Sukuk in 2022. To guide the growth of sustainable financing in line with VBI, CIMB Islamic also served as the project manager, providing support for the development of VBI Financing and Investment Impact Assessment Framework Sectoral Guide for the oil and gas sector from 2021 to 2022.

As we continue to track our performance against our sustainable finance targets, we remain committed to being transparent on our definitions and scope, and to continuously align our approach to market best practices. We have developed Guiding Principles that complement our GSSIPS Framework, to further enhance our classification and reporting practices.

Sustainable Finance Classification Guiding Principles

1. Recognition framework and classification logic benchmarked against market best practice

Where available, the most up-to-date industry guidelines, principles and any accompanying guidance documents are to be taken as a first point of reference. These include:

- Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications and Trading Association Green, Social and/or Sustainability-Linked Loan Principles
- International Capital Markets Association Green, Social, Sustainability and/or Sustainability-Linked Bond Principles
- International Swaps and Derivatives Association Sustainability-Linked Derivatives: Key Performance Indicators (KPI) Guidelines.

2. No double counting

We only count a product's contribution to green, social, or sustainable impact once, even if it is included in multiple products. For example, where we accept funds such as Sustainable Term Investment Account-i, which are channelled towards SME financing given out by the Bank, we only count the achievement once, at the point of financing.

3. Priority towards direct end impact

We prioritise measuring our achievements based on the direct end positive impact whenever possible. For instance, we measure sustainability-linked financing achievements only after the customer has accepted the facility, not just upon approval.

4. Regular review of recognition framework, classification logic

We regularly review our approach to classifying GSSIPS to ensure alignment with the latest market standards. This is necessary because there are currently no standardised regulations for Sustainable Finance reporting, and there is an increasing risk of greenwashing due to rapid market developments.

A detailed breakdown on how the guiding principles and GSSIPS Framework are used in practice to classify our transactions as GSSIPS will be available in our Sustainable Finance Framework by June 2023




Sustainable Business

We have introduced a GSSIPS tool for our frontliners to promote the adoption and mainstreaming of sustainable finance. The tool guides our frontliners to identify clients, projects and transactions that support sustainable development in a consistent manner. It also helps Relationship Managers to track climate-supporting assets and report them in compliance with regulatory requirements such as Bank Negara Malaysia's Climate Change and Principle-Based Taxonomy (CCPT) and Indonesia Financial Services Authority's Green Taxonomy. This ensures that our approach to sustainable finance is transparent and mitigates the risk of greenwashing.

Following the first round of CCPT reporting for the first half of 2022, we have revamped the GSSIPS tool to closely align with regulatory submission requirements, and developed a Standard Operating Procedure for the end-to-end process flow for CCPT regulatory reporting.

WHOLESALE BANKING

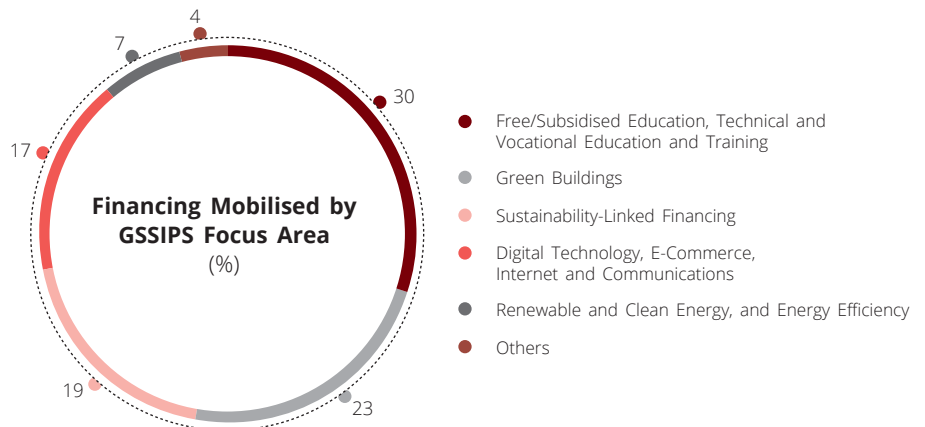
CIMB's Wholesale Banking teams have continued to ramp up their pursuit of sustainable business opportunities, proactively supporting our corporate and institutional clients at all stages of their transition process.

 | [Read more about CIMB's Wholesale Banking offerings](#)

Aside from maintaining strong delivery of mainstream sustainable finance products such as green, social and sustainable financing, where proceeds are channelled into eligible green, social and sustainable activities and sustainability-linked financing, our Wholesale Banking teams also focused on developing innovative solutions across the ASEAN market, as we work towards providing more comprehensive and integrated sustainable finance solutions to our clients.

CORPORATE BANKING SOLUTIONS

We scaled up sustainable financing through Corporate Banking in 2022, mobilising RM6.7 billion worth of GSSIPS financing to clients across the region. This represents 12.5% of the RM53.3 billion new financing approved by Corporate Banking.



Corporate Banking's sustainable financing transactions in 2022 amounted to RM6.7 billion, with approximately 60% coming from social and green financing. Sustainability-linked financing increased more than three-fold, reaching RM1.2 billion in 2022, compared to RM367 million in 2021. Notably, we see a stronger contribution from regional Corporate Banking teams, particularly CIMB Singapore and CIMB Thai.

Key deals this year included:

- IJM Group:** A RM360 million green and sustainability-linked subscription agreement via its wholly-owned subsidiary Fairview Valley to refinance the construction of Menara Prudential – a LEED Gold-certified MSC Status office tower. The tower uses smart and sustainable designs with Artificial Intelligence to optimise energy consumption. The transaction was structured around performance indicators linked to energy and water efficiency, as well as increasing proportions of renewable energy used.
- OUE Commercial REIT and OUE Hospitality Sub-Trust:** S\$978 million unsecured sustainability-linked financing was extended by a syndicate of lenders to refinance an existing secured facility. Sustainability performance targets were aligned with OUE C-REIT's commitment to improving its portfolio's energy efficiency and prudent water management to mitigate climate-related risks in line with TCFD recommendations. This was the largest Sustainability-Linked Loan in the Singapore Real Estate Sector in 2022. CIMB Bank Singapore was one of the four mandated lead arrangers and book runners.

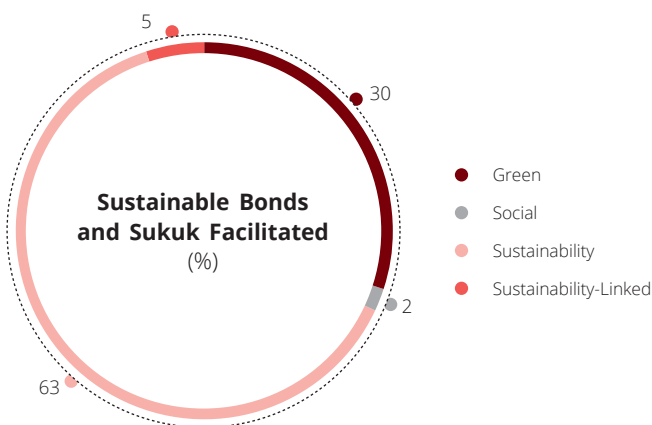
Group Corporate Banking has obtained the following aggregate limits for Sustainability-Linked Financing:



In general, Sustainability-Linked Financing provides customers with interest/profit rate rebates or discounts on the outstanding principal amount for the year if they meet pre-agreed Sustainability Performance Targets.

CAPITAL MARKET SOLUTIONS

Despite uncertain market conditions and external factors affecting global markets, our Debt Capital Markets team successfully facilitated RM5.1 billion^{1,2} worth of green, social, sustainability, sustainability-linked and transition (GSSST) bonds and Sukuk throughout the region. This represents around 9% of the total bonds and Sukuk issued by CIMB in 2022.



¹ Following the Group's new Sustainable Finance Classification Guiding Principles, we have revised our classification / recognition method for sustainable bonds and Sukuk, recognising the apportioned value of CIMB's participation in underwriting the transaction as accredited by Bloomberg's League Tables.

² This includes the amount credited for the issuance of CIMB's Reg S / 144A SDG Bond amounting to approximately RM523 million, which has not been counted towards achieving our overall RM60 billion target.

In 2022, the issuance volume of green, social, sustainability, sustainability-linked and transition bonds and Sukuk in the region decreased due to economic and market headwinds caused by central banks tightening interest rates. However, it is worth noting that new GSSST bonds and Sukuk deals by regional issuers, especially those from Malaysia, Indonesia, Singapore and Thailand, only saw a 1% decline in volume, compared to an 18% reduction in overall bonds and Sukuk issuance volume from those countries. Looking ahead, we anticipate an increase in GSSST issuances, driven by growing awareness and demand from investors in ASEAN, particularly in domestic markets.

	Malaysia	<ul style="list-style-type: none"> RM5.5 billion Sustainability Sukuk Murabahah The first sustainability Sukuk from the highway sector in Malaysia The largest RM-denominated corporate sustainability Sukuk in Malaysia as of the issue date The Sustainability Sukuk Murabahah supports affordable basic infrastructure for the nation, climate change adaptation and socio-economic advancement and empowerment
	Amanat Lebuhraya Rakyat Berhad	
	Indonesia	<ul style="list-style-type: none"> US\$3.25 billion Global Trust Certificates due in 2027 and 2032 (Green) The largest ever Global Sukuk deal by the RoI as of the issue date The largest ever Green Sukuk tranche printed globally as of the issue date The largest USD bond/Sukuk issuance from Indonesia in 2022 as of the issue date Over US\$10.8 billion across more than 200 accounts in final orderbook (achieved circa 3.3x oversubscription rate)
	Republic of Indonesia (RoI)	
	Singapore	<ul style="list-style-type: none"> S\$100 million 3.25% CGIF-Guaranteed Bonds due in 2027 Singapore's first healthcare social bond, aligned with First REIT's newly-established Social Finance Framework
	First Real Estate Investment Trust (First REIT)	
	Thailand	<ul style="list-style-type: none"> The first ever Public Offering in Thailand of ฿13.0 billion Unsubordinated and Unsecured Sustainability-linked Debentures KPIs linked to electricity and renewable energy consumption
	BTS Group Holdings Public Company Limited	



Sustainable Business

TREASURY AND MARKETS SOLUTIONS

Following our landmark RM2.45 billion sustainability-linked derivative transaction in 2021, we successfully developed and launched the Sustainability-Linked Treasury Programme for our clients, the first of its kind in Malaysia.

The programme extends sustainability-linked features to treasury risk management solutions and was pioneered by Farm Fresh Berhad and Sunway Berhad.

In Indonesia, our treasury and markets team launched the Sustainability Market-linked Deposit, a structured product that deposits funds into sustainable assets aligned with CIMB's GSSIPS Framework and Financial Services Authority (OJK) Sustainable Finance Categories. As at December 2022, outstanding deposits reached Rp1.2 trillion.

ADVISORY

We are committed to expanding our product innovation to cater to the sustainability and financial strategies of our clients. CIMB Bank Singapore won its first sustainability advisory mandate in November 2022 as the lead financial sustainability advisor for Elite Commercial REIT (Elite). We advised Elite on their Sustainable and Sustainability-Linked Finance Framework, and they subsequently obtained their maiden green revolving credit facility of £15 million raised under the newly-established framework.

INTERNAL FUNDING

As we work towards our aspiration of becoming an ASEAN sustainability leader, innovation remains at the heart of what we do. In addition to the GSSIPS we offer our clients, we proactively involve ourselves in new sustainable market solutions for our own funding needs.

We started the year by becoming the first Malaysian bank to price a US\$500 million RegS/144A Sustainable Development Goals bond in the international capital markets. This was then followed by CIMB Islamic Bank Berhad entering into the world's first Sustainable Collateralised Commodity Murabahah (CCM) transaction with an Islamic bank counterparty in Malaysia in June 2022.

All proceeds from the SDG bond and Sustainable CCM are earmarked to eligible assets set out in the Group's SDG Bond and Sukuk Framework. This framework follows market standards issued by the International Capital Market Association and ASEAN Capital Markets Forum and has been reviewed by Sustainalytics as the second-party opinion provider. The investments will focus on projects that have positive social impacts on vulnerable groups, such as affordable housing, start-ups and small businesses, public schools and projects that have positive environmental impacts, such as green mass transit, climate-resilient buildings and infrastructure, sustainable forestry and wildlife conservation.

| Read more about the latest use of proceeds and resultant impacts of CIMB's sustainable bonds and Sukuk issued

COMMERCIAL BANKING

CIMB GREENBIZREADY™

CIMB GreenBizReady™ Advantage



Access financing for the sustainability transition



Connect with sustainability service providers and associates



Receive training and capacity building



Link up with sustainability certification and advisory services



Participate in business matching services

In 2021, CIMB and CIMB Islamic launched GreenBizReady, an innovative sustainability solution for small and medium-sized enterprises (SMEs) who want to embark on or advance their sustainability journey. This solution is available at no cost to both financing and non-financing SME customers, and provides a structured approach to help them progress on their sustainability journey.

Through GreenBizReady, SMEs can access sustainability-related financing solutions and incentives, service providers, business matching opportunities with industry leaders and government agencies, as well as training, capacity building, certification and advisory services to help them progress on their sustainability journey.

GreenBizReady won the "Best SME Solution - Malaysia" at The Asset Triple A Islamic Finance Awards 2022.

With an increasing focus on sustainable supply chains involving SMEs, CIMB will continue to build out our GreenBizReady proposition to assist our customers in their sustainability journey.

CIMB ESG-SME PITCH CHALLENGE

As part of our SME empowerment efforts and to encourage sustainability innovation amongst ASEAN entrepreneurs, CIMB Islamic initiated the CIMB ESG-SME Pitch Challenge, in collaboration with pitchIN, the Private Financing Advisory Network and PwC Malaysia. More than 50 sustainability-focused SMEs applied to the challenge, all of which aligned with CIMB's GSSIPS Framework.

The challenge provided a platform for these SMEs to showcase their work to prospective investors and business partners, enabling them to scale their business and plan their next phase of growth. After going through preparatory workshops and virtual pitches, the top three winners received cash prizes. In addition, one-on-one sessions were held for selected businesses from the top 20 SMEs with prospective investors and business partners, including venture capital firms, impact investors and government-linked investment companies.

LOW CARBON TRANSITION FACILITY

In January 2022, Bank Negara Malaysia established the Low Carbon Transition Facility (LCTF) financing scheme, under which CIMB has committed RM100 million to finance SMEs' capital expenditure or working capital for the adoption of sustainable and low-carbon practices. Through CIMB's LCTF, SMEs can benefit from collateral-free financing of up to RM10 million, with a repayment period of up to ten years at a low financing rate capped at 5% per annum.

Since its inception, CIMB received over RM50 million worth of LCTF applications from various sectors such as plantations, real estate, agriculture, services, and manufacturing. As of December 2022, CIMB had approved around RM40 million in financing under the scheme. The funding has been utilised for diverse purposes, including the installation of solar PV systems, green buildings, reduction of harmful emissions and process improvement for waste reduction, among others.

ENTERPRISE FINANCING SCHEME

CIMB Singapore is one of the Partner Financial Institutions for Enterprise Singapore's Enterprise Financing Scheme – Green (EFS-Green). EFS-Green enables better access to green financing for enterprises that are Project Developers, System Integrators and Technology and Solution Enablers who develop enabling technologies and solutions to reduce waste, resource use or greenhouse gas emissions, especially in Clean Energy, Circular Economy, Green Infrastructure and Clean Transportation. Under this scheme, Enterprise SG will provide 70% risk-share to catalyse financing from partner financial institutions.

SUSTAINABLE TERM INVESTMENT ACCOUNT-I

CIMB Islamic Malaysia's Sustainable Term Investment Account-i (Sustainable TIA-i) for businesses was launched in August 2022 and is the first-of-its-kind in ASEAN. The Sustainable TIA-i offers customers competitive profit rates with an investment lock in of six or 12 months.

The Sustainable TIA-i focuses primarily on financing assets linked to SDG 8 which promotes decent work and economic growth, with particular emphasis on assets that are aligned to micro, small and medium enterprises (MSMEs) as defined by Bank Negara Malaysia. These assets include the financing of activities that spur sustainable job creation, entrepreneurship and productivity in the Malaysian economy.

As of end 2022, Sustainable TIA-i balances stood at RM523 million, exceeding our initial target of RM300 million.

GIRO KARTINI

CIMB Niaga has launched Giro Kartini , a sustainability-themed current account that is the first of its kind in Indonesia. This account aims to support women entrepreneurs in the Small and Medium Enterprise and Emerging Business Banking segments.

Giro Kartini is a fully paperless current account that offers preferential demand deposit rates, specifically for individual female entrepreneurs as well as women-led small businesses. In addition, CIMB Niaga will donate Rp25,000 every time a Giro Kartini account is opened, with donations channelled to support training on traditional weaving for women with disabilities in Sulawesi.

Giro Kartini aligns with CIMB Niaga's commitment to advancing the women empowerment agenda and reducing inequality, in support of SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequalities.



Sustainable Business

CONSUMER BANKING

In 2022, CIMB's Consumer Banking teams made significant strides towards advancing the bank's sustainability agenda by offering a range of sustainable finance products and solutions. For customers looking to incorporate sustainability into their lives, we offer environmental-focused savings accounts such as Ecosave-I, ESG investment solutions, as well as preferential rates for green home financing, green auto financing and solar financing.

 | Read more about CIMB's Consumer Banking GSSIPS offerings in Malaysia

GREEN MORTGAGES AND VEHICLE FINANCING

CIMB Group provides preferential rates on green mortgages in Malaysia and Indonesia, encouraging potential homebuyers to consider green homes that meet sustainability standards such as Green Building Index, GreenRE, LEED, Building and Construction Authority Green Mark, and Greenship Standard.

Eligible residential projects available for financing in Malaysia include Utropolis Batu Kawan, Eco Ardence, Almas @ Puteri Harbour, and many more completed and under-construction projects. Customers can simply apply for home financing and automatically enjoy a preferential rate for eligible projects.

In 2022, we saw encouraging demand from our customers in Malaysia and Indonesia for green home financing, recording over RM350 million in financing under conventional and Islamic financing, a 39% increase compared to 2021.

In addition, we continue to offer preferential financing rates in Malaysia for hybrid or electric vehicles for up to 90% margin of financing and a nine-year repayment period. Malaysia's electric vehicle (EV) tax incentives have contributed to the growth in green auto take-up, both for imported and locally assembled EVs.

In Indonesia, we launched a digital acquisition platform named CNAF Virtual Auto Show, where financing applications are fully processed online. This digital event, held twice in 2022, was a collaboration between CIMB Niaga and BMW Indonesia. The platform received a favourable response, with 187 financing applications submitted.

Green auto financing has seen an increase of RM184 million disbursed across Malaysia and Indonesia, a 380% increase year-on-year, as customers increasingly opt for hybrid or electric vehicles to reduce their carbon footprint. Overall, green mortgages and vehicle financing represented circa 2% of our new financing in 2022.

SOLAR PV SYSTEM FINANCING

With the cost of solar panels continuing to decrease, installing solar PV systems in residential properties is becoming more accessible. CIMB Malaysia offers 0% interest instalment plans for up to 36 months, coupled with CIMB Deals partner discounts with 15 solar panel partners. CIMB Niaga has also been promoting green financing through a partnership with SUNTerra, a solar panel provider for both homes and offices.


ECOSAVE-I SAVINGS ACCOUNT

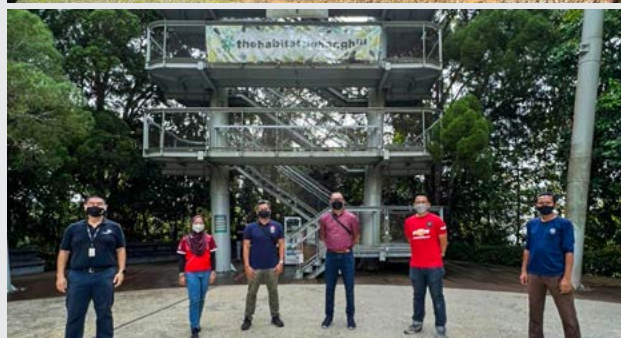
Ecosave-i is a CIMB Islamic environmental-focused savings account, where the Bank contributes the equivalent of 0.2% of the total average portfolio balance towards environmental conservation. This means the more our customers put into this savings account, the more is contributed towards supporting environmental initiatives. The account is entirely paperless, with no passbooks, mailers or physical statements.

Since the inception of Ecosave-i in Malaysia, RM5.5 million has been channelled towards supporting 17 environmental projects.

In 2022, we committed additional funding to the following:

- Caring for Kota Kinabalu's Water Catchment area in partnership with Forever Sabah and Land Empowerment Animals People
- Strengthening Environmental Conservation in Penang in partnership with The Habitat Foundation
- River Restoration and Rehabilitation of the Klang River Basin through Biodiversity Enhancement in partnership with Global Environment Centre

 | Read more about CIMB Ecosave



Environmental conservation in Penang in partnership with The Habitat Foundation



Restoration and rehabilitation of the Klang River Basin



WWF-CIMB Islamic Partnership to inventorise and catalogue the botanical treasures of the Fraser's Hill Forest Complex under its Peninsular Malaysia Terrestrial Conservation Programme, to increase public awareness of the importance of floral diversity in conservation

SUSTAINABILITY WAQF SAVINGS PROGRAMME

CIMB Niaga Sustainability Waqf is a unique form of endowment under the Mudharabah principle. It offers a direct gift by CIMB Niaga to customers transferred to the Waqf foundation in the form of a Waqf programme. The goal is to promote sustainability and generate continuous benefits for the community through programmes in education, healthcare, environment and community empowerment. In 2022, CIMB Niaga gifted Rp5.2 billion towards the Waqf institution based on a total portfolio savings of Rp70.4 billion.

ESG INVESTMENTS

We increased our sustainability-themed investment offerings to enable our customers to invest in funds that promote environmental or social objectives, whilst generating longer-term sustainable returns for themselves. In 2022, both CIMB Preferred and mass customers across Group Consumer Banking have shown better reception towards ESG funds. We expanded our Malaysian ESG-themed offerings to include Life Insurance and Family Takaful investment-linked products through our Banca partner, Sun Life Malaysia, offering the Sun Life Malaysia Islamic Global Sustainable fund, the first Shariah-compliant ESG fund in the Malaysian Takaful market. These offerings provide protection and investment opportunities for customers interested in sustainability considerations.

In Thailand, we introduced new funds and structured product offerings such as Principal Global Clean Energy Fund and Maxi Flexi ESG, which have contributed to new fund sales of ฿4.5 billion to Consumer Banking clients in 2022. In Singapore, investments by Consumer Banking clients into funds with a Morningstar ESG rating of at least a four or five globes grew significantly to S\$1.3 million in 2022 compared to S\$20,000 in 2021.

Within Private Banking, we continued to offer a variety of ESG-themed funds, expanding our offerings to include the ASEAN Equity Fund, a qualified Sustainable and Responsible Investment (SRI) fund. However, we saw a 60% drop in new ESG fund sales to Private Banking clients across Malaysia and Singapore to RM31.4 million in 2022 due to market conditions.

To raise awareness of ESG investing, CIMB organised various engagement sessions in collaboration with fund managers, including Principal Asset Management. These sessions provided clients with an interactive platform to learn about ESG investing principles, benefits and outlooks directly from investment managers.



Sustainable Business



FINANCIAL INCLUSION AND LITERACY

Financial inclusion and literacy are key drivers in reducing poverty and boosting shared prosperity, and have been identified as enablers for seven of the 17 SDGs. By increasing access to affordable financial services, we are able to facilitate the day-to-day activities and livelihoods of individuals and businesses. Financial literacy enables people and companies to better plan and manage their finances and financial well-being, to meet long-term goals and to be able to weather unexpected emergencies.

According to an article by World Economic Forum, over six out of ten South-East Asians remain underbanked or unbanked today.¹ Therefore, we are actively rolling out accessible financial products and services to those in underserved communities.

From a business perspective, financial inclusion and literacy allow us to tap into new markets. By serving unbanked and underbanked individuals and businesses in emerging markets, we can help drive inclusive growth, build trust and enable sustainable economic growth and development.

ENABLING FINANCIAL INCLUSION AND ACCESS TO AFFORDABLE BANKING PRODUCTS AND SERVICES

Financially enabling individuals through accessible and affordable banking services creates a ripple effect that drives improvements across local society and the economy. With our presence in a region where a significant population remains unbanked and underbanked, CIMB plays an important role in bringing financial services and solutions to local communities. We are actively working to bridge the financial access and inclusion gap by innovating and creating partnerships to provide financial services that address real pain points for underserved communities.

ACCESS TO AFFORDABLE FINANCING

In 2022, CIMB Bank in Malaysia extended more than RM5.6 billion in home and vehicle financing for the lower-income community, offering affordable pricing and active participation in BNM's My First Home scheme, PR1MA and other government schemes. We assisted first-time home buyers via FlexiOwn, which provides lower monthly instalments for the first five years to reduce the cash flow burden.

We increasingly leverage on digital financial platforms to offer our accessible financing. In March 2022, we partnered with Touch 'n Go to launch "e-Zi Tunai", which aims to provide flexible financing from as low as RM100 to customers with a gross monthly income of at least RM800. In total, our flexible financing portfolio for B40 customers recorded RM539 million in financing disbursed, a 140% growth from 2021. CIMB Niaga in Indonesia extended more than Rp5.7 trillion under its inclusive financing scheme for low-income individuals as defined by the Financial Services Authority's Macroprudential Inclusive Financing Ratio, comprising mortgages, personal financing and auto financing.

In 2022, CIMB Thai disbursed ฿272 million of financing towards customers with income of less than ฿15,000, largely via our motorcycle financing business.

ACCESS TO INVESTMENTS

CIMB offers financing for Amanah Saham Bumiputera (ASB) investments in Malaysia, helping customers access affordable funds that can be applied towards purchasing ASB. Our total ASB financing for the underprivileged B40 communities amounted to RM2.9 billion in 2022, making up more than 70% of all ASB financing extended.

GOinvest, deployed via the Touch 'n Go eWallet is designed to be accessible to everyday Malaysians by offering easy-to-understand investment products with a simplified investment process. The innovative technology behind the Touch 'n Go eWallet provides Malaysians with the flexibility to invest anytime and anywhere. The first product offering on this platform is the Principal Islamic Money Market Fund, which is developed and managed by Principal Asset Management Berhad. Touch 'n Go eWallet users aged 18 years and above can invest as little as RM10 in this Shariah-compliant fund. Launched in August 2022, GOinvest had 102,037 investors by the end of the year.

BANKING THE UNBANKED IN THE PHILIPPINES

In the Philippines, where almost half of the population remains unbanked, CIMB Bank Philippines has made savings more accessible via the CIMB Bank PH app. This allows customers to open a savings account entirely through their phones in under ten minutes, as long as they have a valid identification card. Any fees that may be traditionally incurred for the opening and maintenance of such an account, as well as for digital interbank transfers nationwide are also waived.

According to the Bangko Sentral ng Pilipinas, 50% of adults in the Philippines perceived that borrowing from formal financial institutions was difficult. To address this issue, we have improved access to formal credit in the Philippines through our range of lending products offered to the market.

Customers can apply for financing of up to ₱1,000,000 through CIMB Bank PH, with an identification card and an income document. We have eliminated the need to prepare other documents typically required by banks, by using alternative data to assess credit. With this, we can instantly score even previously unbanked customers, who often lack sufficient credit bureau data. Customers can also apply for revolving credit products such as GCredit and REVI Credit, which can be approved within five minutes, enabling accessible credit lines for daily needs and emergencies.

¹ World Economic Forum, 7 February 2022.

To further reduce the financial access gap, we have partnered with GCash, the Philippines' largest e-wallet, to offer CIMB GCredit and GSave.

We also formed a partnership with Pru Life UK to make insurance products more accessible in the country, and recently, we partnered with SeaMoney to power Shopee SPayLater in the Philippines.

In the four years since our launch, CIMB Bank Philippines has helped drive financial inclusion in the country. Based on a study conducted at the end of 2021, 20% of our depositors said that CIMB was their first bank account, while more than 50% of our loan customers are first-time bank loan customers.

Currently, CIMB Bank Philippines serves 6.5 million depositors and more than two million financing customers.

ENHANCED ACCESSIBILITY TO BANKING SERVICES

In 2022, we placed wheelchairs in 160 branches in Malaysia to make it easier for our customers to access services at branches. We are committed to ensuring that every CIMB branch in Malaysia has at least one wheelchair on the premise by 2023.

We have also improved the account opening and debit card application process for customers who are print-disabled, blind, or visually impaired. We revamped our processes, as well as terms and conditions, so that visually impaired customers can complete the application using their own mobile device without requiring a witness. Additionally, we have started absorbing the RM10 stamp duty charges for these customers.

PROMOTING FINANCIAL LITERACY

Across the region, we support financial literacy programmes that empower vulnerable segments such as youths and entrepreneurs from lower-income backgrounds. These programmes are essential to help them take control of their financial future and build long-term wealth. By learning about financial concepts and strategies, people can make smarter decisions with their money, avoid financial pitfalls, and achieve their financial goals.

MALAYSIA



Be\$mart is CIMB Foundation's flagship financial literacy programme. Launched in 2016, it targets students from underserved backgrounds (B40 group) studying in public universities and colleges across Malaysia. The Be\$mart Alumni platform allows for continuous learning and impact assessment for the programme, where the alumni are engaged through articles on topics such as sound financial habits and investment tips for young adults, one-to-one interviews with financial experts, and education on financial tools available in the market to help achieve their financial goals.

Highlights:

- 771 students reached in 2022, with over 25,000 students having benefited since inception
- 177% average improvement in financial literacy awareness

INDONESIA



CIMB Niaga continues to be a strong supporter of the Financial Services Authority (OJK) in improving the financial literacy and inclusion of Indonesian students. In 2022, CIMB Niaga carried out online financial literacy programmes with 10,252 students from 146 schools in 50 cities.

The Tour de Bank (TDB) programme introduces banking functions and savings benefits to elementary school students, while the Let's Save and Share (Ayo Tabungan dan Berbagi or AMDB) programme is targeted at middle and high school students, introducing them to financial planning. CIMB Niaga has also extended financial management training to teachers from schools participating in the TDB and AMDB programmes, with 128 educators trained in 2022.

CAMBODIA



In Cambodia, US\$3,000 was contributed to the Association of Banks in Cambodia to support the production of financial literacy comic books "Let's Talk About Money". These were designed to deliver financial education to children aged 8 to 12, with six storylines, each accompanied by question-and-answer sheets that can be used in self-guided learning with their families.



Sustainable Business



CUSTOMER EXPERIENCE

Customers are at the heart of our business. Their trust, support and loyalty underpin our long-term success as a financial institution. However, customer demands constantly evolve as new solutions and technological improvements arise. These changing expectations mean that we have to continue evolving alongside our customers to deliver convenient yet meaningful experiences. It is reported that investing in customer experience can enhance customer lifetime value by 2.3 times. Strong customer experience not only promotes customer retention but also allows us to attract new customers.

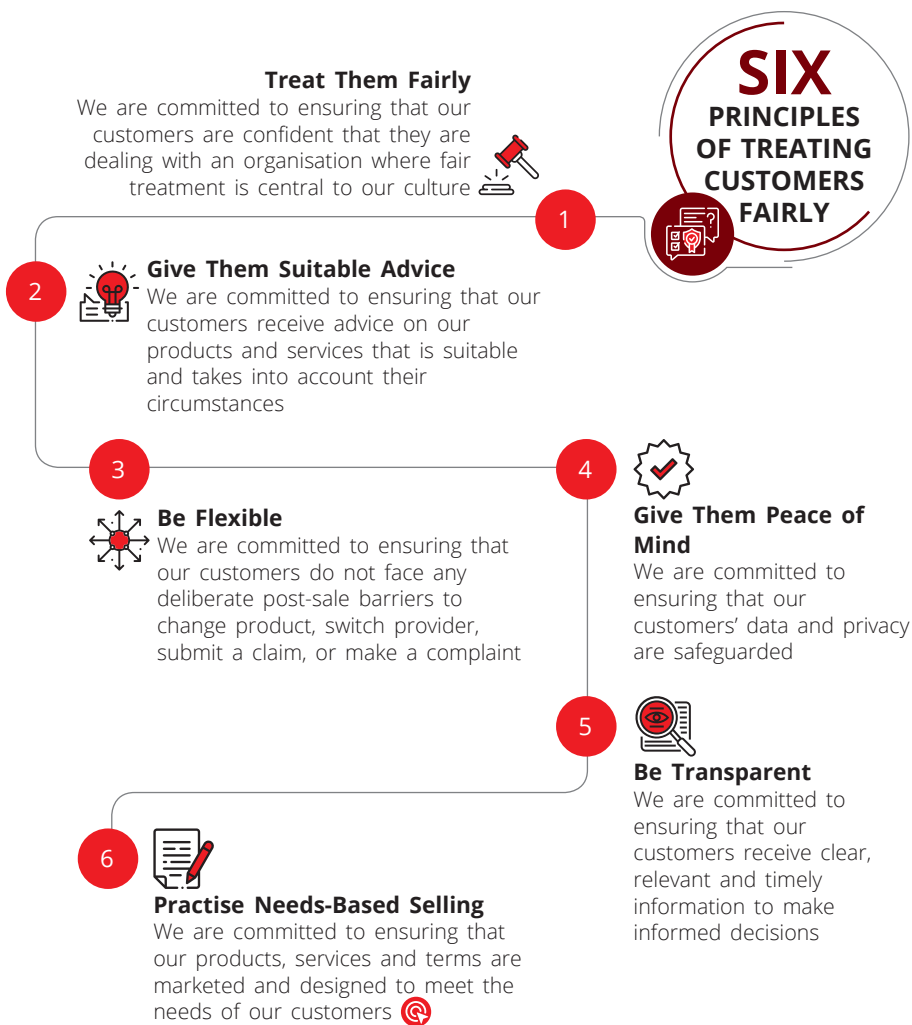
With over 20 million customers in ASEAN, we are committed to delivering on our promise of fair and transparent treatment and providing end-to-end customer care. Our focus is to provide crucial support in helping our customers reach their personal and business goals through reliable and personalised services. This is executed through a robust Customer Experience (CX) governance system.

CUSTOMER EXPERIENCE GOVERNANCE

The CX team is an independent unit within Group Strategy and Group CEO's Office. The Group CX Management department recalibrates the customer experience agenda to meet changing needs, while following Group CX Policies and our regional operating model. The Group Transformation Committee, chaired by the Group Chief Executive Officer, provides regional oversight and strategic direction, and helps to strengthen CX through internal synergies and best-in-class practices. CX Oversight Meetings are co-chaired by Business and CX Heads to drive the implementation of CX priorities, programmes, and improvement across the region.

COMMITTED TO TREATING CUSTOMERS FAIRLY

We value the relationships we have with our customers, and are committed to strengthening our connection on the basis of trust. We embed six Treating Customers Fairly outcomes in our processes and through our actions.



STRENGTHENED COMPLAINTS HANDLING POLICY

We strengthened various processes in handling customer complaints, via a review of the Group Complaints Handling Policy and Procedure, and implementation of internal service level agreements that were above regulatory requirements. Complaints handling Standard Operating Procedures within respective business units were also strengthened.

We focused on resolving complaints at the first point of contact, with action plans to ensure that we provide fast and accurate resolution to customers. We have now reclassified repeated cases for better focus and resolution. More than 40% of complaints in 2022 were resolved at the first point of contact.

RESPONSIBLE MARKETING

In 2022, we rolled out the CIMB Group Customer Communication Policy and Procedures to ensure that our written communication is effective, easily understood, and protects our customers. The policy sets minimum standards that must be adhered to when engaging with our customers in any form of written communication. The policy also takes into account the standards imposed by regulators across the region.

STRENGTHENED GOVERNANCE ON MIS-SELLING

We have zero tolerance for mis-selling. In 2022, we reviewed and improved our customer complaints flow by training staff on how to manage complaints on mis-selling. We improved our investigation process and trained our investigators to have a more holistic lens in their investigations. We added an additional process upon closing of cases that were invalid to be deliberated at the Staff Conduct Review Task Force chaired by the Group Head of Customer Experience. This enables us to improve our investigation processes, to help ensure outcomes that are fair to both customers and staff.

In 2022, we recorded 20% fewer allegations and a drop of over 90% in confirmed cases of mis-selling in Malaysia.

REDUCING BARRIERS AND MAKING IT EASY

We listen to the Voice of Customers to understand customer needs, wants, expectations and preferences, as excellent customer experience is a key differentiating factor. In Malaysia for 2022, we made a number of enhancements to make the process easier and more seamless for customers.



Introduced “Every Branch is Home Branch”, which now allows customers to perform seven common transaction, such as debit card replacement, standing instructions, interbank transfer, and dormant account activation, at any branch.

Revamped our process to enable visually impaired customers in obtaining a debit card or savings account independently. Terms and conditions were changed to allow them to complete the process using their own device. We also removed the RM10 stamp duty charge imposed on the indemnity document.

Placed wheelchairs in 160 branches, with a commitment to have wheelchairs at all branches in Malaysia by 2023.

TACKLING FINANCIAL SCAMS

Financial crimes continue to escalate in the digital age. In 2021, over RM600 million was lost due to scams and other cybercrimes in Malaysia. In 2022, an industry task force was set up to ensure progressive implementation of key measures mandated by Bank Negara Malaysia to combat financial scams. The financial industry also launched a National Scam Awareness Campaign to inform and empower customers to adopt good online practices and create awareness of the types of scams.

In 2022, we established a multi-divisional programme to strengthen our fraud control measures in fighting scams. Chaired by the CEO of Consumer Banking, the programme has rolled out 15 initiatives that focused on enhancing applications, improving processes and communicating with customers.




Control Upgrades	Customer Engagements	Prevention Measures
<ul style="list-style-type: none"> Introduced First-Time Activation call-back for new app installation Enforced single registered device authentication Installed a “Kill Switch” for our mobile apps 	<ul style="list-style-type: none"> Established a dedicated fraud call centre Improved communications to customers on how to identify and avoid scams Alerted customers on suspicious transactions 	<ul style="list-style-type: none"> Removed clickable links in SMS messages to customers Enhanced fraud detection rules Established process to report phishing and fraudulent sites to relevant authorities



Sustainable Business

MEASURING CUSTOMER EXPERIENCE

We strive to be a leader in customer service and experience among ASEAN financial institutions, and use multiple channels and touchpoints to gather customer interaction and experience data across our value chain. Collectively, the insights are used to design initiatives that drive positive customer outcomes and create stronger brand affinity.

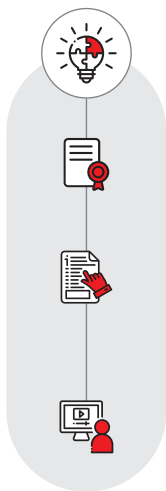
	What we measure	How we measure	How we performed
Operational	 <p>Service Level Agreement (SLA) performance</p>	<p>A consolidated dashboard of more than 100 vital indicators encompassing fulfilment levels across key channels, products and systems, tracked on a monthly basis to ensure we meet basic customer expectations.</p> <p>Examples include customer's time spent at branches and our call centre, product application turnaround time and digital uptime.</p>	<p>85% of our core CX indicators met their respective targets.</p> <p>In 2022, we reviewed and expanded tracking of channel and product metrics across both the retail and non-retail customer segments.</p>
Transactional	 <p>Customer Satisfaction Score</p>	<p>An in-house platform to track service experience and perform recovery across key physical, voice and digital customer interaction channels, supplemented with ad-hoc research or surveys to facilitate business decision making.</p>	<p>We met Customer Satisfaction targets in 11 out of 16 core channels tracked.</p> <p>Conducted over 30 surveys to gain customer insights, where the outcomes were used to improve our channel, product and segment, proposition design and delivery implementation.</p>
Strategic	 <p>Net Promoter Score (NPS)</p>	<p>An annual Group-wide Customer Engagement Survey to gauge where we stand relative to our key competitors from a total banking relationship standpoint.</p>	<p>Combined NPS score for general banking across the four core markets is within 74% of the industry. The NPS Score for Malaysia declined amongst retail customer and stayed flat for non-retail customers. Indonesia and Singapore maintained or improved their positions for both customer segments. NPS performance in Thailand improved for retail customers but lost some edge amongst non-retail customers.</p>

EMPOWERING EMPLOYEES TO MAKE A DIFFERENCE

We provide platforms for employees to make a difference towards customer experience. Everyone is empowered to highlight challenges and propose ways to improve the experiences of customers. We also seek to make banking easier for our customers and for our services to be more efficient. We always seek to go the extra mile for our customers, by proactively listening and understanding, anticipating their needs and providing tailored services for them.

CAPABILITY BUILDING

Building capability for #teamCIMB to deliver and transform customer experience is a key priority under our Forward23+ strategy. In 2022, over 10,000 CIMBians have been empowered and trained through various platforms to better deliver our services in a customer-centric way, and to embed a customer-centric culture as part of their day-to-day work:



24 employees from Malaysia and Singapore completed the **Green Belt Lean Six Sigma** certification

Gametize modules have been created to deliver **CIMB BEATS**, a five-step guide to providing better CX, Treating Customers Fairly, and Clear Written Communications

We also revised the **Introduction to CX** module on Gametize. We took a multi-channel approach to broadcast bite-sized video training, to engage CIMBians and drive awareness on CX

CIMB INNOVATOR

Every employee has the power to improve customer experience. CX Innovator is an employee empowerment platform designed to drive agile mindsets across the Group. By implementing a design-thinking process, employees seek to understand the user experience, relook existing services, challenge assumptions and redefine problems to identify alternative strategies and solutions. Employees are empowered to rapidly rollout prototypes to test and implement their ideas.

In 2022, #teamCIMB identified and completed 29 projects, with ten winners selected for their significant impact on improving customer experience. For example:

- Group Legal and Compliance simplified their tracking and monitoring tools for increased efficiency and reduced cycle time (the actual time spent working on a particular process) by 56%
- Group Operations automated multiple reports using Python, and managed to reduce cycle time by over 84%
- Group Transaction Banking created a platform for four internal stakeholders with customised views based on different functionalities, along with real-time updates

TALK TO CX

Talk to CX is an ongoing closed-loop process where we encourage #teamCIMB to raise ideas to fix issues faced by customers and employees. In 2022, we received a total of 69 ideas that contributed towards becoming more customer-centric. Winning ideas that are being implemented include:

- Using mobile biometric machines to allow staff to visit customers with special needs at home to meet their banking requests.
- Shortening turnaround time to complete customers' requests and improving customer experience through e-forms

REWARDS AND RECOGNITION: EPICC CX

The EPICC CX Star Awards 2022 is a regional rewards and recognition programme for our employees. The programme gives #teamCIMB the opportunity to nominate colleagues who have consistently shown outstanding EPICC values in their day-to-day job. Award categories include the CX Star, EPICC and Safeguarding the Bank. In March 2023, we will host 130 regional finalists in Kuala Lumpur to award our top 50 winners.



Sustainable Business

CIMB WOWEEK!

In line with our Forward23+ Customer Centricity strategy, and to build trust and advance long-term relationships with our customers and society, the CIMB WoWeek! 2022 celebration was dedicated to engaging and strengthening our relationships with customers and more importantly, express our gratitude to our customers for placing their trust in CIMB.

Across the region, the week-long event, with online and in-person activities, allowed us to recognise and thank our customers. We offered rewards and campaigns with loyal retail and non-retail customers, showcased our latest CIMB digital platform enhancements, and featured inspiring success stories from regional homegrown entrepreneurs.





DIGITALISATION AND INNOVATION

The future operating model for banks will rely on digital technology that will make banking services more efficient, convenient and accessible. As more digital banks and other digital financial services players are established across the region, existing players will have to compete effectively in a more crowded, competitive and innovative marketplace. Banks will need to focus on customer experience, be more agile and open to innovation, and provide more tailored products and services to meet customers’ changing needs.

We are accelerating our digital agenda, and our focus on creating new business models built around digital customer engagement. This will allow us to serve our customers better, operate more efficiently, and improve our competitiveness. By leveraging the abundance of data, we also deliver more personalised engagements and value-added services to help customers meet their financial goals.

TECHNOLOGY AND DATA GOVERNANCE

Our digital agenda is led and enabled by the Group Technology and Data Division, with oversight from the Group Transformation Committee on strategic initiatives, and the Board on key strategic matters. The Group Technology and Data teams also provide quarterly updates to the Group Operational and Resiliency Risk Committee and bi-monthly updates to the Board Risk and Compliance Committee. We also hold monthly meetings for the Regional Technology Risk Committee.

At the operational level, technology governance focuses on delivering governance capabilities such as Policy and Guidelines, Risk Control and Assurance, Quality Assurance and Audit Management, while ensuring compliance with policies and procedures. We adhere to Financial Services Industry Standards, as well as the local regulatory policies and procedures in the regions we operate in, including technology risk management requirements.

BUILDING OUR TECHNOLOGY INFRASTRUCTURE

We are on a multi-year technology transformation programme to enhance our technology infrastructure capability and maturity across the Group, with the aim of building a reliable, resilient and secure digital environment to meet evolving business and customer needs. This includes core systems development to support the transformation of our customer journeys, rolling out public and private cloud-based products, implementing agile methodologies, and training to upskill our teams.

FUTURE OPERATING MODEL

To manage the growing volume of digital transactions and customer interactions, we continuously prioritise, upgrade and monitor our IT infrastructure. Our aim is to maintain system resiliency and ensure high service levels for our customers and internal users. We are building a technology DNA that operates in the new decision-making environment, with a focus on building more cost-effective infrastructure. Our next-generation infrastructure will move away from monolithic systems towards cloud-based collaborative computing.

Agility in Transforming Customer Journey

Our Journey Transformation and Digitisation (JTD) adopts an agile methodology for managing our applications, which allows for the rapid release of tools and processes. The programme was created to make our processes faster, simpler and better for our customers and employees. The team’s goal is to quickly unlock productivity and improve efficiency to provide a superior customer and employee experience. In our product development cycle, we will be incorporating a “Measure and Learn” loop approach to learn, build and measure our customers’ needs and experiences more quickly.

	CX Buddy A new CX Buddy ChatBot to receive, track and respond to queries and complaints for CIMBians, to support them in helping our customers
	Online Debit Card Renewal Online debit card renewal submission, with customers receiving their debit card within 14 days
	Quality Assurance Automation Automation of files to perform data transformation, resulting in a 90% reduction in report generation time

Tech Talent

Talent development and building a culture of “digital first” remains a key focus to drive technology transformation. Talents in emerging fields such as Artificial Intelligence, Machine Learning, Big Data and Data Science, Cloud Computing, and Cybersecurity are in high demand.

To address this, we have a comprehensive training programme to continuously upskill and reskill our staff. We invest in our talents to drive the adoption of new technology aligned to business demands, as well as enable agile ways of working. We also have developed tailored tech career pathways in order to recruit and retain talent. The TCB Digital programme ensures a talent pipeline of top graduates to support the Bank. We also have developed a Digital Academy which ensures that digital mindsets are embedded across functions.

RESILIENT AND NEXT GEN TECH

As technology transforms financial services, we strive to develop and deliver improved products and services for our customers. We continue to invest in digital infrastructure such as mobile banking, digital payments and cloud-based services, to better meet customer expectations.



Sustainable Business

Network Resilience

We have established a network of data centres to provide seamless workload distribution backed up by a redundant communications system, which is spread across strategic locations to support our business. Our data centres combine traditional information technology systems with the capabilities supplied by an on-premise private cloud, enabling integrated management of the business areas' technology, accelerating digital transformation and saving significant cost.

To ensure resilience in our network, we progressively update our data centres to increase network connectivity and bandwidth, while reducing latency. We retrofit existing data centre infrastructure and integrate it with new hybrid cloud platforms in co-location data centres. Additionally, we are building an on-premise in-house managed Platform as a Service (PaaS) that allows for higher performance, better reliability, and is future-proof and tailor-made for CIMB.

We also have established plans to enhance energy efficiency in our managed Data Centres, and continue to convey our expectations to our service providers, including cloud-based technologies. We continually work with our colleagues and partners to improve our understanding and options for sourcing solutions and services that provide better efficiency and a lower carbon footprint.

New Platforms and Next Gen Cloud Migration

We are currently in the initial phase of migrating our technology infrastructure to the cloud. The cloud ecosystem enables us to improve processes, innovate swiftly and enhance service quality. In line with this migration, we have strengthened our Cloud Governance, Cloud Standard, and Policy and Procedure. We have developed the Cloud Foundation Design and Reference and established a Cloud Operations Model to address organisation structure, job architecture, skill sets, and training.

The future of banking will focus on offering customers more personalised services, leveraging data and analytics to better understand customer needs and preferences. To achieve this, we deploy data analytics capabilities and artificial intelligence to generate insights, enabling our customers and their businesses to fully harness the power of data and make data-driven decisions.

Some of these outcomes include:

Better Client Protection

We have enhanced our machine learning models by expanding data points, resulting in up to 15% improved accuracy in fraud detection. Additionally, we developed a model that resulted in a 7% increase in detection effectiveness among new and existing accounts used by criminal syndicates as mule accounts.

Personalisation of Services

Based on pre-identified criteria such as demographics, lifecycle stage and customers' interests, we design our outreach programmes to match specific products to customers' needs. We also use analytics to foster social and financial inclusion by identifying early risk indicators to detect potential defaulters, as well as extending credit to those with little credit bureau information by understanding the digital and social behaviours of customers to form an alternative credit score. We also help our Relationship Managers re-engage customers by detecting significant fund outflow on a daily basis.

Optimisation of Services

We use geo-spatial analytics to plan our current and future customer touchpoints to improve customers' accessibility. By identifying underserved areas, we optimise the branch network and fine-tune the distribution of self-service terminals by applying revenue, maintenance cost, usage and competitor intelligence data in our data models. This helps us to optimise cash holdings in our branches, reducing cash runs, improving customer experience and lowering costs.

DIFFERENTIATED CUSTOMER EXPERIENCE

We continue to enhance CIMB Clicks, our digital platform with 5.9 million registered digital users. In addition to transactions and payment, customers can complete end-to-end customer journeys digitally, including card management 'on-the-go' and 'in-app support' for credit card repayments.

We also rolled out a new mobile banking platform built on a new microservices architecture. This technology allows us to add value through digitalisation and improve the technological reliability of our digital platforms across the region.

CIMB BizChannel is our platform for wholesale and commercial clients to allow them to manage their accounts, payments and financials anywhere, anytime. The platform experienced significant year-on-year growth with 10.6% more users and 35.6% increase in transaction volume.

We conducted a technology refresh in 2022, which enabled us to handle the increased volume while maintaining 99.99% uptime reliability¹. We also accelerated digital adoption by providing New-to-Bank business customers with access to BizChannel. We are developing the Next Generation BizChannel, which will accelerate the digitalisation journey of businesses, and spur growth through a connected ecosystem of customers and business partners.

Customer Segmentation

Through the use of design thinking and data analytics, we are able to rapidly develop and rollout tools and services to support our Relationship Managers to offer clients a comprehensive user experience.

Wealth Management	Retail Financing	Commercial Financing
<ul style="list-style-type: none"> Deliver personalised products and information accessible anytime, anywhere Relay transparent and competitive pricing to aid purchase decisions Offer personalised service and recommendations based the customer’s portfolio Offer seamless customer experience with quick turnaround time 	<ul style="list-style-type: none"> Reduce paperwork and digitise credit proposal form Enable digital consent from customers Support Relationship Managers’ decision-making process by providing credible systems to screen, process and convert leads 	<ul style="list-style-type: none"> Build digital unsecured SME financing and self-assisted financing products Develop tools to enhance credit approvals for targeted segments Develop state-of-the-art credit underwriting model to help improve Risk-Weighted Assets

Facilitating Regional Payments

As digital transactions continue to rise across the region, we are integrating ISO20022 to facilitate seamless cross-border transactions. The industry-wide initiative aims to modernise payment transactions and increase transparency to prevent money laundering. In 2022, we established the CIMB Payment Hub to enhance our payment coverage and integration with ecosystem partners, enabling us to offer faster time-to-market.

¹ This excludes planned down time.

Sustainable Business



CYBERSECURITY AND DATA PRIVACY

Due to the vast amount of customer data and financial assets held by banks, financial services providers are particularly susceptible to cyber-attacks and other online threats. Globally, the financial sector experienced the second-highest number of online and data breaches in 2022. Major breaches can lead to severe losses for customers and the wider financial system. With this in mind, we strive to continuously strengthen the credibility and integrity of our online systems. This help to ensure that we operate efficiently and securely, and that customers can bank with confidence.

CIMB's culture of enablement, passion and collaboration creates an environment where our customer data is handled with integrity and accountability. We implement best-in-class systems and processes to enable a robust and secure environment to secure the trust of our customers and other stakeholders.

DATA AND INFORMATION GOVERNANCE

CIMB's Privacy Policy sets out our commitment to collect, use and protect customer and stakeholder data to a consistent standard. Group Technology and Data's governance and risk reporting and escalation adhere to the Group's framework, whereby the strategy and plans, as well as the issues and risks are reported and approved by the respective Board nominated committees.

At the tactical and operational level, the Group Technology Steering Committee and Group Risk and Compliance Committee provide guidance and management decision-making, including monitoring outsourced service providers. In addition, given the role of technology in supporting the Group's transformation and business plans, the Group Transformation Committee monitors the technology and data plans, as well as the implementation progress and alignment to business plans.

All CIMBians are responsible for the management of data and information risk, with oversight through appropriate governance forums. Data and security management is incorporated within CIMB's risk and control framework, and as part of this framework, we conduct regular reviews to ensure our data, privacy and security controls and processes are operating effectively. The framework covering the risk-controls self assessment gap analyses and controls effectiveness testing is guided by the Group's Risk and Compliance Divisions, with onward reporting to the Group Risk-Compliance Committee.

Data Protection Officers are appointed in applicable countries to monitor and enforce the organisation's processes for personal data in accordance with the applicable laws and the Group's policy and procedures. Their scope includes the design and implementation of Data Protection policies and procedures, as well as periodic assessments and updates to align with emerging regulatory requirements.

As per our Code of Conduct, all employees are constantly reminded of the consequences of breaching customer privacy and confidentiality of customer information. Any employees found in breach of these laws will be subject to disciplinary action, which may include dismissal.

PRINCIPLES OF PRIVACY AND RESPONSIBLE USE OF DATA

CIMB operates in a highly regulated and digital environment. We seek to maintain and continuously improve on ethical, responsible and consistent approaches to managing data and systems, as well as their corresponding risks, be it privacy, quality or security. The core tenets of our approach are:

	Purpose/Consent Protects a data subject by requiring consent and purpose for any processing		Retention Data is not stored longer than required
	Disclosure Prohibits disclosure without consent or appropriate purpose		Access Right of access and correction by the data subject
	Security Levels of security to protect from unauthorised or accidental loss or misuse		Notice and Choice Transparency and choice given to the data subject on the nature of processing
	Integrity/Quality Data is accurate, not misleading and kept up to date, for the purpose it was processed		

We are completing a multi-year data transformation and management programme under the Forward23+ strategy to further strengthen our data management, privacy and security capabilities.

Our teams in various countries engage independent assessors to assess our readiness when new laws or material changes occur. In 2022, CIMB Thai completed the assessment and preparation as Thailand enacted its Personal Data Protection Act on 1 June 2022. CIMB Niaga has commenced its assessment and preparation in readiness for the anticipated effective date by 2024.

Read more about our policies of public listed entities below. Entities within the Group may publish separate policies, if required by local law.

RESPONSIBLE AND FAIR USE OF DATA

CIMB's philosophy of ethical and responsible use of data means that we are respectful and empathetic to our data subjects in our management and use of data. Our privacy policy and notices communicate the fundamental way we collect, use and care for personal data, as well as address services from new technologies such as cloud and Artificial Intelligence (AI). In addition to privacy principles, our obligations as a regulated financial institution require us to also safeguard customer confidentiality and ensure the secure use of customer data.

In 2022, CIMB Malaysia successfully deployed its Country Customer Information Profile which serves as the central profile for data quality/integrity and metadata management. CIMB also continually monitors customer complaints and possible regulatory data breaches. There have been no major "data" breaches in 2022, and we continue to see a positive and continued reduction in complaints and operational lapses of 20% from the previous year.

UPHOLDING TRUST IN PRIVACY AND CONFIDENTIALITY

We foster trust by upholding Data Protection (Privacy) principles and standards across the region to ensure that our data subjects, products and services are managed in a confidential and secure manner. We embed security, privacy and confidentiality considerations within the design and operations of our systems, products and services to keep our data and stakeholders safe.

The Group's governance includes appropriate due diligence and service agreements, including intra-group services and centralised systems. Where the regulations differ, the Group or its licensed financial institution will adopt the stricter requirements.

Our policies, procedures and control measures for safeguarding customer information are subject to an independent review at least once every two years. This is reflected in our Management of Customer Information and Permitted Disclosures audit, which aims to assess the adequacy and effectiveness of key controls in safeguarding customer information. The audit covers our relevant framework, governance structure, information and communication technology (ICT) controls, access controls, handling data privacy incidents, controls over permitted disclosures and management oversight on outsourced service providers. Our most recent audit was conducted in 2021, and the upcoming audit is planned for the first half of 2023.

PRUDENT AND CAUTIOUS ADOPTION OF NEW TECHNOLOGIES

CIMB has articulated its updated "Journey to the Cloud" as a strategic roadmap and risk management plan. This phased approach has taken into consideration the successful pilot and early adoption of cloud platforms and services for non-customer/personal data and non-critical systems. We have now embarked on several projects to deploy services and products via cloud-based solutions in an incremental manner. This will

ensure that our data and systems are ready for customers to continue enjoying our services in a safe and secure manner.

CIMB also continues to progress in developing our approach to ethical AI adoption. Our overall approach and progress evolve and align with emerging regulatory guidelines. In Malaysia, we have responded to various surveys and drafts from both financial and communications authorities. Our controls and governance approach assesses and tests models which are aligned with the industry. We currently do not permit analytical and operational AI models to function without human oversight and intervention.

PERMITTED DATA DISCLOSURES AND TRANSFERS

The continued digitalisation and physical constraints of the COVID-19 pandemic have led to greater adoption of remote-digital banking, assisted by AI-driven solutions, cloud connectivity and increased data sharing between entities. The principles of trust, ethics and fair dealing are fundamental expectations of society, governments and industry.

The financial services industry, as well as its regulators and industry partners, have established various approaches, guidelines and methodologies, and principles, with only a moderate level of convergence. As such, we continue to take incremental measured steps to manage our disclosures and transfers. We adopt key principles of:



Transparency:

We will be clear and transparent about how we use customers' information.



Lawful and regulatory bases:

We will only use customers' information in accordance with relevant laws, and where we have a legal basis for doing so. Where disclosures to law enforcement or other regulatory authorities are required, we will assess and verify these requests, as well as the scope and veracity of data that we are permitted to disclose.



Purpose limitation and data minimisation:

We will only use customers' information for specific purposes and not more widely for unrelated purposes. We only use and disclose the data necessary for that purpose.



Data transfer:

Where we need to transfer customers' information to another CIMB entity, a third party or another jurisdiction, we will assess whether the transfer is allowed under relevant laws, and whether the receiving party commits to use and protect the data under the same laws.



Third parties:

If we use a third-party provider or agent, we will undertake due diligence, monitoring and assurance to ensure our customers' information is appropriately protected, and that the data is processed to CIMB's standards and requirements.



Sustainable Business

CYBERSECURITY

Information Security not only safeguards our data subjects and their data, but is also a cornerstone of our risk management, as well as fraud and financial crime prevention programmes. The pervasiveness of the digital economy has resulted in CIMB increasing our efforts on continuous assessment, monitoring and strengthening of cybersecurity protection and access controls.

CYBERSECURITY GOVERNANCE

Cybersecurity is a key component of technology risk, which is comprehensively managed under the Enterprise-wide Risk Management Framework. The Board of Directors oversees technology and cybersecurity risks and strategy, together with a number of Independent Directors with relevant technology backgrounds. The Chief Information Security Officer has oversight of technology and cybersecurity risks, and regularly reports to Group Chief Risk Officer.

Our people, processes and technology are benchmarked against the best in the industry. We adhere to Financial Services Industry Best Security Standards, as well as the local regulatory policy and procedure requirements where we operate.

We maintain a suite of policies that articulate our approach to security, including the Group Technology Risk Management Framework and the Group IT Security Policy, developed and certified in alignment with the US National Institute of Standards and Technology Cybersecurity Framework (NIST) and ISO27001. We are members of the Bank Negara Malaysia Financial Threat Intelligence Platform (FIN-TIP), BNM Cyber Working Group (CWG) and the Financial Services Information Sharing and Analysis Center (FS-ISAC), a global cyber-intelligence sharing community focused on financial services.

Three-Lines of Defense in Managing Technology and Cybersecurity Risk

First Line of Defense	Second Line of Defense	Third Line of Defense
Group Information and Cyber Security teams, and Designated Compliance and Risk Officers, are responsible for the adoption and operationalisation of cybersecurity controls and monitoring to ensure the Group's IT Network and ecosystem are secured from internal and external cyber threats.	The Chief Information Security Officer oversees Technology and Cyber Risks, reporting regularly to Group Risk. The Data Protection Office serves as an advisor on the Privacy Principle of Security and liaison with the Privacy/ Data Protection regulator in countries that have such laws.	The Group Corporate Assurance Division provides independent assurance on the effectiveness of cyber security controls and risk management activities.

Profiles of Encik Afzal Abdul Rahman  and Mr. Chu Hong Keong , Independent Board of Directors overseeing cybersecurity strategy.

CYBERSECURITY OPERATIONS

The Cyber Security Defense team is responsible for providing continuous monitoring via its Security Operation Centre (SOC), which processes thousands of early warning indicators of possible compromises, keeping our network secure. They work together with Cyber Threat Intelligence and Computer Emergency Response teams to prevent intrusions; detect and monitor security alerts and anomalies; perform impact assessments; develop containment and remediation strategies, and perform forensic investigations on internal and external threats.

As part of the Group Information and Cyber Security department, the team conducts periodic proactive security assessments and reviews by external third parties, such as Penetration Tests, Vulnerability Assessments, Patch Assessments and Risk and Impact Analysis, to verify the effectiveness of IT security controls. The teams also conduct cyber drill simulations, business continuity exercises and security awareness and training, alongside the provision of security tools, maintenance and support, as well as management of third-party, physical and network security. In 2022, there were no major data breaches, despite an exponential increase in the number of attempts.

This year, we further enhanced our Security Operation Centre and Threat Intelligence activities to address increasing cyber threats. We successfully expanded our legacy Security Information and Event Management system with analytics-driven tools to collect, analyse and inspect higher volumes of network and other machine data in real-time. The Group Technology and Data Division also continued to strengthen its environmental controls by enhancing CIMB's access, segregation and encryption standards and technologies.

As part of our commitment to trust and security, CIMB Group's Information and Cyber Security department continues to maintain international security standards, with ISO27001 independent certification for our security operations. We encourage our employees to use the whistleblowing channel to report and escalate any suspicious activities related to information security or cybersecurity.

SYSTEM READINESS AND TESTING

Our Group Technology Disaster Recovery Policy outlines our readiness, resilience and ability to provide critical information technology capabilities and services after an incident, emergency or disaster. The policy was developed in alignment with internationally recognised best practice disaster recovery controls and procedures. The policy provides the standards for IT disaster recovery planning, execution and sustainable business continuity across CIMB Group, consistent with internal and external stakeholder expectations in the event of a disaster or disruptive incident. We conduct multiple business continuity and disaster recovery tests annually, covering live, simulation and industry-wide exercises, in accordance with regulatory as well as Group's requirements.



Sustainable Business

DRIVING A PRIVACY AND SECURITY CULTURE

Our corporate culture, including raising awareness among CIMBians, is key to cultivating better governance and responsible data usage. To ensure our employees and senior management are aware of and fully understand the risks associated with data privacy, the policies related to data privacy and cybersecurity are made available to all our employees. We conduct annual training and various additional education sessions to help them keep abreast of key developments and requirements. We continue to invest in training, driving bank-wide awareness, while broadening our community of risk, compliance and data stewards.

TRAINING AND AWARENESS

Our e-learning curriculum covers a broad spectrum of information and technology governance topics, ranging from data management and privacy security to business continuity. This is complemented by the Digital and Data Academy and external trainers, which focus on developing specific skills and enabling key roles. In 2022, approximately 100,000 lessons were successfully completed by over 30,000 CIMBians. We continue to train and onboard data stewards and data protection officers in the various Business Units and Enablers in the entities and countries that require additional monitoring and support.

USER ACCOUNTABILITY AND RESPONSIBILITY

We conduct tests and simulation exercises to test the level of awareness among #teamCIMB. Employees who fail must go through additional online training to strengthen their knowledge of such threats.

With remote working being part of the new normal, more confidential systems are made available for remote access. We perform monitoring and surveillance of both access and unusual behaviour, and continue to add security threat scenarios that identify potential unusual behaviour or access. To address any residual risks, we also deploy key end-user controls and user awareness to encourage accountability and minimise unintentional access and data sharing.

CIMB also adopts the philosophy of data minimisation and “need-to-know” to limit the information displayed and to minimise potential data misuse.

Data integrity and availability, including user readiness, is also a key objective of the various business continuity and data recovery tests performed. Critical and key systems are tested at least annually, often more frequently as part of regulatory and industry-wide readiness testing.

IMPROVING CONTROLS AND PROCESSES

We continually assess, test and audit our controls and practices. In addition to controls testing and audits, we appoint independent assessors, security teams and testers to test, challenge and/or evaluate our security, project readiness and governance controls.

In order to improve our awareness and responsiveness, our SOC and Cyber Threat Intelligence continually monitor, analyse and co-relate anomalies and external intelligence for potential threats. Counter-measures range from blocking high-threat addresses and connections to legal action to “take-down” phishing or bogus websites.

For our business units, various complaints, incidents are analysed for potential risks, threats or vulnerabilities. The events are categorised by severity and escalated for appropriate responses and actions. Where necessary, regulatory notification and/or corrective actions are also reported to the appropriate management and Board committees.

Corporate Citizenship

The long-term success of our organisation is dependent on a robust socio-economic foundation. To achieve long-term development and prosperity, it is important that all segments of society thrive and benefit from economic growth. We advocate for a just transition towards an equitable and inclusive development model that benefits everyone, especially vulnerable segments of society.

Recent years have demonstrated the limitation of relying solely on economic progress for human development, and it is imperative that we build greater resilience as a society. The ongoing impacts of the COVID-19 pandemic have resulted in 120 million people worldwide being pushed into extreme poverty.

At CIMB, we believe in leveraging our resources and influence to address social inequalities. We concentrate our efforts on areas that are most relevant and impactful to our community members, and where we can create the maximum positive social impact. Our social programmes cater to at-risk beneficiaries and those most vulnerable to the impacts of climate change and social injustice, particularly communities within the bottom 40% of income earners (B40). CIMB encourages its stakeholders to actively participate in community causes and serve as agents of change through volunteering efforts.



Equitable and Inclusive Education

Provide access to quality education to underserved and disadvantaged communities.

We aim to increase the number of programmes that provide quality education to disadvantaged communities and improve the accessibility of quality education to underserved students.



Economic Empowerment

Drive inclusive socio-economic development and entrepreneurship that benefit all segments of society.

Our near to mid-term target is to increase the number of entrepreneurship development programmes to benefit the wider B40 group with higher and sustainable income generation.



Healthy and Resilient Communities

Provide access to affordable and essential healthcare to safeguard the well-being of communities.

We work to provide greater strategic financial support to improve public and community healthcare, including the prevention of infectious diseases and support programmes for persons with disabilities.



Collective Green Action

Raise community awareness of responsible environmental practices.

Our environmental programmes are targeted at providing support for organisations involved in nature and biodiversity conservation.

MATERIAL TOPICS

2022 ACHIEVEMENTS



Corporate Citizenship

- Disbursed RM34.4 million in community investments
- Achieved record employee volunteerism hours totalling more than 140,000 hours
- Won Finance Asia's award on Most Committed to Social Causes



Corporate Citizenship

CIMB FOUNDATION

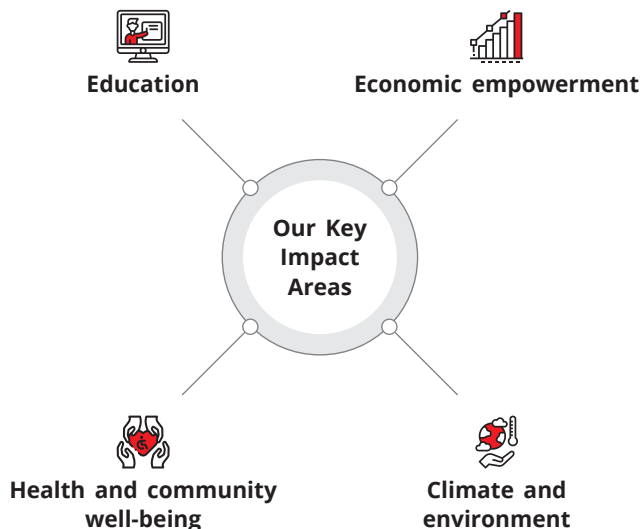
CIMB Foundation was established in November 2007 with seed funding of RM100 million to implement CIMB’s corporate social responsibility and philanthropic initiatives in Malaysia. Its mission is to advance our stakeholders and society in creating long-term positive impacts by championing community-related socio-economic and environmental issues. It reaches out to communities to promote health, provide emergency relief, facilitate access to quality education and financial literacy, facilitate sustainable income generation through entrepreneurship programmes, and support climate action and other environmental initiatives. The Board of Trustees ensures that funds are properly administered and disbursed according to the Foundation’s vision, objectives and areas of focus. The CEO of CIMB Foundation leads a multifunctional team to provide organisational support for the daily management of Corporate Social Responsibility (CSR) matters.

GOVERNANCE OF CSR

CSR activities and initiatives across CIMB Group are guided by the Group Corporate Responsibility Policy and Procedure, which institutionalises guiding principles and consistent practices across the Group. It specifies the minimum requirements and standards governing the activities, as well as end-to-end processes to ensure compliance with internal policies and regulatory requirements, and address key risks.

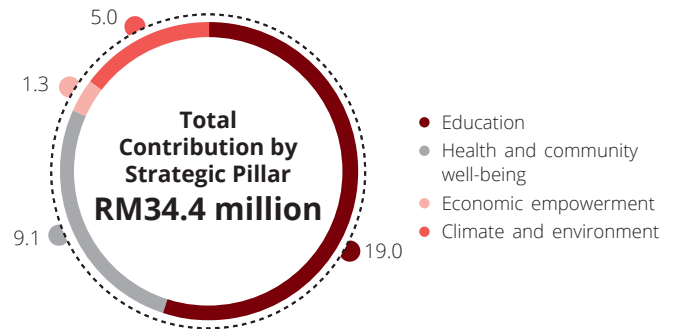
CSR FRAMEWORK

CIMB Group has implemented a comprehensive framework for CSR initiatives across its operations. This framework allows for a consistent and coherent CSR strategy within the Group, while affording the flexibility to focus on issues that are of local significance. This year, CIMB continued to progress towards implementing long-term programmes aimed at bringing sustainable community benefits under the following four pillars, which align with three out of 17 United Nations Sustainable Development Goals (SDGs).



OVERALL INVESTMENT

CIMB Group disbursed RM34.4 million in 2022 to impact about 300,000 lives, of which RM30 million was from Malaysia, covering about 80 projects.



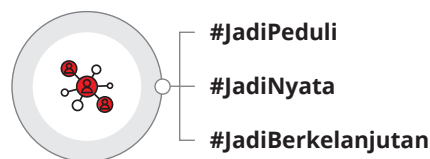
In 2022, CIMB Foundation had disbursed RM18.8 million and committed to 55 CSR projects impacting about 200,000 people. Since its inception, CIMB Foundation has disbursed over RM180 million through more than 1,300 projects that have benefitted more than a million people in the communities served by CIMB, making CIMB Foundation one of ASEAN’s leading CSR champions.

COMMUNITY LINK PROGRAMME

Our Community Link Programme, which is one of our flagship initiatives, remains active in Malaysia and Indonesia. In 2022, we invited applications for grants to support projects that address community needs. The programme aims to fund impactful CSR initiatives in education, health and well-being, climate and environment, and economic empowerment.

In Malaysia, a total of about 400 applications were received, and after a thorough review and approval process, 17 initiatives were selected. Since 2007, this programme has benefitted over 600,000 Malaysians.

CIMB Niaga conducts three types of Community Link Programmes:



The total spent on these three programmes was Rp2 billion in 2022.

Community Link Initiatives in Malaysia and Indonesia for 2022



Education

- Youth empowerment initiatives
- ICT literacy for rural schools and children’s homes



Economic empowerment

- Symbiotic systems of fish and vegetable farming
- Puyu fish farming for rural communities
- Superfood product innovation
- Cooking programme for hearing-impaired women



Health and community well-being

- Snoezelen and Multi-Sensory Therapy equipment for autism spectrum children
- Empowerment of those with disabilities



Climate and environment

- Replacement of single-use plastics with materials from rice straw
- Coastal regreening, reef rescue and tree planting



Planting 250 corals in the sea as part of a reef restoration initiative supported by CIMB Foundation

EDUCATION

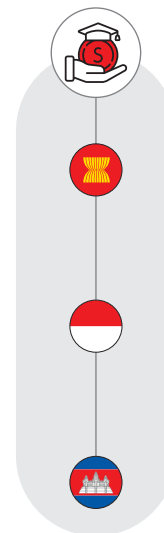
CIMB SCHOLARSHIP PROGRAMMES

The CIMB ASEAN Scholarship aims to provide high-potential youths with opportunities to pursue higher education and develop their careers with us. Scholars are selected through a rigorous process that assesses their academic excellence and passion for achieving greater success, as well as demonstrating the potential for growth. Our scholarship awards prioritise those from disadvantaged socio-economic backgrounds.

Since 2006, the CIMB Niaga Scholarship Programme has supported Indonesian scholars by funding their undergraduate education and providing additional benefits such as laptop subsidies, personal development and coaching, as well as the opportunity to work at CIMB Niaga post-graduation.

CIMB Cambodia has established a scholarship programme for students from the Cambodian Children Fund who are pursuing their bachelor’s degrees. Additionally, CIMB Cambodia launched a scholarship programme in collaboration with CamEd Business School, a highly regarded institution for professional accounting studies in the country.

CIMB believes that these scholarship programmes will benefit businesses by providing educational access to quality future talents.



ASEAN

106 CIMB ASEAN Scholars since 2016, **38** of whom have started their careers with CIMB

Indonesia

1,175 recipients of the CIMB Niaga Scholarship, including 50 students from 16 different universities

Cambodia

Three scholarships awarded since inception in 2022



Corporate Citizenship

BACK TO SCHOOL PROGRAMMES (MALAYSIA, CAMBODIA)

CIMB Foundation provided back-to-school kit vouchers to 4,000 underprivileged primary school students in Malaysia in collaboration with state education departments nationwide. The vouchers enabled parents to purchase essential items such as school uniforms, bags, shoes, socks and stationeries at selected nearby stores to prepare for the new school year. Additionally, in Cambodia, CIMB supported 300 students from the I SEE I DO School by providing them with necessary stationery and supplies to support their return to school. This programme will provide educational accessibility and help to build future talent within the local communities where we operate.

INCLUSIVE EDUCATION FOR UNDERPRIVILEGED YOUTHS

DIGITAL INCLUSION (MALAYSIA, THAILAND, VIETNAM)

At CIMB, we are committed to promoting digital inclusion and mitigating the impact of the digital divide in the ASEAN region. To this end, we actively contribute by donating new and used computers to schools and organisations serving at-risk youth across the region.



Malaysia
 45 high-end computers and four video drones contributed to Montfort Youth Centre in Melaka, a fully residential vocational training institution for youths aged 16 to 19.



Thailand:
 Contributed 70 used and new computers, as well as computer desks to three schools.



Vietnam:
 Donated 81 used laptops and **₫61,100,000** to a community library in a rural area under Project Education for All.

ACCESS TO EDUCATION FOR UNDERPRIVILEGED YOUTH (INDONESIA)

Access to education is a fundamental right that should not be impacted by socio-economic circumstances. In support of this belief, CIMB Niaga Syariah, through its Qardul Hasan funds, contributed Rp411 million to improving the education and well-being of underprivileged youths in Indonesia. The financial assistance was utilised to renovate Islamic boarding schools in partnership with Baitul Wakaf.

BRILLE TYPING MACHINES CONTRIBUTION FOR THE VISUALLY IMPAIRED (MALAYSIA)

CIMB Foundation helps promote equal opportunities for the visually impaired community, particularly in terms of access to education and career advancement. In line with this, the Foundation contributed 40 Classic Perkins Braille Typing Machines to Yayasan Orang Buta Malaysia (Malaysian Foundation for the Blind). These machines will benefit students at five schools in Selangor, Kuala Lumpur, Kelantan, Kedah, and Johor.

In conjunction with International White Cane Day, over 120 volunteers from #teamCIMB and other organisations participated in a 2km walk alongside 100 blind and visually impaired individuals in Brickfields, Kuala Lumpur, providing support in their movement around the city and raising awareness on those living with blindness.

ECONOMIC EMPOWERMENT

UPSKILLING OF WOMEN ENTREPRENEURS (MALAYSIA, INDONESIA)

The CIMB Foundation and Women of Will joined forces in a partnership to enhance the operations of catering businesses owned by women entrepreneurs residing in low-cost housing. The programme supported female entrepreneurs from Sri Aman and Pekan People Housing Programmes (PPRs). It aims to help increase their market reach and diversify their offerings by adding more nutritious food options and alternative catering services. Through online tutorials, coaching sessions and physical cooking classes, over 60 women received training to improve their culinary and nutritional knowledge to grow their businesses.

As part of CIMB Niaga’s Community Link Programme #JadiBerkelanjutan, 200 micro-entrepreneurs received empowerment training programmes, especially for women and people with disabilities in Eastern Indonesia. In the final stage, 50 selected participants will receive interest-free financing from CIMB Niaga.

We believe this programme will empower women in entrepreneurship and, in return, improve CIMB’s brand recognition and provide opportunities to introduce our services to the participants of this programme.

SUPPORTING THE ARTS (MALAYSIA)

CIMB Foundation, in conjunction with the CIMB WoWeek! Concert and Fashion Show, organised the Malaysian Emerging Artist (MEA) Award. This biennial art competition aims to provide a platform for young artists to showcase their talents. The competition received over 200 entries from 70 artists, and 168 works by 66 artists were selected to participate in the exhibition in October 2022.



Five winners were recognised at the CIMB Artober Art and Soul event, each receiving cash prizes of RM10,000, RM2,000 of art supplies, and a ten-day learning trip to Jogjakarta. CIMB Foundation will also support solo exhibitions for each winner in 2023, providing them with valuable exposure and recognition of their work.

HEALTH AND COMMUNITY WELL-BEING

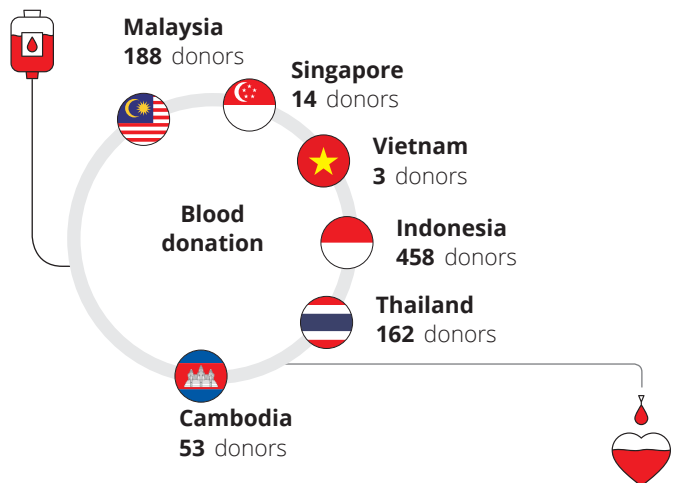
SUPPORTING HEALTH PROGRAMMES (MALAYSIA, CAMBODIA, VIETNAM, THAILAND)

We understand that protecting community health will improve the longevity and growth of our business. This will also enable us to provide financial assistance to improve the health and well-being of our customers.

CIMB in Malaysia partnered with the National Kidney Foundation for a year-long nationwide programme focused on providing health screening to detect kidney-related diseases, particularly for rural and urban underserved communities. The programme’s objective was to prevent chronic kidney failure through early detection, successfully reaching 4,435 adults from the target group this year.

CIMB Cambodia contributed approximately US\$13,500 to support various health screening programmes nationwide. These contributions included support for the National Bank of Cambodia’s eye pre-screening and surgery programme for villagers in the Kampong Thmor district, as well as cash contributions to the Cambodian Red Cross and the Prek Dambok Health Centre to provide ongoing health services for local communities.

Around the region, we contributed to blood banks through blood donation drives.



REFURBISHMENT OF CARE SHELTERS (MALAYSIA)

CIMB Foundation enhanced the living conditions for those in need by renovating The Care Shelter Kuala Lumpur (CSKL). The Foundation contributed towards the purchase of new furniture and fittings such as lockers, sliding doors, air conditioners and mattresses, as well as capsule renovation and bathroom remodelling. The residents of the CSKL also developed their skills and knowledge through the Beneficiary Development Programme organised by charitable organisations and supported by CIMB Foundation.



Corporate Citizenship

SUPPORTING INDIGENOUS COMMUNITIES (MALAYSIA)

CIMB Foundation joined forces with Jabatan Kemajuan Orang Asli and MyKasih Foundation to support an indigenous (*Orang Asli*) community of 973 families in Gua Musang with food aid. A series of tiger attacks in the community prompted authorities to issue movement restriction orders. This limited the community's ability to work on their farms, hunt and forage for food.

SUPPORTING FESTIVITIES FOR THE LESS FORTUNATE (INDONESIA, PHILIPPINES)

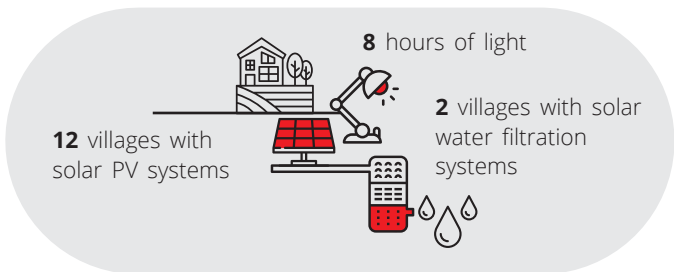
To support local communities during the Muslim holy month of *Ramadhan* and Easter, CIMB organised a food aid programme in support of victims of natural disasters, orphans, and underprivileged individuals (*Dhuafa*) in various villages in Indonesia. This effort successfully reached about 600 individuals in various villages across Indonesia.

To spread holiday cheer during the Christmas season, CIMB Bank Philippines visited Hospicio de San Jose Orphanage in Manila to contribute food, groceries and other essential items to support the community.

CLIMATE AND ENVIRONMENT

PROVIDING CLEAN ENERGY TO INDIGENOUS COMMUNITIES (MALAYSIA)

CIMB Foundation's Brightening Lives Renewable Energy Programme serves two objectives: to reduce the environmental footprint caused by the burning of fossil fuels and to improve the standard of living of local communities. This programme installs home-based solar photovoltaic (PV) systems in indigenous (*orang asli*) villages, replacing existing diesel generators and oil lamps for illumination.



VERMICOMPOSTING SOLUTIONS (MALAYSIA)

CIMB Foundation supported the Waste to Feed project by Urban Hijau (UH), which processes food waste to produce high-quality vermicompost. The composting process uses Black Soldier Flies, naturally breaking down food waste to produce a sustainable source of fertiliser. UH aims to process up to three tonnes of food waste per month and has the potential to scale up to several community sites as a solution to manage food waste. In 2022, UH processed 8.8 tonnes of food waste.

Benefits of vermicomposting

<p>Reduces food waste to landfills</p>	<p>Creates job opportunities in various production sites</p>	<p>Produces organic fertiliser for community farms</p>
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NATURE CONSERVATION AND REHABILITATION (MALAYSIA)

MANGROVE CONSERVATION IN KUALA SELANGOR

CIMB Foundation, in partnership with the National University of Malaysia (UKM) and various environmental NGOs, launched the CIMB-UKM Mangrove Conservation Programme. Over the next two years, the programme will restore the mangrove ecosystems in the Kuala Selangor Nature Park.

The partnership will fund:



The mangrove planting, forest nursery expansion, biodiversity and ecosystem services, and carbon sequestration initiatives will also facilitate the development of mechanisms for carbon financing. Additionally, these initiatives are expected to positively impact 40% of the 200,000 population in Kuala Selangor, by protecting against land erosion, storm damage, and tidal surges.

Target to plant **7,000** mangrove trees in two years

160 volunteers from CIMB planted mangrove seedlings over three sections

2,900 mangrove trees were planted in 2022



REFORESTATION INITIATIVES IN KELANTAN

We partnered with Planters International Berhad to protect and restore degraded forests in Kelantan. Deforestation in the area has led to landslides, flooding, pollution of water sources, as well as displacement of wildlife. The partnership includes plans to plant and manage native trees to help the ecosystem recover from earlier forest clearing, thereby increasing the potential for carbon sequestration.

The programme is expected to provide job opportunities to local communities, helping them overcome poverty and improve their quality of life.

BAMBOO PLANTING IN INDONESIA

Bamboos are of great importance in the battle against climate change, in terms of carbon sequestration, erosion control and reducing water run-off. CIMB Niaga supported the purchase of bamboo seeds, the setup of bamboo nurseries, plantations and capacity-building programmes for bamboo farmers and their families. Women bamboo farmers in various villages were targeted and prioritised for this project as part of our support towards financial empowerment for women. In 2022, 145 farmers from Lombok Tengah, Nusa Tenggara Barat, benefitted from this project.

TURTLE CONSERVATION IN TERENGGANU

In June 2022, we started a RM200,000 partnership to support Chakar Hutan in conserving and rehabilitating sea turtles in Malaysia. Operated by Lang Tengah Turtle Watch Sdn Bhd, the hatchery aims to protect turtle nests and increase the number of hatchlings, ultimately contributing to the growth of safe nesting sites and the overall population. This initiative was undertaken in response to the serious risk of sea turtle extinction due to unsustainable harvesting, illegal activities and pollution.

CIMB ISLAMIC AND CIMB NIAGA SYARIAH

CIMB Islamic in Malaysia contributed a total of RM9.36 million in Corporate Zakat, in addition to RM2.5 million in donations towards charitable causes through various programmes aimed at improving the living standards of underserved communities in Malaysia.

ENTREPRENEURSHIP PROGRAMMES

At CIMB, we are always working on solutions to aid speedy transitions to a sustainable economy. In 2022, we championed our MicroBizReady programme, where 55 female entrepreneurs were empowered with skills to grow a small business, enabling them to build financial independence.

CIMB Islamic has a long-term collaboration with Taylor's Community, the CSR division of Taylor's Education Group, to provide financial grants and capacity-building opportunities to micro-entrepreneurs. These initiatives aim to empower socio-economic groups such as the B40 and *asnaf* communities by enhancing their business knowledge and skills, as well as establishing business connections. Since 2017, a total of RM2.3 million in grants has been provided to 455 micro-entrepreneurs, with funding of RM300,000 contributed in 2022.





Corporate Citizenship

The iTEKAD programme, launched in 2021, is a blended social finance programme led by Bank Negara Malaysia that provides seed capital, microfinancing, and structured training to micro-entrepreneurs in collaboration with implementation partners. In iTEKAD 2.0, CIMB Islamic focused on 45 participants from the underprivileged B40 and *asnaf* groups in the Klang Valley. Participants received training and guidance to expand their business opportunities and increase productivity in the community. Upon completion of the programme, 23 participants received a total of RM300,000 in seed funding from Yayasan Waqaf Malaysia and CIMB Islamic, which included a motorcycle grant and a one-year employment opportunity with Foodpanda, our food delivery partner.



CIMB Islamic collaborated with the Centre for Islamic Economics at International Islamic University Malaysia (IIUM) to provide Islamic microfinance, entrepreneurship training and financial assistance to micro-entrepreneurs from underserved communities within IIUM's student community. The programme benefitted 11 beneficiaries who received grants amounting to RM59,500 in 2022, bringing the total grants since 2018 to RM415,000.

RELIEF INITIATIVES

CIMB Islamic supported various initiatives aimed at alleviating the impact of annual monsoon floods on vulnerable communities. Through a contribution of RM1,000,000 in 2022, CIMB supported several NGOs, including Islamic Relief Malaysia, *Yayasan Dakwah Islamiah Malaysia*, Benevolent Brigade of Malaysia, and *Yayasan Belia Malaysia*, in providing food and non-food items to flood-affected families. This support resulted in assistance being provided to 14,320 beneficiaries from poor backgrounds.



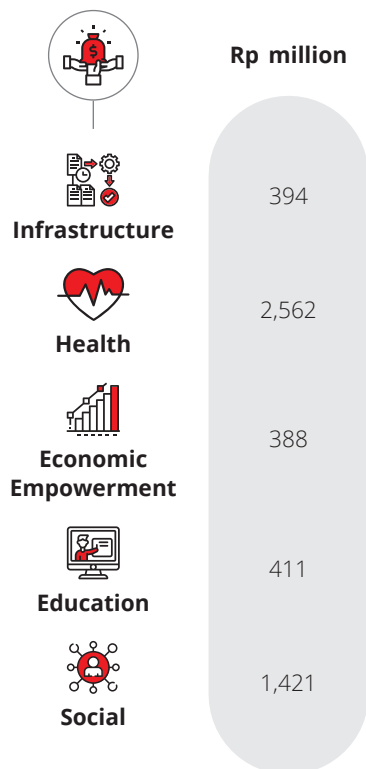
RAMADHAN INITIATIVES

Through *Zakat Wakalah*, CIMB Islamic provided one-off cash contributions to various NGOs to purchase dry food boxes during *Ramadan* and *Syawal* for *asnaf* families, orphans, senior citizens, and students across Malaysia. The RM670,000 contributed in 2022 touched the lives of 10,660 beneficiaries.



CIMB NIAGA SYARIAH DONATION DRIVE

As part of the Syariah Sustainability Week, which ran between 7 to 20 November, a donation drive was conducted to collect clothes, prayer items and Al-Qurans for distribution to *Riyadul Badi'ah*, an Islamic boarding school. Additionally, a total of Rp5.2 billion of *Qardul Hasan* funds were distributed to 213 projects across the impact areas below:



EMPLOYEE VOLUNTEERISM

At CIMB, we believe in the power of employee volunteerism in bringing our values to life. Volunteerism engages CIMBians and leverages their time and skills towards meaningful community contributions, while raising awareness of the issues faced by local communities and in the broader environment.

In 2022, we surpassed our target of investing 100,000 volunteer hours annually by 2024, with a total of 142,914 hours recorded at our key markets as well as at our Hong Kong¹ and Shanghai¹ branches.



Malaysia



**Total
Volunteering
Hours
64,116**



Highlights:

- Partnered with Free Tree Society to help rehabilitate urban forests
- Organised a Ramadhan Shopping event with children from four orphanages
- Planted mangrove trees to restore the natural ecosystem



Indonesia



**Total
Volunteering
Hours
42,243**



Highlights:

- Held a blood donation drive in five cities across six locations during Staff Sustainability Week
- Organised various social programmes in Bandung for our Directors and senior leadership team, who volunteered in a blood donation, education programmes and other school activities



Singapore



**Total
Volunteering
Hours
8,789**



Highlights:

- Went grocery shopping with underserved children using funds raised by employees, with S\$30 contributed to each child
- Prepared, cooked and packed meals at the Willing Hearts soup kitchen, and distributed the meals to households in need
- Packed food items into goodie bags to distribute to sponsored schools, welfare homes and self-collection centres



Thailand



**Total
Volunteering
Hours
23,886**



Highlights:

- Organised a blood donation drive for employees to contribute to local healthcare
- Held a reading session for blind community members
- Implemented the English "Teacher" Programme for employees to teach English to students

¹ Hong Kong and Shanghai recorded a total of 196 volunteering hours



Corporate Citizenship



Cambodia



**Total
Volunteering
Hours
3,245**



Highlights:

- Gathered employees to collect litter and clean up public areas across the city



Vietnam



**Total
Volunteering
Hours
399**



Highlights:

- Held an employee blood donation campaign in support of the healthcare system
- Set up a recycling programme that enables employees to bring new life to their pre-loved clothes
- Support inclusive and equitable quality education



Philippines



**Total
Volunteering
Hours
40**



Highlights:

- Visited an orphanage to distribute food, groceries and other essentials

VOLUNTEERING HIGHLIGHTS

ENGLISH TEACHER VOLUNTEER PROGRAMME (THAILAND)

41 CIMB Thai staff members, including senior management, engaged in a volunteer effort to teach English to students in grades four to six from Wattheprasit School, Samutsongkhram. The classes were delivered online, utilising interactive games to enhance the students' familiarity with the English language. The programme took place from 6 July to 16 September 2022, with classes held three days a week for one hour per day. On 19 November, some of the volunteer teachers visited the school to engage with the students and play English-based games in person.

CIMB FIT WITH PURPOSE (SINGAPORE)

During the virtual CIMB Fit with Purpose fundraising event, CIMB Bank Singapore pledged to donate S\$10 for every hour of employee volunteer time. CIMB Singapore, together with donations raised by staff, contributed a total of S\$106,220 to Rainbow Centre and Family Service Centres under Community Chest.

CREATING A BRIGHTER TOMORROW (VIETNAM)

12 CIMB Vietnam staff members, including senior and middle management employees, engaged in an Action Learning Project to help solve various community problems while learning about compassionate leadership. The team visited Tra Vinh province in the Mekong Delta and collaborated with the Community Library. They interviewed relevant groups such as Primary and Secondary School Management, parents, and children. Then, they suggested, and put into action, a plan to help the community have a stable supply of volunteers for the library's training and extracurricular activities. This would enhance access to quality education for all children in the area.

In addition to the bank's donation of 80 secondhand laptops and ₱50 million to renovate the community library, CIMB Vietnam employees also made their own contributions. This included donating a laptop and ₱10.1 million to purchase 20 headsets and stationeries for the children in the area.

Performance Data

CUSTOMERS

ACCESS TO FINANCIAL SERVICES

NUMBER OF BRANCHES, SELF-SERVICE TERMINALS AND CUSTOMERS

Countries	Categories	Years			
		2019	2020	2021	2022
Malaysia	Branches	234	234	230	217
	Total Self Service Terminals (SSTs)	3,250	3,228	3,107	2,934
Indonesia	Branches	376	352	324	312
	Self-Service Terminals	5,598	5,250	4,481	4,383
Singapore	Branches	2	2	1	1
	Self-Service Terminals	6	6	2	2
Thailand	Branches	69	59	54	53
	Self-Service Terminals	98	-	-	-
Cambodia	Branches	14	14	14	14
	Self-Service Terminals	58	60	60	63
Others ⁶	Branches	3	3	3	3
	Self-Service Terminals	2	2	2	1

1. Malaysia branches excluding Bureau de Change, Trade Service Centres and Trade Desks.
2. Indonesia branches excluding Micro, cash counters and payment points, Payment and Cash Centres, Mobile Cash Vans, and Trade Service Centres.
3. Singapore branches excluding Private Banking and Trade Service Centres.
4. Thailand branches excluding FX Booths, Private Banking and Trade Service Centres. ATM includes passbook update and cash deposit.
5. Cambodia branches excluding Trade Service Centres.
6. Other countries including the Philippines and Vietnam.
7. Self-Service Terminals include ATMs, Cash Deposit Machines, and others.

NUMBER OF CUSTOMERS (MILLION)

Countries	Total Consumer Banking Customers				Total Active Clicks Users				Total Active Mobile App Users			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Malaysia	8.2	8.2	8.1	8.3	3.2	3.9	4.4	4.7	1.9	2.8	2.8	4.1
Indonesia	4.7	4.4	4.1	4.3	0.8	0.9	1.0	1.3	0.5	0.6	0.9	1.1
Singapore	0.3	0.4	0.4	0.4	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2
Thailand	0.5	0.5	0.5	0.6	0.03	0.2	0.1	0.2	0.03	0.2	0.1	0.2
Others ³	1.8	3.2	5.5	7.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A – Not Applicable.

1. The figures reported represent the total number of active digital users, excluding CIMB BizChannel.
2. The figures for Malaysia (2020 and 2021) include Enterprise Banking (EB) customers.
3. Includes our digital bank customers in the Philippines and Vietnam.



Performance Data

CUSTOMERS (CONTINUED)

CUSTOMER EXPERIENCE

Indicators		Years			
		2019	2020	2021	2022
Net Promoter Score (NPS)		Top 48%	Within 72%	Within 54%	Within 74%
Customer Satisfaction	Malaysia	85%	87%	84%	82%
	Indonesia	83%	81%	85%	93%
	Singapore	N/A	N/A	87%	88%
	Thailand	N/A	N/A	99%	95%

N/A – Not Available.

1. The NPS indicator is the ranking for General Retail Banking, calculated using a weighted average of NPS ranking across Malaysia, Indonesia, Singapore and Thailand, with reference based on CIMB's operating income.
2. Customer satisfaction measures the percentage of customers who rated "satisfied" or "extremely satisfied" with their overall experience with the bank in the General Retail Banking survey conducted across countries. In Malaysia, Singapore and Thailand, the answer is based on a 5-point scale (whereby customer satisfaction is based on those who rated us 4 or 5), whereas in Indonesia, the answer is based on a 10-point scale (whereby customer satisfaction is based on those who rated us 8 to 10).

SUSTAINABLE FINANCE

GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES

Products and Services	Definitions and Notes	Years			
		2019	2020	2021	2022
MALAYSIA (RM mil)					
Consumer Banking (Financial Inclusion¹)					
Home Financing	Financing disbursed ²	1,602.7	1,839.0	2,039.1	2,458.6*
Car/motorcycle Financing	Financing disbursed	2,557.0	2,509.7	2,390.0	3,184.3*
Personal Financing	Financing disbursed	907.2	205.8	224.6	539.7*
Unit Trust Financing	Financing disbursed	2,652.8	1,953.6	2,533.9	2,852.1*
Consumer Banking (Green and Social Financing)					
Green Home Financing	Financing disbursed ⁴	N/A	148.1	236.2	330.6
Green Car/Motorcycle Financing	Financing disbursed ⁴	-	20.1	39.3	215.0
Environmental-focused Deposits Account ^{3,1}	Growth in balances	300.0	477.8	622.3	189.5
	Deposits in account	730.3	1,208.1	1,830.4	2,020.0
Sustainability Waqf ^{3,1}	Total portfolio balances	-	-	-	-
Wealth Management					
Private Banking ESG Funds	New fund sales	N/A	N/A	17.0	14.8
Consumer Banking ESG Funds	New fund sales	-	24.3	217.9	23.8
Commercial Banking					
Micro and Small Enterprise Financing (financial inclusion)	Financing committed ^{3,2}	N/A	1,162.0	723.9	2,039.7
Green, Social, and Sustainable Financing	Financing committed ^{3,2}	N/A	31.0	30.1	165.8
Sustainable Term Investment Account-j ^{3,5}	Placement amount	-	-	-	523.2
Wholesale Banking					
Sustainable Bonds/Sukuk	Apportioned issuance amount ^{3,3}	N/A	100.0	5,321.4	2,724.0
Green, Social, and Sustainable Financing ⁵	Financing committed ^{3,4}	N/A	970.0	5,102.1 ⁶	4,218.7
Sustainability Linked Treasury Products	Notional amount	-	-	-	664.0
Total^{3,6}		8,019.7	9,441.4	19,497.8	19,431.2

N/A - Not Available.

- Refer to page 108 for information on the financing of various products (e.g., home, car) for lower-income individuals.
 - Home financing for B40 in Malaysia excludes financing for homes priced above RM500,000; for Indonesia, low income individuals are defined as individuals who earn an income of up to Rp8 million for FY2022 onwards.
 - Following the new Sustainable Finance Classification Guiding Principles (see page 101 for details):
 - This product is no longer counted towards the Group's RM60 billion Sustainable Finance target for FY2022 onwards.
 - Amount recognised for FY2022 onwards changed from financing disbursed to financing committed.
 - Amount recognised for FY2022 onwards changed from issuance amount to apportioned value of CIMB's participation in underwriting the issuance ("apportioned issuance amount") as accredited by Bloomberg's League Tables.
 - Amount recognised for FY2022 onwards changed from financing accepted to financing committed.
 - This product is indicated for reference but does not count towards the Group's RM60 billion Sustainable Finance target.
 - Total for 2022 excludes deposits and term investment accounts.
 - Some green homes and green car/motorcycle financing may also be captured under B40 financing, although the incidence is low.
 - Includes sustainability-linked loans accepted by Corporate Banking clients and fees received for advisory.
 - Restated from SR2021 following a thorough review and revised definition of GSSIPS eligibility criteria.
- * This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178



Performance Data

CUSTOMERS (CONTINUED)

SUSTAINABLE FINANCE (CONTINUED)

GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES (CONTINUED)

Products and Services	Definitions and Notes	Years			
		2019	2020	2021	2022
INDONESIA, SINGAPORE, THAILAND AND CAMBODIA (RM mil)					
Consumer Banking (Financial Inclusion¹)					
Home Financing	Financing disbursed ²	N/A	248.6	317.4	1,085.3
Car/motorcycle Financing	Financing disbursed	N/A	220.1	138.4	320.3
Personal Financing	Financing disbursed	N/A	N/A	N/A	231.3
Unit Trust Financing	Financing disbursed	N/A	N/A	N/A	N/A
Consumer Banking (Green and Social Financing)					
Green Home Financing	Financing disbursed ⁴	-	11.1	16.2	19.8
Green Car/Motorcycle Financing	Financing disbursed ⁴	-	4.3	9.0	16.9
<i>Environmental-focused Deposits Account^{3.1}</i>	<i>Growth in balances</i>	-	-	-	-
	<i>Deposits in account</i>	-	-	-	-
<i>Sustainability Waqf^{3.1}</i>	<i>Total portfolio balances</i>	-	1.8	43.3	19.8
Wealth Management					
Private Banking ESG Funds	New fund sales	N/A	105.0	61.4	16.9
Consumer Banking ESG Funds	New fund sales	-	0.3	0.6	588.5
Commercial Banking					
Micro and Small Enterprise Financing (financial inclusion)	Financing committed ^{3.2}	N/A	800.9	1,329.9	1,623.6
Green, Social, and Sustainable Financing	Financing committed ^{3.2}	N/A	47.6	92.3	87.4
<i>Sustainable Term Investment Account-i^{3.5}</i>	<i>Placement amount</i>	-	-	-	-
Wholesale Banking					
Sustainable Bonds/Sukuk	Apportioned issuance amount ^{3.3}	-	-	3,491.4	1,880.8
Green, Social, and Sustainable Financing ⁵	Financing committed ^{3.4}	N/A	N/A	1,541.9	2,463.3
Sustainability Linked Treasury Products	Notional amount	-	-	-	-
Total^{3.6}		N/A	1,439.7	7,041.8	8,334.1

N/A - Not Available.

1. Refer to page 108 for information on the financing of various products (e.g., home, car) for lower-income individuals.

2. Home financing for B40 in Malaysia excludes financing for homes priced above RM500,000; for Indonesia, low income individuals are defined as individuals who earn an income of up to Rp8 million for FY2022 onwards.

3. Following the new Sustainable Finance Classification Guiding Principles (see page 101 for details):

3.1 This product is no longer counted towards the Group's RM60 billion Sustainable Finance target for FY2022 onwards.

3.2 Amount recognised for FY2022 onwards changed from financing disbursed to financing committed.

3.3 Amount recognised for FY2022 onwards changed from issuance amount to apportioned value of CIMB's participation in underwriting the issuance ("apportioned issuance amount") as accredited by Bloomberg's League Tables.

3.4 Amount recognised for FY2022 onwards changed from financing accepted to financing committed.

3.5 This product is indicated for reference but does not count towards the Group's RM60 billion Sustainable Finance target.

3.6 Total for 2022 excludes deposits and term investment accounts.

4. Some green homes and green car/motorcycle financing may also be captured under B40 financing, although the incidence is low.

5. Includes sustainability-linked loans accepted by Corporate Banking clients and fees received for advisory.

6. Restated from SR2021 following a thorough review and revised definition of GSSIPS eligibility criteria.

* This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178

GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES (CONTINUED)

Products and Services	Definitions and Notes	Years			
		2019	2020	2021	2022
TOTAL FOR MALAYSIA, INDONESIA, SINGAPORE, THAILAND AND CAMBODIA (RM mil)					
Consumer Banking (Financial Inclusion¹)					
Home Financing	Financing disbursed ²	1,602.7	2,087.6	2,356.5	3,543.9
Car/motorcycle Financing	Financing disbursed	2,557.0	2,729.7	2,528.4	3,504.6
Personal Financing	Financing disbursed	907.2	205.8	224.6	771.1
Unit Trust Financing	Financing disbursed	2,652.8	1,953.6	2,533.9	2,852.1
Consumer Banking (Green and Social Financing)					
Green Home Financing	Financing disbursed ⁴	N/A	159.2	252.4	350.5
Green Car/Motorcycle Financing	Financing disbursed ⁴	-	24.4	48.3	231.8
Environmental-focused Deposits Account ^{3.1}	Growth in balances	300.0	477.8	622.3	189.5
	Deposits in account	730.3	1,208.1	1,830.4	2,020.0
Sustainability Waqf ^{3.1}	Total portfolio balances	-	1.8	43.3	19.8
Wealth Management					
Private Banking ESG Funds	New fund sales	N/A	105.0	78.4	31.7
Consumer Banking ESG Funds	New fund sales	-	24.6	218.5	612.4
Commercial Banking					
Micro and Small Enterprise Financing (financial inclusion)	Financing committed ^{3.2}	N/A	1,962.9	2,053.8	3,663.3
Green, Social, and Sustainable Financing	Financing committed ^{3.2}	N/A	78.6	122.4	253.2
Sustainable Term Investment Account- ^{3.5}	Placement amount	-	-	-	523.2
Wholesale Banking					
Sustainable Bonds/Sukuk	Apportioned issuance amount ^{3.3}	N/A	100.0	8,812.8	4,604.8
Green, Social, and Sustainable Financing ⁵	Financing committed ^{3.4}	N/A	970.0	6,644.0 ⁶	6,682.0
Sustainability Linked Treasury Products	Notional amount	-	-	-	664.0
Total^{3.6}		8,019.7	10,881.0	26,539.6	27,765.3

N/A - Not Available.

1. Refer to page 108 for information on the financing of various products (e.g., home, car) for lower-income individuals.
 2. Home financing for B40 in Malaysia excludes financing for homes priced above RM500,000; for Indonesia, low income individuals are defined as individuals who earn an income of up to Rp8 million for FY2022 onwards.
 3. Following the new Sustainable Finance Classification Guiding Principles (see page 101 for details):
 - 3.1 This product is no longer counted towards the Group's RM60 billion Sustainable Finance target for FY2022 onwards.
 - 3.2 Amount recognised for FY2022 onwards changed from financing disbursed to financing committed.
 - 3.3 Amount recognised for FY2022 onwards changed from issuance amount to apportioned value of CIMB's participation in underwriting the issuance ("apportioned issuance amount") as accredited by Bloomberg's League Tables.
 - 3.4 Amount recognised for FY2022 onwards changed from financing accepted to financing committed.
 - 3.5 This product is indicated for reference but does not count towards the Group's RM60 billion Sustainable Finance target.
 - 3.6 Total for 2022 excludes deposits and term investment accounts.
 4. Some green homes and green car/motorcycle financing may also be captured under B40 financing, although the incidence is low.
 5. Includes sustainability-linked loans accepted by Corporate Banking clients and fees received for advisory.
 6. Restated from SR2021 following a thorough review and revised definition of GSSIPS eligibility criteria.
- * This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178



Performance Data

CUSTOMERS (CONTINUED)

SUSTAINABLE FINANCE (CONTINUED)

RENEWABLE ENERGY FINANCING

Countries	Definitions and Notes	Years			
		2019	2020	2021	2022
Malaysia	Financing outstanding ¹ (RM mil)	N/A	666.9	433.0	165.6
Indonesia, Singapore, Thailand and Cambodia	Financing outstanding ¹ (RM mil)	N/A	132.0	94.0	221.5
Total	Financing outstanding ¹ (RM mil)	N/A	798.9	527.0	387.1

1. Data for 2021 to 2022 includes contingencies while the figure in 2020 excludes them.

2. Includes financing provided to both Corporate and Commercial Banking clients.

3. Renewable energy financing numbers here are a subset of the Green, Social, Sustainable Products and Services above, and displayed separately here for further clarity and transparency.

SUSTAINABLE FINANCING POLICY, ENHANCED DUE DILIGENCE OUTCOMES

Countries	Enhanced Sustainability Due Diligence (ESDD) Cases, Outcomes and Action Plans	Years			
		2019	2020	2021	2022
Malaysia	Number of cases	39	125	97	118
	<i>Recommended with Approval</i>	66.7%	92.0%	82.5%	66.1%
	<i>Recommended for Approval with Action Plans</i>	28.2%	8.0%	16.5%	33.1%
	<i>Not Recommended due to Elevated Risk</i>	5.1%	0.0%	1.0%	0.8%
	Clients ¹ with E&S action plans due	–	8	9	18
	<i>Action plans completed¹</i>	–	87.5%	88.9%	94.4%
Indonesia	Number of cases	–	50	246	295
	<i>Recommended with Approval</i>	–	82.0%	87.4%	83.4%
	<i>Recommended for Approval with Action Plans</i>	–	12.0%	12.2%	16.3%
	<i>Not Recommended due to Elevated Risk</i>	–	6.0%	0.4%	0.3%
	Clients ¹ with E&S action plans due	–	–	–	2
	<i>Action plans completed¹</i>	–	N/A	N/A	100.0%

N/A - Not Applicable

1. Numbers are counted based on ESDD cases with action plans due in order to cover various due action plans under the same client. E.g., Case 1 (Client A) with an action plan due on reporting year and Case 2 (Client A) with an action plan due on reporting year will be counted as two cases.

2. The Sustainable Financing Policy was implemented in 2020 for Indonesia and Singapore; and in 2021 for Thailand and Cambodia.

SUSTAINABLE FINANCING POLICY, ENHANCED DUE DILIGENCE OUTCOMES (CONTINUED)

Countries	Enhanced Sustainability Due Diligence (ESDD) Cases, Outcomes and Action Plans	Years			
		2019	2020	2021	2022
Singapore	Number of cases	-	4	6	4
	<i>Recommended with Approval</i>	-	75.0% ²	83.3% ²	75.0%
	<i>Recommended for Approval with Action Plans</i>	-	25.0% ²	16.7% ²	25.0%
	<i>Not Recommended due to Elevated Risk</i>	-	0.0%	0.0%	0.0%
	Clients ¹ with E&S action plans due	-	-	-	1
	<i>Action plans completed¹</i>	N/A	N/A	N/A	100.0%
Thailand	Number of cases	-	-	66	24
	<i>Recommended with Approval</i>	-	-	95.5%	95.8%
	<i>Recommended for Approval with Action Plans</i>	-	-	4.5%	4.2%
	<i>Not Recommended due to Elevated Risk</i>	-	-	0.0%	0.0%
	Clients ¹ with E&S action plans due	-	-	-	4
	<i>Action plans completed¹</i>	N/A	N/A	N/A	25.0%
Cambodia	Number of cases	-	-	2	3
	<i>Recommended with Approval</i>	-	-	100.0%	100.0%
	<i>Recommended for Approval with Action Plans</i>	-	-	0.0%	0.0%
	<i>Not Recommended due to Elevated Risk</i>	-	-	0.0%	0.0%
	Clients ¹ with E&S action plans due	-	-	-	-
	<i>Action plans completed¹</i>	N/A	N/A	N/A	N/A

N/A – Not Applicable.

1. Numbers are counted based on ESDD cases with action plans due in order to cover various due action plans under the same client. E.g., Case 1 (Client A) with an action plan due on reporting year and Case 2 (Client A) with an action plan due on reporting year will be counted as two cases.
2. Number of cases with action plans for Singapore have been restated, due to harmonisation of classification method. Previous reported numbers included reviewed cases with prior action plans outstanding, in addition to new action plans recommended.
3. The Sustainable Financing Policy was implemented in 2020 for Indonesia and Singapore; and in 2021 for Thailand and Cambodia.



Performance Data

CUSTOMERS (CONTINUED)

SUSTAINABLE FINANCE (CONTINUED)

SUSTAINABLE FINANCING POLICY, ENHANCED DUE DILIGENCE OUTCOMES (CONTINUED)

Countries	Enhanced Sustainability Due Diligence (ESDD) Cases, Outcomes and Action Plans	Years			
		2019	2020	2021	2022
Total	Number of Enhanced Sustainability Due Diligence (ESDD) Cases	39	179	417	444
	<i>Recommended with Approval</i>	66.7%	88.8% ²	87.5% ²	79.5%
	<i>Recommended for Approval with Action Plans</i>	28.2%	9.5% ²	12.0% ²	20.0%
	<i>Not Recommended due to Elevated Risk</i>	5.1%	1.7%	0.5%	0.5%
	Clients ¹ with E&S action plans due	–	8	9	25
	<i>Action plans completed¹</i>	N/A	87.5%	88.9%	84.0%

N/A – Not Applicable.

- Numbers are counted based on ESDD cases with action plans due in order to cover various due action plans under the same client. E.g., Case 1 (Client A) with an action plan due on reporting year and Case 2 (Client A) with an action plan due on reporting year will be counted as two cases.
- Number of cases with action plans for Singapore have been restated, due to harmonisation of classification method. Previous reported numbers included reviewed cases with prior action plans outstanding, in addition to new action plans recommended.
- The Sustainable Financing Policy was implemented in 2020 for Indonesia and Singapore; and in 2021 for Thailand and Cambodia.

EMPLOYEES

EMPLOYEES, NEW HIRES AND TURNOVER

NUMBER OF EMPLOYEES, BY COUNTRY

Country	2019		2020		2021		2022	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Malaysia	15,820	44.9	15,516	45.4	16,056	48.3	16,180	48.7
Indonesia	13,276	37.7	12,902	37.7	12,022	36.1	11,775	35.4
Singapore	1,279	3.6	1,173	3.4	907	2.7	966	2.9
Thailand	4,042	11.5	3,756	11.0	3,340	10.0	3,268	9.8
Cambodia	388	1.1	419	1.2	449	1.3	461	1.4
Others	427	1.2	417	1.2	491	1.5	602	1.8
Total	35,232	100.0	34,183	100.0	33,265	100.0	33,252	100.0

1. The data covers CIMB branches, entities and subsidiaries within Category 1 to 3 of the Group's Entity Governance Policy.

2. Based on 31 December headcount.

3. 2022 figures include employees whose costs are borne by a third party.

**HIRES, BY COUNTRY, GENDER AND AGE**

Categories		2019		2020		2021		2022	
		Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Country	Malaysia	2,211	14.0	1,640	10.6	1,657	10.3	2,316	14.4
	Indonesia	2,889	21.8	1,736	13.5	976	8.1	1,930	16.4
	Singapore	308	24.1	108	9.2	163	18.0	259	27.6
	Thailand	684	16.9	178	4.7	218	6.5	488	14.8
	Cambodia	74	0.2	76	0.2	82	0.3	80	17.5
	Others	220	0.6	100	0.3	233	0.7	310	56.3
Gender	Male	3,177	9.0	1,950	5.7	1,679	5.0	2,660	8.0
	Female	3,209	9.1	1,888	5.5	1,650	5.0	2,723	8.2
Age	<30	3,587	10.2	2,256	6.6	1,775	5.3	2,706	8.2
	30-50	2,710	7.7	1,529	4.5	1,514	4.6	2,615	7.9
	>50	89	0.3	53	0.2	40	0.1	62	0.2
Overall		6,386	18.1	3,838	11.2	3,329	10.0	5,383	16.3
Percentage of open positions filled by internal candidates (internal hires)²		N/A		39.6%		36.0%		19.8%	

N/A – Not Available

- The rate of new hires for the Country category is calculated based on the respective country's average headcount whereas the overall average headcount is used for the Gender and Age category.
- Open positions filled by internal candidates are shown as a proportion of jobs posted internally and not total new hires. 2022 data includes Malaysia, Indonesia, Singapore, Thailand and Cambodia while 2020 and 2021 data only covers Malaysia.

TURNOVER, BY COUNTRY, GENDER AND AGE

Categories		2019		2020		2021		2022	
		Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Country	Malaysia	2,717	16.7	1,899	12.0	1,702	10.6	2,191	13.6
	Indonesia	2,980	22.4	2,108	16.2	1,857	15.0	2,176	18.5
	Singapore	266	21.2	214	17.2	429	41.9	203	21.6
	Thailand	779	19.1	462	11.8	631	18.1	562	17.1
	Cambodia	53	14.4	45	11.1	49	11.5	69	15.1
	Others	136	37.9	106	25.1	155	35.7	196	35.6
Gender	Male	3,404	9.7	2,393	7.0	2,355	7.0	2,701	8.2
	Female	3,527	10.0	2,441	7.1	2,468	7.3	2,696	8.1
Age	<30	2,309	6.6	1,396	4.1	1,634	4.8	1,865	5.6
	30-50	3,576	10.1	2,698	7.9	2,746	8.1	3,115	9.4
	>50	1,046	3.0	740	2.2	443	1.3	417	1.3
Overall		6,931	19.0	4,834	13.9	4,823	14.3	5,397	16.3
Voluntary turnover		5,330	15.1	3,709	10.9	3,820	11.3	4,456	13.5

- The data is inclusive of CIMB branches, entities and subsidiaries within Category 1 to 3 of the Group's Entity Governance Policy.
- Total employee turnover is a sum of voluntary (e.g., resignation) and involuntary (e.g., end of contract, dismissal, death, retirement) turnover, excluding transfers to other CIMB entities, which is outside of the scope of this table.
- The rate of turnover for the Country category is calculated based on the respective country's average headcount whereas the overall average headcount is used for the Gender and Age category.



Performance Data

EMPLOYEES (CONTINUED)

DIVERSITY AND INCLUSION

NUMBER OF EMPLOYEES, BY JOB CATEGORY AND GENDER

Job Category	Gender	2019		2020		2021		2022	
		Number	% Split	Number	% Split	Number	% Split	Number	% Split
Non-Management	Male	3,060	44.7	2,799	45.4	2,590	47.1	2,353	47.7
	Female	3,791	55.3	3,371	54.6	2,905	52.9	2,576	52.3
Junior Management	Male	9,263	41.1	9,024	40.6	8,773	39.9	8,767	39.6
	Female	13,294	58.9	13,176	59.4	13,220	60.1	13,361	60.4
Middle Management	Male	2,176	50.5	2,163	50.7	2,165	50.7	2,353	50.6
	Female	2,135	49.5	2,101	49.3	2,102	49.3	2,295	49.4
Senior Management	Male	782	54.4	842	56.7	819	56.5	830	56.1
	Female	655	45.6	644	43.3	630	43.5	649	43.9
Key Management	Male	57	75.0	49	77.8	45	73.8	47	69.1
	Female	19	25.0	14	22.2	16	26.2	21	30.9
Total		35,232		34,183		33,265		33,252	

PERSON WITH DISABILITIES (PWD) WORKFORCE

	2019	2020	2021	2022
Hired Workforce	13	13	13	13

PERCENTAGE OF EMPLOYEES, BY NATIONALITY

Job Category	2022											
	Malaysian		Indonesian		Thai		Singaporean		Cambodian		Others	
Non-Management	2,021	12.4%	2,422	20.6%	259	7.9%	4	0.5%	82	17.8%	141	21.2%
Junior Management	11,091	67.8%	7,574	64.3%	2,382	73.1%	412	55.7%	317	68.9%	352	53.0%
Middle Management	2,247	13.7%	1,527	13.0%	495	15.2%	217	29.3%	49	10.7%	113	17.0%
Senior Management	934	5.7%	249	2.1%	123	3.8%	105	14.2%	11	2.4%	57	8.6%
Key Management	54	0.3%	10	0.1%	0	0.0%	2	0.3%	1	0.2%	1	0.2%
Total¹	16,347	49.2%	11,782	35.4%	3,259	9.8%	740	2.2%	460	1.4%	664	2.0%

1. Total percentages by nationality are based on 31 December 2022 headcount (33,252).

MANAGEMENT EMPLOYEES IN REVENUE GENERATING FUNCTIONS, BY COUNTRY AND GENDER

Country	Gender	2019		2020		2021		2022	
Malaysia	Male	N/A	N/A	316	52.2%	322	53.2%	301	52.7%
	Female	N/A	N/A	289	47.8%	283	46.8%	270	47.3%
Indonesia	Male	N/A	N/A	490	53.1%	441	52.4%	447	53.9%
	Female	N/A	N/A	433	46.9%	401	47.6%	383	46.1%
Singapore	Male	N/A	N/A	34	69.4%	27	71.1%	35	68.6%
	Female	N/A	N/A	15	30.6%	11	28.9%	16	31.4%
Thailand	Male	N/A	N/A	72	54.5%	101	53.4%	108	56.0%
	Female	N/A	N/A	60	45.5%	88	46.6%	85	44.0%
Cambodia	Male	N/A	N/A	13	50.0%	15	53.6%	15	51.7%
	Female	N/A	N/A	13	50.0%	13	46.4%	14	48.3%
Total	Male	N/A	N/A	925	53.3%	906	53.2%	906	54.1%
	Female	N/A	N/A	810	46.7%	796	46.8%	768	45.9%

N/A – Not Available.

1. Management employees refer to employees within junior to key management job categories with supervisory roles.

RATIO OF REMUNERATION BETWEEN MALE AND FEMALE, BY JOB CATEGORY

Job Category	Gender	2019	2020	2021					2022				
		Malaysia	Malaysia	Malaysia	Indonesia	Singapore	Thailand	Group	Malaysia	Indonesia	Singapore	Thailand	Group
Non-Management	Male	1.00	1.00	1.00	1.00	N/A	1.00	1.00	1.00	1.00	N/A	1.00	1.00
	Female	1.11	0.99	0.99	1.04	N/A	1.02	1.00	1.00	1.08	N/A	1.00	1.01
Junior Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	1.02	1.06	1.07	1.01	1.00	1.02	1.04	1.08	1.00	1.00	1.01	1.05
Middle Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.93	0.94	0.94	1.00	0.98	1.02	0.97	0.94	1.00	0.98	1.04	0.98
Senior Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.89	0.97	0.96	1.05	0.97	0.95	0.97	0.98	1.03	0.95	0.96	0.98
Key Management	Male	1.00	1.00	1.00	1.00	N/A	N/A	1.00	1.00	1.00	N/A	N/A	1.00
	Female	0.83	1.00	1.00	0.72	N/A	N/A	1.00	0.96	1.06	N/A	N/A	0.98
Overall	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.82	1.01	1.01	1.01	0.98	1.01	1.01	1.02	1.00	0.97	1.01	1.01

N/A – If there are no employees in this category, or only employees of one gender.

1. Pay ratios for 2021, 2020 and 2022 are shown as men's base pay: women's pay, with men's pay indexed to 1 and weighted average across business units, business enablers and population size.
2. Pay ratios for 2019 are shown as men's base pay: women's pay, with men's pay indexed to 1 and uses a simple average across business units, business enablers and population size.
3. Excludes iCIMB/Touch n Go entities (Malaysia) and subsidiaries of CIMB Niaga.
4. Excludes secondees/expatriates/country CEOs/GCEO/contract staff.



Performance Data

EMPLOYEES (CONTINUED)

TRAINING

TRAINING INVESTMENT IN RM MILLION

Country	2019	2020	2021	2022
Malaysia	55.4	46.2	36.2	45.6
Indonesia	81.5	43.6	42.4	45.5
Singapore	0.8	-0.21 ¹	0.9	1.8
Thailand	3.3	4.2	2.3	2.6
Cambodia	0.1	0.2	0.02	0.2
Total	141.1	94.0	81.8	95.8

1. The negative training investment amount for SG is mainly due to the reimbursement of the Financial Sector Development Fund (FSDf) and Institute of Banking and Finance Singapore (IBF) fundings and training allowance grants and SkillsFuture Singapore (SSG) subsidies received. Some of the reimbursements were for 2019's training.
2. Malaysia numbers exclude Touch N' Go.

TRAINING HOURS IN '000, BY COUNTRY

Country	2019	2020	2021	2022
Malaysia	1,270	1,160	1,088	809
Indonesia	1,565	1,601	1,094	1,644
Singapore	35	58	40	42
Thailand	124	178	175	138
Cambodia	14	11	17	16
Total	3,008	3,008	2,413	2,650

1. Malaysia numbers exclude Touch N' Go.

AVERAGE TRAINING HOURS PER EMPLOYEE, BY COUNTRY

Country	2019	2020	2021	2022
Malaysia	80	75	69	51
Indonesia	118	124	88	140
Singapore	28	49	39	45
Thailand	31	47	50	42
Cambodia	34	26	40	35
Total	86	89	73	82

1. Malaysia numbers exclude Touch N' Go.

AVERAGE TRAINING HOURS PER EMPLOYEE, BY JOB CATEGORY AND GENDER¹

Job Category	Gender	2019	2020	2021	2022
Non-Management	Male	51	51	34	63
	Female	77	74	45	70
Junior Management	Male	95	104	85	96
	Female	94	101	81	88
Middle Management	Male	80	70	65	65
	Female	84	70	71	67
Senior Management	Male	68	52	67	54
	Female	72	60	76	58
Key Management	Male	59	61	87	59
	Female	54	49	99	59
Overall	Male	83	86	72	83
	Female	89	91	74	82

1. Malaysia (excluding Touch N' Go), Indonesia, Singapore, Thailand and Cambodia.

EMPLOYEES TRAINED¹ ON SUSTAINABILITY ISSUES

Country	2019	2020	2021	2022
Malaysia	1,736	658	2,692	2,988
Indonesia	447	215	422	458
Singapore	85	210	210	450
Thailand	N/A	55	111	460
Cambodia	N/A	49	30	42
Other	N/A	36	29	18
Total	2,268	1,223	3,494	4,416

N/A - Not Available.

1. Excluding compulsory e-learning.



Performance Data

EMPLOYEES (CONTINUED)

TRAINING (CONTINUED)

KEY COMPULSORY E-LEARNING MODULES

Course Title	Compliance Frequency	Percentage of Staff Completed (%)			
		2019	2020	2021	2022
Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT)	Annual	99.1	93.2	93.3	98.2
Financial Services Act/Islamic Financial Services Act (FSA/IFSA) (Malaysia)	Half-yearly	97.9	96.1	97.8	98.6
Introduction to Competition Act 2010 (Malaysia)	One-off	96.2	96.5	99.0	98.4
Shariah Governance Framework (Malaysia)	One-off	99.9	99.7	99.6	98.9
Risk Appetite Principles (Malaysia and Singapore)	One-off	99.9	99.8	99.7	98.9
Operational Risk Management	One-off	99.8	99.8	99.3	97.6
Data Protection (Malaysia and Singapore)	One-off	98.6	99.3	99.1	98.6
Information Security Awareness	Annual	98.4	99.3	99.0	98.1
Business Continuity Management (BCM)	Every 2 years	N/A	99.4	98.9	98.0
Introduction to Customer Experience (CX)	One-off	99.9	99.8	98.5	97.0
Digital and Data	One-off	N/A	97.7	98.7	97.2

N/A - Not Available.

1. Malaysia, Indonesia, Singapore and Thailand, unless otherwise stated.

HEALTH, SAFETY AND WELL-BEING

ABSENTEEISM RATE, BY COUNTRY

Country	2019	2020	2021	2022*
Malaysia	2.32%	1.68%	1.63%	2.08%
Indonesia	N/A	0.08%	0.16%	0.21%
Singapore	1.72%	1.67%	1.59%	2.20%
Thailand	1.21%	0.64%	0.70%	1.22%
Cambodia	N/A	0.32%	0.67%	1.40%
Total	1.89%	0.95%	0.97%	1.30%

N/A - Not Available.

* This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178

OCCUPATIONAL SAFETY AND HEALTH INDICATORS¹

Indicators	2019	2020	2021	2022
Accident with Fatality	0	0	0	0
Accident with Lost Work Days	2	1	0	1
Accident without Lost Work Days	0	0	0	0
Total Number of Accidents	2	1	0	1
Total Work Days Lost	10	34	0	5
Fatality Rate	0	0	0	0
Number of Safety and Health Training Sessions	18	5	3	19
Number of Employees Trained on Safety And Health	430	96	146	725

1. 2019 figures cover Malaysia only, while 2020, 2021 and 2022 figures cover the whole Group.

EMPLOYEE ASSISTANCE, WORK-LIFE BENEFITS AND THEIR TAKE-UP RATES

Initiatives	2019	2020	2021	2022
Staff Rejuvenation Programme	83	45	57	73
Medical Leave without Medical Certificate	2,332	3,693	8,297	7,263
Financial Assistance for Staff with Special Needs Children	135	124	120	136
Financial Support for Single Parents	29	16	13	13
0% Home Financing	293	70	65	41
Flex4All	309	223	1,295	1,101
Reduced Work Week	5	4	7	2
Flex4Sustainability	2	0	1	1
Extended Maternity Leave	133	89	24	19
Paternity Leave	90	250	296	333
Flex4Moms	35	15	1	3
Child Care Subsidy	3,845	1,267	1,149	1,185



Performance Data

SUPPLIERS

NUMBER OF SUPPLIERS, BY COUNTRY

Types	Total Suppliers	Local Suppliers (%)	Total Suppliers	Local Suppliers (%)	Total Suppliers	Local Suppliers (%)	Total Suppliers	Local Suppliers (%)
Country	2019		2020		2021		2022	
Malaysia	819	88	1,242	89	783	89	610	89
Indonesia	435	97	430	93	454	92	478	92
Singapore	N/A	N/A	248	75	322	76	197	73
Thailand	N/A	N/A	319	90	470	90	218	82
Total	1,254	91	2,239	88	2,029	88	1,503	87

N/A - Not Available.

- 2019 and 2020 numbers stated include all suppliers registered on our e-Procurement Portal.
- From 2021 onwards, the total number of suppliers in Malaysia and Thailand only includes actively engaged suppliers with Purchase Orders issued during the year.
- The number of suppliers from 2021 onwards for Singapore and Thailand includes all active suppliers on our e-Procurement Portal.

COMMUNITY

CORPORATE SOCIAL RESPONSIBILITY INVESTMENTS

CONTRIBUTION IN RM MILLION, BY COUNTRY

Country		2019	2020	2021	2022
Malaysia	CIMB Foundation	21.9	11.1	14.0	18.8
	Non-CIMB Foundation	16.3	11.8	11.9	10.8
Indonesia		4.7	4.8	2.3	4.1
Singapore		1.7	-0.1	0.1	0.3
Thailand		1.1	1.3	0.2	0.2
Cambodia		N/A	N/A	0.2	0.2
Vietnam		N/A	N/A	0.1	0.1
Others		0.1	0.4	-	-
Total		45.8	29.3	28.7	34.4

N/A - Not Available.

- Contribution from Malaysia excludes Zakat contribution from CIMB Islamic from 2021 figures and onwards.
- Singapore contribution in 2020 was negative despite donations made to the local communities. This is due to the adjustment to the running cost made in that year.
- 2019 and 2020 figures reflect total amount approved, while figures from 2021 onwards represent disbursements, and excludes operating costs. We have updated our reporting definitions to more closely align to impacts created.

TOTAL CONTRIBUTION, BY STRATEGIC PILLAR IN RM MILLION

Programmes	2019	2020	2021	2022
Education	15.1	11.1	17.1	19.0
Health and Community Well-being	29.1	17.7	9.1	9.1
Economic Empowerment	0.6	0.3	0.8	1.3
Climate and Environment	1.0	0.2	1.7	5.0
Total	45.8	29.3	28.7	34.4

1. 2021 and 2022 data excludes operating costs.

2. 2019 and 2020 figures reflect total amount approved, while 2021 and 2022 figures represents disbursements. We have updated our reporting definitions to more closely align to impacts created.

SOCIAL IMPACT VIA FINANCIAL LITERACY PROGRAMMES

Programmes	Total Participants				Improvement in Financial Literacy Awareness (%)			
	2019	2020	2021	2022	2019	2020	2021	2022
AMDB	5,217	7,451	1,765	6,374	67%	7% ³	12% ³	7%
TDB	998	2,960	1,201	3,878	78%	11% ³	10% ³	16%
Be\$mart	6,013	3,811	1,458	771	149%	142%	133%	177%*
Total	12,228	14,222	4,424	11,023				

1. AMDB – Ayo Menabung dan Berbagi.

2. TDB – Tour De Bank.

3. Improvements in financial literacy awareness via AMDB and TDB were significantly lower in 2020 and 2021 due to challenges associated with online sessions and limited connectivity which in turn impacted the learning experience of our participants.

* This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178

EMPLOYEE VOLUNTEERISM

Indicators	2019	2020	2021	2022
Total Employee Volunteers	1,170	1,563	12,051	23,920
Total Volunteer Hours	6,580	4,216	67,278	142,914
Average Volunteer Hours/Employee	0.2	0.1	2.0	4.3
Flex4Sustainability Take-Up for Volunteering Purposes	2	0	1	0

1. Coverage expanded and now comprise Malaysia, Indonesia, Singapore, Thailand, Cambodia, Vietnam, Philippines, Hong Kong and Shanghai for 2022.

2. Flex4Sustainability is only available in Malaysia.



Performance Data

ENVIRONMENT

GREENHOUSE GAS (GHG) EMISSIONS

ORGANISATIONAL BOUNDARY

Our methodology takes into account the following GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). CH₄, N₂O, and HFCs were converted into CO₂ equivalents based on their global warming potential from the IPCC Fifth Assessment Report. CIMB Group's consolidation and reporting on GHG emissions is based on the "control approach" i.e., we will account for 100% of emissions only from our operations where we have direct operational control.

For 2022, we have included direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) for Malaysia (excluding Touch 'n Go), Indonesia, Singapore, Thailand and Cambodia. For other operational indirect GHG emissions (Scope 3), purchased water (Category 1), waste generated from operations (Category 5) and business travel (Category 6) emissions are taken into account in the calculation. Scope 3 - Category 15 covering investment and financed emissions are also disclosed in this section for completeness.

PROPERTIES WITHIN THE OPERATIONAL BOUNDARY

Country	2019	2020	2021	2022
Malaysia ¹	Menara CIMB Menara Southern Bank Akademi CIMB Putra Menara UAB Bangunan CIMB Wisma CIMB Menara Bumiputra Commerce (CIMB vacated in April 2019) Plaza Pantai Bangsar South	Menara CIMB Menara Southern Bank Akademi Nazir Razak Menara UAB Bangunan CIMB Wisma CIMB Plaza Pantai Bangsar South	Menara CIMB Menara Southern Bank Akademi Nazir Razak Menara UAB-CIMB Bangunan CIMB Wisma CIMB Plaza Pantai Bangsar South	Menara CIMB Menara Southern Bank Akademi Nazir Razak Menara UAB-CIMB Bangunan CIMB (closed in September 2022) Wisma CIMB CIMB Hub (starting July 2022) Plaza Pantai (closed in October 2022) Bangsar South (closed in October 2022)
	259 branches* in Peninsular, Sabah, Sarawak and Labuan	233 branches* in Peninsular, Sabah, Sarawak and Labuan	230 branches* in Peninsular, Sabah, Sarawak and Labuan	217 branches* in Peninsular, Sabah, Sarawak and Labuan
Indonesia	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Gedung CIMB Niaga Cikarang Pondok Indah Icon Sentraya	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Gedung CIMB Niaga Cikarang Pondok Indah Icon Sentraya	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Menara Sentraya Berita Satu Plaza Dynaplast Building	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Menara Sentraya Berita Satu Plaza Dynaplast Building
	451 branches* (including mobile branches)	451 branches* (including mobile branches)	412 branches* in Indonesia (including mobile branches)	401 branches* in Indonesia (including mobile branches)

1. Malaysia boundary excludes Touch 'n Go.

* Partial emissions from both closed and newly opened branches throughout the year are accounted for all stated years.

PROPERTIES WITHIN THE OPERATIONAL BOUNDARY (CONTINUED)

Country	2019	2020	2021	2022
Singapore	Singapore Land Tower Park Hotel Orchard Changi @ Plaza 8	Singapore Land Tower Park Hotel Orchard Changi @ Plaza 8	Singapore Land Tower Park Hotel Orchard (closed in July 2021) Changi @ Plaza 8 30 Raffles Place (starting November 2021)	Changi @ Plaza 8 30 Raffles Place
	2 branches*	2 branches*	1 branch*	1 branch*
Thailand	CIMB Thai Langsuan Building 5 & 6 Floor ThaiSri 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza CIMB Thai DR site Suksawat Gen set 1 and 2 (removed)	CIMB Thai Langsuan Building 5 & 6 Floor ThaiSri 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza	CIMB Thai Langsuan Building CIMB Thai DR-Site Suksawat 5 & 6 Floor ThaiSri (Closed in June 2021) 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza	CIMB Thai Langsuan Building CIMB Thai DR-Site Suksawat 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza
	61 branches*	53 branches*	54 branches*	53 branches*
Cambodia	GT Tower Norodom North Exchange Square	GT Tower Norodom North Exchange Square	GT Tower Norodom North Exchange Square	GT Tower Norodom North Exchange Square
	14 branches*	14 branches*	14 branches*	14 branches*

1. Malaysia boundary excludes Touch 'n Go.

* Partial emissions from both closed and newly opened branches throughout the year are accounted for all stated years.

TOTAL ENERGY CONSUMPTION

Types of Energy Consumption (MWh)	2019	2020	2021	2022
Non-Renewable Electricity Purchased	129,484.1	117,375.5	107,089.4	113,386.9*
Renewable Electricity Purchased	0.0	0.0	0.0	12.4
Energy Consumption – Gen set ¹	1,481.7	646.3	350.8	445.1*
Energy Consumption – Transportation ^{1, 2}	16,974.8	7,614.4	18,597.9	6,894.8*
Total³	147,940.6	125,636.2	126,038.1	120,726.8*

1. Petrol and diesel consumption: Gross calorific values for liquid fuels used for energy conversion was based on Carbon Trust (2020).

2. This covered diesel and petrol used in company-owned vehicles.

3. Total does not include renewable electricity purchased.

* This data was assured by KPMG (excluding Thailand and Cambodia for non-renewable electricity purchased). Read the full Statement of Assurance on pages 174 to 178



Performance Data

ENVIRONMENT (CONTINUED)

GREENHOUSE GAS (GHG) EMISSIONS (CONTINUED)

TOTAL GHG EMISSIONS

Scope (tCO ₂ e)	2019	2020	2021	2022	Reduction in GHG Emissions (%) 2022 vs 2019	Absolute Emission Targets for 2022
Direct GHG emissions (Scope 1)	4,997.9	2,195.8	5,023.9	2,620.0*	47.6	4,997.9
Indirect GHG emissions (Scope 2)	89,836.0	81,754.5	66,941.0	71,416.2*	20.5	75,610.9
Other indirect GHG emissions (Scope 3), excluding Category 15 ¹	161.4	165.2	189.4	4,241.7	N/A	N/A
Other indirect GHG emissions (Scope 3), category 15 – financed emissions	14,488,924.1	13,855,810.2	13,810,649.8	N/A	N/A	N/A
Total (Scope 1 + 2) GHG emissions	94,833.9	83,950.3	71,964.9	74,036.2*	21.9	80,608.8
Total (Scope 1+2+3) GHG Emissions	14,583,919.4	13,939,925.6	13,882,804.2	78,277.9	N/A	N/A

N/A – Not Available.

* This data was assured by KPMG (excluding Scope 2 for Thailand and Cambodia). Read the full Statement of Assurance on pages 174 to 178

1. Scope 3 GHG emissions, excluding Category 15, increased considerably due to the inclusion of business travel and waste disposed emissions into the boundary from 2022 onwards.

DIRECT GHG EMISSIONS (SCOPE 1) (tCO₂e)

Country	Categories	2019	2020	2021	2022*
Malaysia	Genset Emissions	22.6	17.6	12.1	31.9
	Transportation Emissions	155.8	65.6	40.8	40.9
	Refrigerant Emissions	14.4	72.6	79.6	580.3
	Total Direct Emissions (Scope 1)	192.8	155.9	132.5	653.1
Indonesia	Genset Emissions	334.6	133.3	67.1	211.0
	Transportation Emissions	3,110.6	1,086.3	4,245.9	1,226.8
	Refrigerant Emissions	N/A	N/A	N/A	N/A
	Total Direct Emissions (Scope 1)	3,445.2	1,219.6	4,313.0	1,437.8
Singapore	Genset Emissions	0.3	0.1	0.3	0.3
	Transportation Emissions	20.9	3.8	N/A	N/A
	Refrigerant Emissions	N/A	N/A	N/A	N/A
	Total Direct Emissions (Scope 1)	21.2	3.9	0.3	0.3
Thailand	Genset Emissions	6.4	7.9	8.0	6.2
	Transportation Emissions	1,213.8	709.9	443.6	393.1
	Refrigerant Emissions	N/A	N/A	40.4	19.2
	Total Direct Emissions (Scope 1)	1,220.2	717.9	492.0	418.5
Cambodia	Genset Emissions	11.3	5.2	1.3	3.2
	Transportation Emissions	107.4	93.4	84.7	107.2
	Refrigerant Emissions	N/A	N/A	N/A	N/A
	Total Direct Emissions (Scope 1)	118.6	98.6	86.1	110.4
Total	Genset Emissions	375.1	164.2	88.8	252.6
	Transportation Emissions	4,608.4	1,959.0	4,815.1	1,768.0
	Refrigerant Emissions	14.4	72.6	120.0	599.5
	Total Direct Emissions (Scope 1)	4,997.9	2,195.8	5,023.9	2,620.0

N/A - Not Available.

* This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178

Petrol and diesel:

- Malaysia, Singapore, Thailand, and Cambodia: Default emission factors for Direct (Scope 1) GHG emissions from diesel and motor gasoline combustion are taken from IPCC Guidelines for National Greenhouse Gas Inventories (2006). Methane (CH₄) and nitrous oxide (N₂O) were converted into CO₂ equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).
- Indonesia: Emission factor was adopted from Ministry of Environment and Forestry (2012). Methane (CH₄) and nitrous oxide (N₂O) were converted into CO₂ equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).

Refrigerants:

- Global Warming Potential rate by GHG Protocol based on IPCC Fifth Assessment Report and Guidelines.



Performance Data

ENVIRONMENT (CONTINUED)

GREENHOUSE GAS (GHG) EMISSIONS (CONTINUED)

INDIRECT GHG EMISSIONS (SCOPE 2)

Country	Categories	2019	2020	2021	2022
Malaysia	Non-Renewable Electricity Purchased (MWh)	74,598.7	64,113.2	63,013.1	62,152.6*
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	0.0
	Purchased Electricity Emissions (tCO ₂ e)	49,020.2	42,164.3	41,367.7	40,773.9*
Indonesia	Non-Renewable Electricity Purchased (MWh)	40,315.1	39,004.3	31,091.2	39,557.7*
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	0.0
	Purchased Electricity Emissions (tCO ₂ e)	33,784.0	32,685.6	19,587.5	24,921.4*
Singapore	Non-Renewable Electricity Purchased (MWh)	2,488.7	2,173.4	1,861.5	1,054.6*
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	0.0
	Purchased Electricity Emissions (tCO ₂ e)	1,017.9	887.8	775.3	430.8*
Thailand	Non-Renewable Electricity Purchased (MWh)	10,982.1	10,794.2	9,696.6	9,293.6
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	12.4
	Purchased Electricity Emissions (tCO ₂ e)	5,458.1	5,364.7	4,489.5	4,618.9
Cambodia	Non-Renewable Electricity Purchased (MWh)	1,099.7	1,290.4	1,427.0	1,328.4
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	0.0
	Purchased Electricity Emissions (tCO ₂ e)	555.7	652.0	721.1	671.2
Total	Non-Renewable Electricity Purchased (MWh)	129,484.1	117,375.5	107,089.4	113,386.9
	Renewable Electricity Purchased (MWh)	0.0	0.0	0.0	12.4
	Purchased Electricity Emissions (tCO₂e)	89,836.0	81,754.5	66,941.0	71,416.2
Overall Emission Intensity for Electricity (tCO₂e/MWh)		0.694	0.697	0.625	0.630

* This data was assured by KPMG. Read the full Statement of Assurance on pages 174 to 178

Sources of emission factors:

- Malaysia: Default emission factors for grid electricity were obtained from GreenTech Malaysia, 2017 CDM Electricity Baseline for Malaysia.
- Indonesia: Emission factors were obtained from the Ministry of Mineral Resources Economy (2016) method.
- Singapore: Default emission factors were obtained from Singapore Energy Market Authority.
- Thailand: Default emission factors were obtained from the Energy Policy and Planning Office (EPPO).
- Cambodia: Default emission factors were obtained from the Institute for Global Environmental Strategies (IGES) (2011), Grid Emission Factor of the Phnom Penh Electricity Grid.

GHG EMISSIONS INTENSITY (SCOPE 1 AND SCOPE 2)

Country	Categories	GHG Emissions Intensity (Scope 1 And Scope 2)				Reduction in GHG Emissions Intensity (%)
		2019	2020	2021	2022	2022 vs 2019
Malaysia	GHG Emissions (Scope 1 and 2) (tCO ₂ e)	49,213.0	42,320.2	41,500.2	41,427.0*	25.9
	Revenue (RM mil)	9,382	9,130	10,089	10,659	
	GHG Emissions Intensity (tCO ₂ e/RM mil)	5.2	4.6	4.1	3.9	
Indonesia	GHG Emissions (Scope 1 and 2) (tCO ₂ e)	37,229.3	33,905.2	23,900.5	26,359.2*	40.1
	Revenue (RM mil)	4,655	4,613	5,020	5,504	
	GHG Emissions Intensity (tCO ₂ e/RM mil)	8.0	7.3	4.8	4.8	
Singapore	GHG Emissions (Scope 1 and 2) (tCO ₂ e)	1,039.0	891.8	775.5	431.1*	61.6
	Revenue (RM mil)	1,373	1,171	1,277	1,483	
	GHG Emissions Intensity (tCO ₂ e/RM mil)	0.8	0.8	0.6	0.3	
Thailand	GHG Emissions (Scope 1 and 2) (tCO ₂ e)	6,678.3	6,082.6	4,981.6	5,037.4	15.1
	Revenue (RM mil)	1,869	1,836	1,707	1,661	
	GHG Emissions Intensity (tCO ₂ e/RM mil)	3.6	3.3	2.9	3.0	
Cambodia	GHG Emissions (Scope 1 and 2) (tCO ₂ e)	674.3	750.6	807.1	781.6	18.6
	Revenue (RM mil)	170	180	203	242	
	GHG Emissions Intensity (tCO ₂ e/RM mil)	4.0	4.2	4.0	3.2	
Total	GHG Emissions (Scope 1 and 2) (tCO₂e)	94,833.9	83,950.3	71,964.9	74,036.3	29.9
	Revenue (RM mil)	17,551	16,930	18,296	19,549	
	GHG Emissions Intensity (tCO₂e/RM mil)	5.4	5.0	3.9	3.8	

* This data was assured by KPMG (excluding Scope 2 for Thailand and Cambodia). Read the full Statement of Assurance on pages 174 to 178



Performance Data

ENVIRONMENT (CONTINUED)

GREENHOUSE GAS (GHG) EMISSIONS (CONTINUED)

OTHER INDIRECT GHG EMISSIONS (SCOPE 3 – CATEGORY 1) – WATER CONSUMPTION AND EMISSIONS FROM PURCHASED WATER

Country	Categories	GHG Emissions (Scope 3)			
		2019	2020	2021	2022
Malaysia	Water Consumption (m ³)	365,595.0	251,339.2	231,154.6	226,524.3
	Purchased Water Emissions (tCO ₂ e)	124.3	86.5	79.5	77.9
Indonesia	Water Consumption (m ³)	N/A	136,904.7	249,214.7	111,052.8
	Purchased Water Emissions (tCO ₂ e)	N/A	47.1	85.7	38.2
Singapore	Water Consumption (m ³)	5,481.0	4,181.0	2,633.0	2,696.0
	Purchased Water Emissions (tCO ₂ e)	1.9	1.4	0.9	0.9
Thailand	Water Consumption (m ³)	96,059.9	81,673.8	61,460.6	54,912.1
	Purchased Water Emissions (tCO ₂ e)	32.7	28.1	21.1	18.9
Cambodia	Water Consumption (m ³)	7,395.0	6,040.0	6,246.3	5,303.2
	Purchased Water Emissions (tCO ₂ e)	2.5	2.1	2.1	1.8
Total	Water Consumption (m³)	474,530.9	480,138.8	550,709.1	400,488.4
	Purchased Water Emissions (tCO₂e)	161.4	165.2	189.4	137.8

N/A – Not Available.

Sources of emission factors:

Water consumption emission factor was obtained from the UK Government Conversion Factors for Company Reporting (2020).

OTHER INDIRECT GHG EMISSIONS (SCOPE 3 – CATEGORY 5) – WASTE GENERATED AND DISPOSED

Country	2019	2020	2021	2022					
	Recycled (kg)			Generated (kg)	Landfilled (kg)	Incinerated (kg)	Recycled (kg)	Annual Generated Waste Intensity (kg/FTE)	GHG Emission from Waste Disposed (tCO ₂ e)
Malaysia	173,579	7,184	32,922	1,209,658	1,122,666	-	86,992	74.8	1,057.4
Indonesia	N/A	N/A	N/A	247,704	247,704	-	-	21.0	233.3
Singapore	N/A	20,280	34,140	53,079	-	43,465	9,614	54.9	148.6
Thailand	216,400	112,644	59,103	244,324	85,059	-	159,265	74.8	80.1
Cambodia	N/A	N/A	N/A	39,545	39,545	-	-	85.8	37.3
Total	389,979	140,108	126,165	1,794,311	1,494,974	43,465	255,871	55.0	1,556.7

N/A – Not Available.

- All recycled waste data are based on actual data provided by vendor.
- The total waste generated is estimated based on extrapolation of sampled data in Malaysia, Indonesia, Singapore and Cambodia. Thailand data is extrapolated using the annual generated waste intensity of Malaysia as Thailand has a similar per capita municipal solid waste generation as Malaysia based on a 2017 report by UNEP on Waste Management in ASEAN.
- All waste that are not recycled are assumed to be landfilled/incinerated depending on the country's common practice for waste disposal.
- GHG emissions from waste disposed only include emissions from landfilling and incineration.

Source of emission factors:

Waste disposed emission factor is derived from the latest country's Biennial Update Report (BUR) submitted to the United Nations Framework Convention on Climate Change. Malaysia's emission factor is applied to Malaysia, Indonesia, Thailand and Cambodia due to the similarity of waste composition and treatment. Singapore uses a specific emission factor based on its BUR.

OTHER INDIRECT GHG EMISSIONS (SCOPE 3 – CATEGORY 6) – BUSINESS TRAVEL

Transport Type	2022									
	Passenger Car		Motorcycle		Rail/LRT		Air Travel		Total ³	
Country	Distance Covered (km) ^{1, 2}	Emission (tCO ₂ e)	Distance Covered (km) ¹	Emission (tCO ₂ e)	Distance Covered (km)	Emission (tCO ₂ e)	Distance Covered (km)	Emission (tCO ₂ e)	Distance Covered (km)	Emission (tCO ₂ e)
Malaysia	4,866,478	1,011	543,549	63	14,035	1	3,515,691	367	8,939,753	1,442
Indonesia	2,671,683	555	345,062	40	163,544	14	4,036,034	421	7,216,323	1,031
Singapore	33,905	7	N/A	N/A	N/A	N/A	166,262	17	200,167	24
Thailand	214,715	45	N/A	N/A	N/A	N/A	21,810	2	236,524	47
Cambodia	N/A	N/A	N/A	N/A	N/A	N/A	27,689	3	27,689	3
Total	7,786,781	1,618	888,611	103	177,578	15	7,767,486	811	16,620,457	2,547

N/A – Denotes that no claims were made or no allowance given for a specific transport type. Hence no data can be ascertained.

1. Passenger car and Motorcycle mileage derived from staff allowance provided by human resources in respective countries (e.g. RM1.00 for every kilometer traveled by employee)
2. E-hailing service (recorded under Passenger Car) mileage derived from sample calculation of the collected data by manually calculating the distance between start and end points and extrapolating the conversion rate.
3. Transport by light-duty truck and bus excluded due to immateriality.

Source of emission factors:

- Emission factors obtained from US EPA, “Emission Factors for Greenhouse Gas Inventories”, Table 10 Scope 3 Category 6: Business Travel and Category 7: Employee Commuting, April 2022.



GRI Content Index

CIMB Group has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.

THE ORGANISATION AND ITS REPORTING PRACTICES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-1	Organisational details	<p>Group profile: Page 3 Name: CIMB Group Holdings Berhad Location: Kuala Lumpur, Malaysia</p> <p>Key entities: Page 4</p> <p>Our presence and solutions: Page 4</p>	
2-2	Entities included in the organisation's sustainability reporting	<p>About the CIMB Group Sustainability Report 2022: Page 8 This report covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia.</p>	
2-3	Reporting period, frequency and contact point	<p>About the CIMB Group Sustainability Report 2022: Page 8</p> <ul style="list-style-type: none"> Reporting period: 1 January 2022 to 31 December 2022 Frequency: Annually Contact point: sustainability@cimb.com 	
2-4	Restatements of information	<p>Material ESG matters: Pages 18 to 19 We conducted a major materiality exercise, resulting in an updated list of material matters.</p>	
2-5	External assurance	<p>Statement of assurance: Pages 174 to 178 The authenticity of this report was verified with an independent assurance conducted by KPMG PLT.</p>	

ACTIVITIES AND WORKERS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-6	Activities, value chain and other business relationships	<p>CIMB at a glance: Pages 3 to 5 In 2022, there were no significant changes to the organisation's size, structure, ownership, or supply chain.</p>	
2-7	Employees	<p>Performance data: Pages 140 to 147</p>	
2-8	Workers who are not employees	<p>Sustainable supply chain: Page 80 Performance data: Page 148</p>	


GOVERNANCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-9	Governance structure and composition	Governance and ethics: Page 33 Governance of sustainability: Pages 41 to 43	
2-10	Nomination and selection of the highest governance body	Governance and ethics: Page 33 Governance of sustainability: Page 41	
2-11	Chair of the highest governance body	Governance and ethics: Page 33	
2-12	Role of the highest governance body in overseeing the management of impacts	Governance of sustainability: Pages 41 to 43	
2-13	Delegation of responsibility for managing impacts	Governance of sustainability: Pages 41 to 43	
2-14	Role of the highest governance body in sustainability reporting	Governance of sustainability: Pages 41 to 43	
2-15	Conflicts of interest	CIMB Integrated Annual Report 2022: Pages 168, 202 and 221 	
2-16	Communication of critical concerns	Governance and ethics: Pages 34 to 35	
2-17	Collective knowledge of the highest governance body	Governance and ethics: Page 33 Learning and development: Page 90 to 92	
2-18	Evaluation of the performance of the highest governance body	Governance and ethics: Page 33 Governance of sustainability: Pages 41 to 43	
2-19	Remuneration policies	Governance of sustainability: Page 43 Talent, attraction, growth and retention: Pages 93 to 94	
2-20	Process to determine remuneration	Talent, attraction, growth and retention: Pages 93 to 94	
2-21	Annual total compensation ratio	CIMB Integrated Annual Report 2022: Pages 132 to 134	



GRI Content Index

STRATEGY, POLICIES AND PRACTICES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-22	Statement on sustainable development strategy	Sustainability progress report by group chairman and group ceo: Pages 9 to 11 Business case for sustainability #CIMBfortomorrow: Pages 12 to 13	
2-23	Policy commitments	CIMB's sustainability principles: Page 14	
2-24	Embedding policy commitments	CIMB's sustainability principles: Page 14 Governance and ethics: Page 34 Talent attraction, growth and retention: Pages 89 to 91	
2-25	Processes to remediate negative impacts	Governance and ethics: Pages 34 to 35 Talent attraction, growth and retention: Page 86	
2-26	Mechanisms for seeking advice and raising concerns	Governance and ethics: Pages 34 to 35	
2-27	Compliance with laws and regulations	CIMB Integrated Annual Report 2022: Pages 144 to 145 	
2-28	Membership associations	Partnerships: Page 29	
2-29	Approach to stakeholder engagement	Stakeholder engagement: Pages 15 to 17	
2-30	Collective bargaining agreements	Talent attraction, growth and retention: Page 86	

MATERIAL TOPICS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-1	Process to determine material topics	Material matters: Pages 18 to 19	
3-2	List of material topics	Material matters: Pages 19 to 24	

SUSTAINABLE AND RESPONSIBLE FINANCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	<p>Sustainable and responsible finance: managing E&S risks in transactions: Pages 43 to 49</p> <p>Sustainable and responsible finance: driving positive impacts: Pages 101 to 107</p>	
Non-GRI Disclosures	Green, Social, Sustainable Impact Products and Services (GSSIPS) Disbursed	Performance data: Pages 135 to 137	

GOVERNANCE AND ETHICS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Governance and ethics: Pages 33 to 35	
205-1	Operations assessed for risks related to corruption	Governance and ethics: Page 35	
205-2	Communication and training about anti-corruption policies and procedures	<p>Governance and ethics: Page 35</p> <p>Performance data: Page 146</p>	
207-1	Approach to tax	Governance and ethics: Page 35	
207-2	Tax governance, control, and risk management	Governance and ethics: Page 35	
207-3	Stakeholder engagement and management of concerns related to tax	Governance and ethics: Page 35	

CYBERSECURITY AND DATA PRIVACY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Cybersecurity and data privacy: Pages 118 to 122	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and data privacy: Page 119	



GRI Content Index

FINANCIAL INCLUSION AND LITERACY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Financial inclusion and literacy: Pages 108 to 109	
Non-GRI Disclosure	Micro and small enterprise financing	Performance data: Pages 135 to 137	
Non-GRI Disclosure	People reached via financial literacy programmes	Performance data: Page 149	

RISK MANAGEMENT AND BUSINESS RESILIENCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Risk management & business resilience: Pages 36 to 40	
201-2	Financial implications and other risks and opportunities due to climate change	Climate change: risks and opportunities: Page 56	

DIGITALISATION AND INNOVATION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Digitalisation and Innovation: Pages 115 to 117	
Non-GRI Disclosures	Registered digital users	Digitalisation and innovation: Page 116 Cybersecurity and data privacy: Pages 118 to 122	

HUMAN RIGHTS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Human rights: Pages 72 to 73	
410-1	Security personnel trained in human rights policies or procedures	Human rights: Page 72	

CLIMATE CHANGE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Climate change: risks and opportunities: Pages 52 to 70 Climate change: scope 1 and 2 emissions: Pages 75 to 81	
302-1	Energy consumption within the organisation	Performance data: Page 151	
302-4	Reduction of energy consumption	Performance data: Page 151	
305-1	Direct (Scope 1) GHG emissions	Climate change: scope 1 and 2 emissions: Page 76 Performance data: Pages 152 to 153	
305-2	Energy indirect (Scope 2) GHG emissions	Climate change: scope 1 and 2 emissions: Page 76 Performance data: Pages 152, 154	
305-3	Other indirect (Scope 3) GHG emissions	Operational scope 3 emissions: Pages 76, 79 Performance data: Pages 152, 156 to 157	
305-4	GHG emissions intensity	Performance data: Page 155	
305-5	Reduction of GHG emissions	Climate change: scope 1 and 2 emissions: Page 76 Performance data: Page 152	
306-1	Waste generation and significant waste-related impacts	Operational scope 3 emissions: Page 79	
306-2	Management of significant waste-related impacts	Operational scope 3 emissions: Page 79	
306-3	Waste generated	Performance data: Page 156	

DIVERSITY AND INCLUSION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Diversity and inclusion: Pages 97 to 99	
405-1	Diversity of governance bodies and employees	Diversity and inclusion: Page 98 Performance data: Page 142	
405-2	Ratio of basic salary and remuneration of women to men	Performance data: Page 143	
406-1	Incidents of discrimination and corrective actions taken	Governance and ethics: Page 35	



GRI Content Index

CUSTOMER EXPERIENCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Customer experience: Pages 110 to 114	
Non-GRI Disclosure	Net Promoter Score (NPS)	Performance data: Page 134	
Non-GRI Disclosure	Customer Satisfaction	Performance data: Page 134	

BIODIVERSITY AND ECOSYSTEM INTEGRITY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Biodiversity and ecosystem integrity: Page 71	
304-2	Significant impacts of activities, products and services on biodiversity	Risk management and business resilience: Pages 36 to 37, 39	
304-3	Habitats protected or restored	Sustainable and responsible finance: driving positive impacts: Pages 106 to 107 Climate and environment: Pages 128 to 129	

TALENT ATTRACTION, GROWTH AND RETENTION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Talent attraction, growth and retention: Pages 82 to 99	
401-1	New employee hires and employee turnover	Performance data: Page 141	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent attraction, growth and retention: Page 82 Performance data: Page 147	
403-1	Occupational health and safety management system	Talent attraction, growth and retention: Pages 83 to 84	
403-2	Hazard identification, risk assessment, and incident investigation	Talent attraction, growth and retention: Page 83	
403-4	Worker participation, consultation, and communication on occupational health and safety	Talent attraction, growth and retention: Page 83	



TALENT ATTRACTION, GROWTH AND RETENTION (CONTINUED)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
403-5	Worker training on occupational health and safety	Talent attraction, growth and retention: Page 84	
403-6	Promotion of worker health	Talent attraction, growth and retention: Pages 82 to 85	
403-8	Workers covered by an occupational health and safety management system	Talent attraction, growth and retention: Page 83	
403-9	Work-related injuries	Performance data: Page 147	
404-1	Average hours of training per year per employee	Talent attraction, growth and retention: Page 90 Performance data: Pages 144 to 145	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent attraction, growth and retention: Pages 90 to 92	

CORPORATE CITIZENSHIP

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Corporate citizenship: Pages 123 to 124	
203-1	Infrastructure investments and services supported	Corporate citizenship: Page 123 Performance data: Page 148	
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate citizenship: Pages 125 to 132	

OTHER DISCLOSURES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
201-1	Direct economic value generated and distributed	CIMB Integrated Annual Report 2022: Page 71	
204-1	Proportion of spending on local suppliers	Sustainable supply chain: Page 80	
415-1	Political contributions	Governance and Risk	



TCFD Index

Core Element	Recommended Disclosures	Page References
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities.	Pages 41 to 42, 52 to 55
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 41 to 42, 52 to 55
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 55 to 57
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 39 to 40, 43 to 44, 46 to 51, 60 to 61, 66 to 67
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celcius or lower scenario.	Pages 60 to 64
Risk Management		
Disclose how the organisation identifies, assesses and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 66 to 67
	b. Describe the organisation's processes for managing climate-related risks.	Pages 32 to 49, 43 to 49, 41 to 42, 52 to 57
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Pages 32 to 49, 43 to 49, 41 to 42, 52 to 57
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 68 to 70
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Pages 68 to 70, 133 to 156
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 68 to 70


PRB Index

PRINCIPLES FOR RESPONSIBLE BANKING (PRB) REPORTING AND SELF-ASSESSMENT FOR YEAR 2022

In line with our commitments as a Signatory of the UNEP FI Principles for Responsible Banking (PRB), this is CIMB's fourth reporting and self-assessment on our implementation of the Principles. All information in this disclosure is referenced to the CIMB Group Sustainability Report 2022 (Report), unless stated otherwise.

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 High-level description of your bank's business model.</p>	<p>CIMB Group Holdings Berhad ("CIMB") is a leading focused ASEAN bank, one of the region's foremost corporate advisors, and a world leader in Islamic finance.</p> <p>Headquartered in Kuala Lumpur, Malaysia, CIMB offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN, with around 33,000 staff and over 20 million customers across 15 countries.</p> <p>CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and had a market capitalisation of RM55.3 billion as at 31 December 2022. Total assets at the end of 2022 were RM621.9 billion, with total shareholders' funds and Islamic assets of RM58.9 billion and RM152.8 billion, respectively.</p> <p>At the end of 2022, CIMB's substantial shareholders were Khazanah Nasional Berhad (25.7%), Employees Provident Fund (15.3%), Permodalan Nasional Berhad (11.8%) and Kumpulan Wang Persaraan (Diperbadankan) (6.3%), all of which are Government-Linked Investment Corporations.</p>	<p>CIMB At A Glance, Page 3</p>
<p>1.2 Strategic alignment to society's goals</p>	<p>CIMB Group's purpose is to advance customers and society. This is embodied in our organisation's purpose statement, the Forward23+ strategy, sustainability strategy and framework. Our sustainability philosophy is described in five key principles.</p> <p>In 2022, we conducted a refresh of our material matters. Through engagement with stakeholders, we prioritised 13 material topics that represent CIMB's most significant impacts on the economy, environment and society.</p> <p>Our sustainability efforts are aligned with seven prioritised SDGs. We work closely with industry and regulatory bodies and are active members of the Joint Committee on Climate Change (JC3), which is co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC), which mobilises collective action in the Malaysian financial sector. We are the first ASEAN bank to join the Net Zero Banking Alliance (NZBA), which forms part of the Glasgow Financial Alliance for Net Zero (GFANZ). We are also an active member of the International Chamber of Commerce (ICC) Sustainable Trade Finance Working Group, which seeks to develop best practice standards for sustainable trade.</p> <p>We are committed to achieving net zero greenhouse gas (GHG) scope 1 and 2 emissions in our operations by 2030 and overall Net Zero GHG by 2050 (including scope 3 and financed emissions), in line with Nationally Determined Contributions (NDCs) and the 1.5 degrees scenario of the Paris Climate Agreement.</p>	<p>Forward: Asean's Sustainable Banking Agenda: Page 7</p> <p>CIMB's Sustainability Principles: Page 14</p> <p>Material Matters: Page 18</p> <p>Sustainability Scorecard: Pages 26 to 27</p> <p>Partnerships: Page 29</p>

PRB Index

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
Principle 2: Impact Analysis We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		
2.1 Impact Analysis	CIMB's impact analysis is driven by multiple factors, including: <ul style="list-style-type: none"> • Geographical footprint: The focus of our operations is in Malaysia, Indonesia, Singapore, Thailand and Cambodia, which make up 99% of our revenue • Operational impact: The nature and scale of our direct operational footprint in various markets, including impacts on stakeholders such as employees, suppliers and communities • Material Matters: The potential impact of our activities on the environment and society, and the environmental and societal matters that have a potential impact on our business, as defined by our materiality assessment with inputs from our stakeholders • Our portfolio: The major sectors that we are exposed to through our business lending and capital market activities, including agriculture, construction & real estate, oil & gas, manufacturing, technology, financial institutions, utilities, as well as Small and Medium-sized Enterprises. • Business units: Our Wholesale and Commercial Banking segments have the most direct and impactful sectors. We influence our clients through risk management (sector risk level, sector exposure and guides, due diligence), as well as encouraging Positive Impact via our Green, Social, Sustainable Impact Products and Services Framework to capture opportunities in our various markets. • Customer base: With over 20 million customers in a region where a large number of the population is unbanked or underbanked, our impact is in both financial inclusion for disadvantaged communities (home ownership, vehicle ownership, access to credit, access to basic savings and opportunity to invest), and green and social products (financing, deposits, investments). <p>Based on our analysis of the bank's business operations, products, and services in the context of our footprint market, we have determined that the bank's most significant areas of impact are in addressing sustainable finance, climate change, and enabling financial inclusion and financial literacy.</p>	CIMB At A Glance: Pages 3 to 5 Stakeholder Engagement: Pages 15 to 17 Governance and Risk: Pages 41 to 47 Material Matters: Pages 18 to 9 Sustainable Business: Pages 100 to 107
2.1 (a) Scope	The scope of our impact analysis can be viewed from our: <p>Portfolio: Based on CIMB Group Holdings Berhad Unaudited Statements of Financial Position as at 31 December 2022, as published on our website, our most significant assets are loans, advances and financing, which accounts for 59% of our assets. Therefore, we have identified that the scope of our impact analysis will focus on CIMB's: financing under consumer banking, commercial banking, wholesale banking, Islamic banking and digital products and services throughout the ASEAN region.</p> <p>Financed Emissions: To achieve our Net Zero by 2050 commitment, we estimated our financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology, the recommended calculation methodology for financed emissions under the Task Force on Climate-Related Financial Disclosures (TCFD).</p> <p>We established a baseline Scope 3 baseline which encompasses our on-balance sheet financing for the Group's Wholesale, Commercial and Consumer segments in our main markets.</p>	Unaudited Statements of Financial Position as at 31 December 2022  Governance & Risk: Pages 58 to 59



Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
2.1 (b) Portfolio Composition	<p>Through our business financing and capital market activities, the major sectors we are exposed to include agriculture, cement, coal, iron, steel and aluminium, oil and gas, power generation, real estate and transportation. Our Wholesale and Commercial Banking segments have the most direct relationship with high-impact sectors. These sectors represent sectors with high environmental and social risks, as well as opportunities to develop GSSIPS to support our clients.</p>	<p>Governance & Risk: Page 69</p>
2.1 (c) Context & Relevance	<p>Regulatory and Policy Shifts: The global landscape is rapidly shifting towards a low-carbon future. As governments seek to meet their climate and sustainability goals, they are adding pressure on companies to take into account and mitigate their environmental and social impacts, for example, via regulatory disclosures, taxonomies and taxation mechanisms.</p> <p>National Development: In a post COVID-19 world, developing economies risk being left behind and not meeting their United Nations Sustainable Development Goals. A sustainable recovery requires a comprehensive and coordinated approach, including financing to build safety nets, reduce social inequalities and increased government spending to stimulate the economy.</p> <p>Material Matters: In 2022, we conducted a major materiality update exercise to comprehensively reassess the relevance of material ESG matters to the Group's key stakeholders. We prioritised 13 material topics that represent our most significant impacts on the economy, environment, and society, and vice versa. Three material topics – Sustainable and Responsible Finance, Financial Inclusion and Literacy and Climate Change – are areas where capital can be mobilised towards building a sustainable future in support of national agendas.</p>	<p>The Business Case For Sustainability: Pages 12 to 13</p> <p>Material Matters: Pages 18 to 19</p> <p>Global, Regional And National Developments: Pages 50 to 51</p>
2.1 (d) Performance measurement	<p>Sustainable Finance: We are committed to mobilising RM60 billion in GSSIPS financing, which includes Green, Social, Sustainable, and Transition Finance, as well as financial inclusion. In 2022, we mobilised RM27.8 billion, including RM14.3 billion for underserved individuals and MSMEs.</p> <p>Financed Emissions: We measure our financed emissions according to the Guidelines for Climate Target Setting for Banks by the Collective Commitment to Climate Action under the United Nations Environment Programme Finance Initiative and four specific asset classes set out in the Partnership for Carbon Accounting Financials methodology.</p> <p>In 2022, we set interim (2030) Paris Aligned targets for thermal coal mining and cement. By 2024, we aim to set targets for a further seven carbon-intensive sectors covering power generation (including coal-fired power plants/ generation companies), transport, iron and steel, aluminium, real estate, oil and gas and agriculture. We will measure and disclose our performance against these targets and pathways.</p>	<p>Our Scorecard: Pages 26 to 30</p> <p>Task Force On Climate-Related Disclosures: Pages 68 to 70</p>
Statement on fulfilment of the requirements regarding principle 2.1: Impact Analysis		
<p>Through the implementation of an in-depth stakeholder engagement and materiality assessment including analysis of our sector exposure and needs, the bank has fulfilled its requirements regarding impact analysis on its areas of positive and negative impact through our risk management approach and positive impacts framework.</p>		



PRB Index

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>2.2 Target setting</p>	<p>In 2022, we continued to disclose our measurable indicators to track sustainability progress. We have set a number of measurable targets/ commitments to be achieved by 2024 and beyond. Key targets include:</p> <ul style="list-style-type: none"> • Net zero scope 1 and 2 GHG emissions in our operations by 2030 • Net Zero GHG by 2050 (including scope 3 and financed emissions) • Set 2030 Paris-aligned targets for nine sectors by 2024 • Mobilise RM60 billion of sustainable finance by 2024 • Invest RM150 million in local communities from 2021 to 2025 <p>In 2022, we set Paris Aligned sector targets for thermal coal mining and cement. By 2030, we aim to:</p> <ul style="list-style-type: none"> • Halve our financing and investment exposure to the thermal coal mining sector, as an interim target to eventually phase out coal from our portfolio by 2040. • Reduce the physical intensity of financing clients in the cement sector by 36% from 0.72 to 0.46 tCO2e/t cement produced. 	<p>Our Scorecard: Pages 26 to 28</p> <p>Task Force On Climate-Related Disclosures: Pages 68 to 70</p>
<p>Statement on fulfilment of the requirements regarding principle 2.2: Target Setting</p>		
<p>The Bank has set and published targets on most key areas of material positive and negative impacts and identified baseline years for measurement of progress. These targets have been developed to maximise potential positive impacts and endeavour to minimise negative impacts.</p>		
<p>2.3 Plans for target implementation and monitoring</p>	<p>Our Sustainability Roadmap 2019-2024 outlines our near-term objectives and longer-term goals and commitments to raise awareness, build capacity and achieve impact. Our plans are underpinned by the targets laid out in our Sustainability Scorecard.</p> <p>Target Alignment: These targets align with national priorities, the UN SDGs and industry benchmarks. The targets are discussed with business units and enabling functions and the Group Sustainability Council, Group Transformation Committee, Group Sustainability and Governance Committee, and Board to ensure that they are relevant and to achieve a balance of reach and practicality.</p> <p>Implementation: Implementation is undertaken by Group Sustainability in partnership with business units and enablers, and is monitored by the Board, the Group Sustainability and Governance Board Committee (GSGC), the Group Transformation Committee (GTC), as well as the Group Sustainability Council (GSC).</p> <p>We have a performance-based remuneration system that is based on a collective sustainability scorecard containing KPIs that must be achieved within pre-determined timeframes as guided by our sustainability objectives. The performance of the Group is measured against these KPIs, and the scorecard is used to assess and report progress to our governing committees.</p>	<p>Sustainability Roadmap: Page 25</p> <p>Governance Of Sustainability: Pages 41 to 43</p> <p>Our Scorecard: Pages 26 to 28</p> <p>Our Net Zero 2050 Strategy and Task Force On Climate-Related Disclosures: Pages 60, 68 to 70</p> <p>Governance and Risk: Page 43</p> <p>Statement of Assurance: Pages 174 to 178</p>



Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
	<p>Monitoring</p> <p>In addition to the Board, the Group Sustainability and Governance Committee (GSGC), the Group Transformation Committee (GTC), as well as the Group Sustainability Council (GSC), the Board Risk and Compliance Committee, the Audit Committee and the Group Nomination and Remuneration Committee also provide oversight on sustainability matters. The Sustainability Programme is tracked and monitored under the Forward23+ strategic transformation initiative and its robust governance structure.</p> <p>We report our Sustainability progress to our stakeholders annually. Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG PLT.</p>	
Statement on fulfilment of the requirements regarding principle 2.3 Plans for target implementation and monitoring		
<p>The Bank has developed a clear implementation roadmap, with sustainability KPIs that are linked to senior management compensation and ensured that the governance structure encourages and provides oversight on progress towards achieving sustainability targets.</p>		
<p>Principle 3: Impact Analysis</p> <p>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
3.1 Client engagement	<p>We conduct client engagement to discuss progress in relation to earlier-agreed sustainability action plans, to clarify challenges faced and any issues arising, to communicate and discuss CIMB's new policies and requirements in relation to topics such as NDPE and human rights, and to encourage our clients to transition towards more sustainable practices.</p>	<p>Stakeholder Engagement: Page 15</p> <p>Sustainable And Responsible Finance: Management E&S Risks In Financing Transactions: Pages 46 to 48</p>
3.2 Business opportunities	<p>The Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework provides a guide and internal taxonomy for the Group to deliver impactful sustainable finance and support our clients to transition to a low-carbon and sustainable future.</p> <p>We have set a target to mobilise RM60 billion in GSSIPS financing by 2024. This includes all forms of financial services, including financing, equity and debt capital market transactions and wealth management.</p>	<p>Sustainable And Responsible Finance: Driving Positive Impacts: Pages 101 to 107</p>



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Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
4.1 Stakeholder identification and consultation	<p>We engage on a regular basis with our diverse stakeholders to capture their valuable feedback on how we can contribute to meeting their evolving needs and expectations. This is guided by a comprehensive engagement framework that enables us to effectively gain insights into delivering innovative programmes and solutions that address their most critical environmental, social, economic and governance concerns.</p> <p>Throughout all our key markets, we have engaged with customers, employees, NGOs and civil society, key regulatory bodies, government, suppliers and institutional investors. Stakeholders are identified based on the level of dependence and the influence they may have on our business continuity and success.</p>	Stakeholder Engagement: Pages 15 to 17 Material Matters: Page 19
Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
5.1 Governance Structure for Implementation of the Principles	<p>The Board is the highest governing body accountable for CIMB's sustainability strategy. Sustainability-related roles and responsibilities of the Board are incorporated in the Board Charter. The Group Sustainability and Governance Committee assists the Board in fulfilling its responsibilities in advocating and fostering a culture of sustainability, ethical conduct, and integrity in our corporate DNA.</p> <p>The Group Sustainability Council (GSC) assists the Group Chief Sustainability Officer in leading the development and successful execution of CIMB's sustainability. The GSC reports to the Group Transformation Committee, which assists the Group CEO in directing and steering CIMB's overall strategy.</p> <p>The Sustainability Risk Management Framework defines how we govern sustainability risks in our business. Sustainability risks, including climate-related physical and transition risks and human rights risks, are integrated into both the Group's Risk Library and the Enterprise-Wide Risk Management Framework.</p>	Risk Management And Business Resilience: Page 36 Governance Of Sustainability: Pages 41 to 43
5.2 Promoting a culture of responsible banking	<p>We have embedded sustainability specialist and champions into business units and enablers. The Integrated Sustainability Operating Model ensures that sustainability issues are discussed throughout our operations.</p> <p>We organise sustainability training for all levels of staff to promote sustainability values, awareness and understanding of the latest trends and issues. Training ranges from compulsory training for Board, key management, and senior managers to talks by subject matter experts, as well as field trips.</p> <p>We organise a range of events to promote sustainability awareness to a larger stakeholder. This includes The Cooler Earth Summit, Sustainability Week and Sustainability Awards.</p>	Partnerships: Page 29 Governance Of Sustainability: Pages 41 to 43 Talent Attraction, Growth And Retention: Pages 90 to 96



Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>5.3 Policies and due diligence processes</p>	<p>Group Sustainability Financing Policy (GSFP): Lays out our commitment and approach to identifying, assessing, managing and mitigating risks arising from financing and capital raising activities of our non-individual clients. This includes seven sector guides for sectors that are most vulnerable to environmental and social risks, and those with activities that have significant potential adverse impacts on the environment and society.</p> <p>Basic Sustainability Due Diligence: All financing and capital raising transactions for businesses (excluding SMEs), including annual reviews of financing facilities, are subject to a Basic Sustainability Due Diligence (BSDD) by our Relationship Managers.</p> <p>Enhanced Sustainability Due Diligence: Clients that are identified as exposed to high environmental or social risk are subject to an Enhanced Sustainability Due Diligence (ESDD), which is conducted by the Group Sustainability team. Generally, ESDD is conducted for clients who fail the BSDD, those operating in pre-identified high sustainability risk sectors, those who do not meet our Sector Guide requirements, or those who have been highlighted through credible sources to be involved in environmental or social issues.</p> <p>Group Human Rights Policy: Approved in 2022, the policy provides clarity and transparency around how human rights risks are to be managed across the Group in a manner consistent with internal and external expectations, including legal and regulatory obligations.</p> <p>No Deforestation, No Peat, and No Exploitation: In 2022, we rolled out our No Deforestation, No Peat, and No Exploitation (NDPE) policy to the palm oil, forestry and timber plantation sectors in Malaysia and Indonesia, and we are continuing to roll this out to other countries and sectors in phases.</p>	<p>Governance Of Sustainability: Pages 43 to 47</p> <p>Human Rights: Pages 72 to 73</p> <p>Performance Data: Pages 138 to 140</p> <p>No Deforestation, No Peat, and No Exploitation: Page 71</p>
<p>Statement on fulfilment of the requirements regarding Principle 5: Governance Structure for Implementation of the Principles.</p>		
<p>The Bank has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Assurance</p>	<p>We report our sustainability progress to our stakeholders annually. Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG PLT.</p>	<p>About This Report: Page 8</p> <p>Statement Of Assurance: Pages 174 to 178</p>
<p>6.2 Reporting on other frameworks</p>	<p>Our Sustainability Report 2022 been prepared in accordance with:</p> <ul style="list-style-type: none"> • Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting • Global Reporting Initiative Standards 2021 • The United Nations Environment Programme Finance Initiative Principles for Responsible Banking • Task Force on Climate-related Financial Disclosure Recommendations 	<p>About This Report: Page 8</p>
<p>Statement on fulfilment of the requirements regarding Principle 6: Transparency & Accountability</p>		
<p>The Bank has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking as a signatory and will continue improving and adapting its processes to further align with these requirements.</p>		



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Independent Limited Assurance Report to CIMB Group Holdings Berhad (“CIMB”) and its subsidiaries (the “Group”) on Selected Sustainability Information published in CIMB’s Sustainability Report for the financial year ended 31 December 2022

We, KPMG PLT (“KPMG”), were engaged by CIMB to provide limited assurance on Selected Sustainability Information, (the “Subject Matter”), published in CIMB’s Sustainability Report for the financial year ended 31 December 2022 (the “Sustainability Report”), in the form of an independent limited assurance conclusion as to whether the Subject Matter is in all material respects in accordance with Global Reporting Initiative (“GRI”) Standards, as well as the Group’s definition and calculation methodologies which are disclosed in the Sustainability Report including any significant inherent limitations, the (“Applicable Criteria”).

Subject Matter

The Selected Sustainability Information covered by our limited assurance engagement are:

- 1) Absenteeism Rate (%);
- 2) Financial Literacy Awareness from Corporate Responsibility Programmes (%);
- 3) Total Energy Consumption (MWh);
- 4) Greenhouse Gas (“GHG”) Emissions (Scope 1) (tCO₂e) – Fuel Consumption;
- 5) GHG Emissions (Scope 2) (tCO₂e) – Purchased Electricity; and
- 6) Financing to B40 Communities (RM).

The boundary of the limited assurance engagement by KPMG on the Selected Sustainability Information represents the Group’s operations in Malaysia, Indonesia, Singapore, Thailand, and Cambodia, except for the following:

- 1) Financial Literacy Awareness from Corporate Responsibility Programmes (%) – covering operations in Malaysia only;
- 2) Total Energy Consumption (MWh) – covering operations in Malaysia, Indonesia and Singapore only;
- 3) GHG Emissions (Scope 2) (tCO₂e) – Purchased Electricity – covering operations in Malaysia, Indonesia and Singapore only; and
- 4) Financing to B40 Communities (RM) – covering operations in Malaysia only.



CIMB Group Holdings Berhad (“CIMB”)
*Independent Limited Assurance on Selected Sustainability
Information published in CIMB’s Sustainability Report
for the financial year ended 31 December 2022
14 March 2023*

Board of Directors and Management’s Responsibilities

The Board of Directors of CIMB (the “Directors”) and the management of CIMB (the “Management”) are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria, and the information and assertions contained within it; for determining the objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

The Directors and the Management are responsible for the prevention and detection of fraud and error mainly through the implementation and continued operation of an adequate system of internal control.

The Directors and the Management are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter and the Sustainability Report are properly trained, ensuring that information systems are properly updated and that any changes in reporting encompass all significant business units.

The Directors and the Management are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter and the Sustainability Report; and (ii) allegations of or suspected fraud or dishonesty committed against the Group.

The Directors and the Management are responsible to make available to us the Subject Matter and the Sustainability Report and any other information timely to facilitate the completion of the engagement within the required time frame.

The Directors and the Management are responsible for disclosing to us facts that may affect the Subject Matter and the Sustainability Report, of which they may become aware during the period from the date of the independent limited assurance report to the date the Subject Matter and the Sustainability Report are issued.

Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed and evidence obtained.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Malaysian Approved Standard (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards requires that we plan and perform procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Subject Matter, in all material respects, is not prepared in accordance with the Applicable Criteria.



CIMB Group Holdings Berhad (“CIMB”)
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Procedures Performed

Our limited assurance engagement on the Subject Matter consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matter presented in the Sustainability Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Enquiries of management to gain an understanding of the processes for determining material issues for key stakeholder groups;
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the Subject Matter in the Sustainability Report;
- Interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Identify the risks of material misstatement of the Subject Matter and the Sustainability Report, whether due to fraud or error, design and perform limited assurance procedures to address those risks, and obtain limited assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control;
- Compare the Subject Matter presented in the Sustainability Report to corresponding information in the relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Sustainability Report;
- Evaluate the Subject Matter presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Group;
- Evaluate the remainder of the Sustainability Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



CIMB Group Holdings Berhad (“CIMB”)
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Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and evidence obtained as described above, nothing has come to our attention that would lead us to believe that the Subject Matter included in CIMB’s Sustainability Report for the financial year ended 31 December 2022, in all material respects, is not prepared in accordance with the Applicable Criteria.

Purpose of our report

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for CIMB and for no other purpose or in any other context.



CIMB Group Holdings Berhad (“CIMB”)
*Independent Limited Assurance on Selected Sustainability
Information published in CIMB’s Sustainability Report
for the financial year ended 31 December 2022
14 March 2023*

Restriction of use

Our report should also not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than CIMB, for any purpose or in any other context. Any party other than CIMB who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than CIMB for our work, for this report, or for the conclusion we have reached.

Our report is released to CIMB on the basis that it shall not be copied, referred to or disclosed, in whole (save for CIMB’s own internal purposes) or in part, without our prior written consent.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 14 March 2023



Our Integrated Annual Report cover features CIMB’s chevron, reinforcing our commitment to advance customers and society forward into the future. The hexagon on the cover of our Financial Statements represents our multi-dimensional approach to planning and delivering growth. Finally, our Sustainability Report cover features a circle that reflects our greater responsibility in driving business and relationships along our value chain.

Together the three covers of CIMB’s 2022 Integrated Annual Report convey our journey of moving Forward, achieving sustainable growth and delivering value for all stakeholders.



SIMPLICITY

We have gone sparse – replacing full scale and massive images with more icons, and limited the use of colours, keeping it rich.



CLEAN LINES

We optimised use of line-drawings, non-filled bar graphs/charts, and clean lines for clarity and visually more pleasing and easier to decipher.



MINIMAL ART

Our design this year balances between a clever play of space, creative design, and icons and tighter leadings and margins for text to reduce number of pages.



MONOCHROMATIC COLOR PALETTE

By using a single base colour, and its variant shades and tones, we minimised the use of multiple colours that require more ink, with potential wastage.



REDUCTIVISM

Where possible, we have avoided and reduced the need for heavy texts, fonts, and design elements including photographs etc.

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This Report is printed on environmentally friendly paper