

# FUTURE FORWARD



CIMB GROUP HOLDINGS BERHAD  
SUSTAINABILITY REPORT 2019

### POSITIVE EES PERFORMANCE

Improved significantly on Dow Jones Sustainability Index and WWF Sustainable Banking Assessment Page 97

### INDUSTRY LEADERSHIP

Improved awareness and led conversations in sustainable finance, climate change and Value-Based Intermediation Page 114

### PRINCIPLES FOR RESPONSIBLE BANKING

Developed internal sector guides on environmental and social risks for four priority sectors Page 64



**CUSTOMER CENTRICITY**

**TECHNOLOGY & DATA**

**OUR PEOPLE**

**VENTURES & PARTNERSHIPS**

**SUSTAINABILITY**

ADVANCING CUSTOMERS AND SOCIETY

View our Annual Report, Accounts and  
other information about  
CIMB Group Holdings Berhad at

**[www.cimb.com](http://www.cimb.com)**

# Goes Green

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



Printed with **eco ink** made from higher percentage of vegetable oil to reduce emission of volatile organic compounds (VOCs). Contains low level of chemical, thus **less pollution** to the environment throughout the printing process.



The total carbon footprint for the 3 books of CIMB Annual Report 2019 is **7.495 kgCO<sub>2</sub>e**. We are committed to reducing the environmental impact of our annual report and will continue working to reduce the amount of greenhouse gases (GHG) emitted throughout the entire designing and printing process.



There is approximately **25% reduction** in paper used, **276,900 less sheets** in the printing and production of CIMB Annual Report 2019.



Printed with **carbon neutral press machines, eco materials** and managed under and certified with **ISO14001:2015** environmental management system to minimise environmental impact.



Paper **sourced from responsibly managed forests** that provide environmental benefits.

Covers are printed on 250gsm Arctic Volume High White (FSC Mix) paper; Inner pages are printed on 100gsm Munken Polar Rough (FSC Mix) paper.



Paper and printing **wastes are being responsibly handled** to **recycle and up-cycle materials** in order to reduce the burden on landfills.



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#CIMBforTomorrow

Our promise to be on the right side of history



Insights

Our Board's commitment to create value

### MATERIAL TOPICS



Climate Change



Corporate Citizenship and Volunteerism



Corporate Culture



Customer Experience



Diversity and Inclusion



Financial Literacy, Inclusion and Well-being



Governance



Health, Safety and Well-being



Nurturing Growth



Sustainability Education and Participation



Sustainable Finance



Sustainable Supply Chain



Talent Attraction, Growth and Retention



Technology

# CIMB

## at a glance

(GRI 102-16)

### ADVANCING CUSTOMERS AND SOCIETY

#### OUR PURPOSE

We place our customers at the heart of everything we do.

The 4th Industrial Revolution is upon us and as we strive to be the disruptor and not the disrupted, we will not limit ourselves to the boundaries of banking as we know it today.

We advocate sustainable practices, both for ourselves as an organisation and our customers as we progress forward.

#### #CIMBforTomorrow

Towards managing our economic, environmental and social impacts, we are committed to invest our resources and influence our networks to shape a better tomorrow and a better planet.

'Banking for the Future' is our philosophy for taking a long-term view on business. We want to be on the right side of history by helping build a sustainable future for CIMB and our partners in growth, including our employees, customers and communities.

#### SUSTAINABILITY – A WAY OF BUSINESS

Sustainability is one of the strategic pivots of our Forward23 strategy. Our aspiration over the next four years is to become a visible 'shaper' of sustainability practices in the ASEAN community. By 2023, we will be targeting to emerge as one of the top three most sustainable banking groups in ASEAN.



#### OUR VALUES



**CUSTOMER OBSESSED**



**HIGH PERFORMANCE**



**INTEGRITY**



**DIVERSITY AND INCLUSION**



**AGILITY**

## **CIMB at a glance**

### **GROUP PROFILE**

(GRI 102-2, 102-4, 102-6, 102-7)

CIMB Group is a leading ASEAN universal 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 and ventures & partnerships products and services. It is the second and fifth largest banking group by assets in Malaysia and ASEAN respectively and, as at the end of 2019, had around 35,000 staff and over 15 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and had market capitalisation of RM51.1 billion as at 31 December 2019. Total assets as at end 2019 were RM573.2 billion, with total shareholders' funds of RM56.2 billion and total Islamic assets of RM133.5 billion. At the end of 2019, substantial shareholders were Khazanah Nasional Berhad with 23.77%, Employees Provident Fund with 12.67%, Permodalan Nasional Berhad with 12.20% and Kumpulan Wang Persaraan (Diperbadankan) with 5.90%.

### **KEY BUSINESS UNITS AND ENTITIES**

#### **▶ CIMB BANK**

CIMB Bank is the Group's commercial bank in Malaysia with 234 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 representative offices in Yangon and Mumbai.

#### **▶ CIMB THAI BANK**

CIMB Thai is the Group's banking franchise in Thailand. It is listed on the Stock Exchange of Thailand and is the eighth largest commercial bank in Thailand by assets, with 69 branches nationwide and one overseas branch in Vientiane, Laos.

#### **▶ CIMB INVESTMENT BANK**

The Group's investment banking franchise operates in 15 countries across Asia Pacific. CGS-CIMB Securities, a joint-venture with China Galaxy International, is the stockbroking arm for the Group, providing institutional and retail equity broking services and equities research.

#### **▶ 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 ISLAMIC**

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

#### **▶ CIMB BANK VIETNAM**

CIMB Bank (Vietnam) Limited is the Group's banking franchise in Vietnam. Headquartered in Hanoi and with a branch in Ho Chi Minh City, it offers a wide range of banking products and services for individuals, businesses and corporates.

#### **▶ CIMB NIAGA**

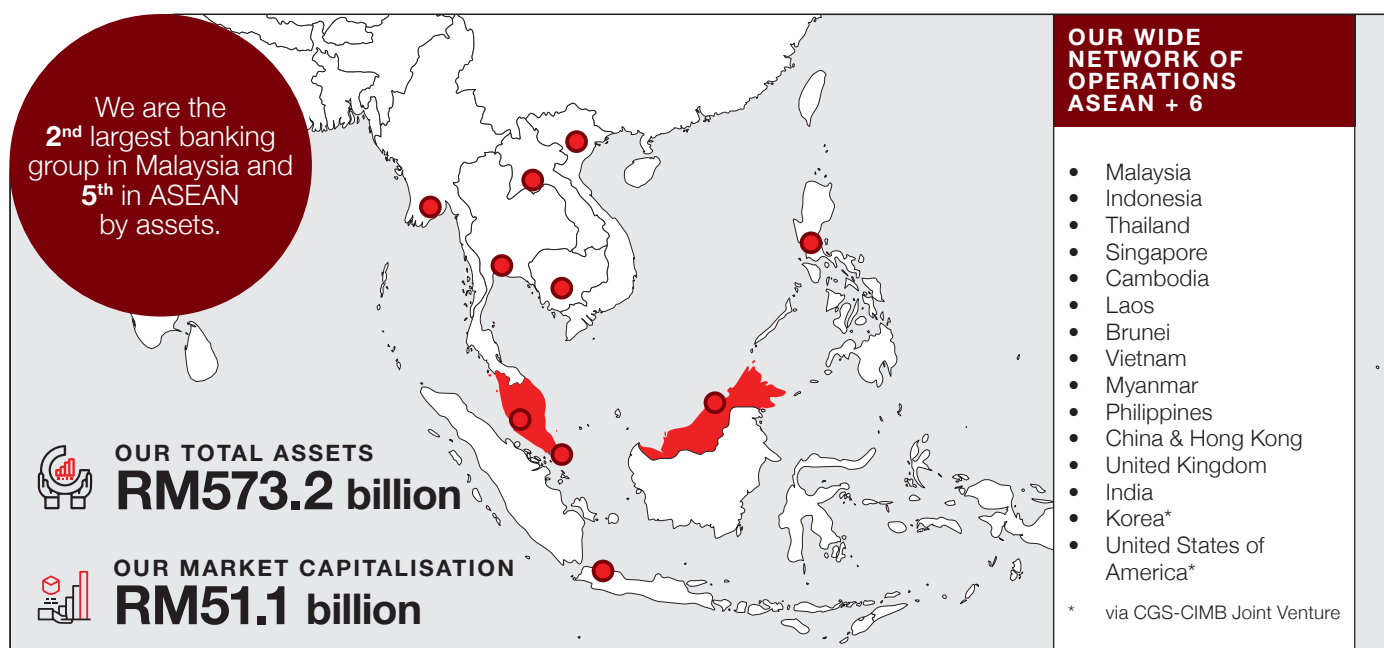
CIMB Niaga is the Group's banking franchise in Indonesia with 376 branches across the archipelago. It has been listed on the Indonesia Stock Exchange since 1989 and is the sixth largest bank in Indonesia by assets at the end of September 2019.

#### **▶ CIMB BANK PHILIPPINES INC.**

CIMB Bank PH is the tenth and final geographical milestone in establishing CIMB's presence throughout ASEAN. The bank is transforming the Filipino banking experience as an all-digital mobile-first bank.

## OUR PRESENCE & OUR SOLUTIONS

CIMB's products and solutions are delivered to empower people and businesses. Our underlying principle is to enable aspirations for growth, for prosperity, and for a better future. With regular feedback from our customers, we innovate and we future-proof our solutions.



Our Headquarters  
**MENARA CIMB**  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50740 Kuala Lumpur, Malaysia



**OUR RETAIL AND INSTITUTIONAL CUSTOMERS: OVER 15 million**



**OUR WORKFORCE: AROUND 35,000**



**OUR RETAIL BRANCHES 702**



**OUR SELF-SERVICE ACCESS POINTS 9,012**

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



**OUR UNIVERSAL PRODUCTS AND SOLUTIONS >100**

  
Consumer Banking

  
Commercial Banking

  
Wholesale Banking

  
Islamic Banking

  
Ventures & Partnerships

PROFIT BEFORE TAXATION

**RM5.97 billion**

NET PROFIT

**RM4.56 billion**

**LAST 5-YEAR DIVIDEND PER SHARE (SEN)**



# about CIMB

## sustainability report 2019

(GRI 102-46, 102-50, 102-54)

### FORWARD: ASEAN'S SUSTAINABLE BANKING AGENDA

**#CIMBforTomorrow is our commitment to stakeholders.** It is about our efforts to preserve invaluable natural and social capital. It is also our endeavour to create value for all stakeholders through net positive economic, environmental and social (EES) impact.

In the conduct of business, we assume full responsibility for our actions. 2019 was year one of our first 5-year Sustainability Roadmap. It was a year for us to build the right foundation to anchor our five sustainability pillars or focus areas. **CIMB's near-term objectives have been to raise awareness, build capability, garner support from our network of stakeholders, and motivate action.** The successful outcomes of these objectives documented in this report significantly contribute to CIMB's EES performance. **In the mid to long-term, the aspiration is to influence, shape and FORWARD the sustainability agenda in ASEAN.**

### BUSINESS CASE: PROFITS WITH PURPOSE

**This year's report focuses on the business case for sustainability.** It is a transparent account of stakeholders' expectations and our commitments. It serves as a credible reference document on the adoption and implementation of sustainability principles, and draws a clear picture of where CIMB is in its sustainability journey.

The CIMB Group Sustainability Report 2019 documents an important shift in the way we approach business. **From shareholder returns to stakeholder expectations – we are shifting in our mindsets. We are committing to create value for all.** We are working to mobilise definitive action today, to create a better tomorrow for everyone who is associated with us.

### BEYOND STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

In this report, we have adhered to best practice sustainability guidelines, standards and frameworks. But **beyond standards, our intent has been to provide stakeholders with accurate and reliable information on our sustainability performance and aspirations.** Our motivation is to inspire sustainable action, forge new partnerships for sustainable development, and create a community of sustainability champions.

- > We have complied with Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting.
- > This report has been prepared in accordance with GRI Standards: Core Option. We have included a GRI Content Index on pages 126 - 134 for easy reference.
- > As a signatory to the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB), we have included an Index on pages 135 - 145 to represent our level of compliance with the Principles.
- > We have started benchmarking our data disclosures against the indicators of the Dow Jones Sustainability Index (DJSI).

### SCOPE: REPORTING COVERAGE AND PRINCIPLES

The 2019 scope for our annually published CIMB Sustainability Report includes information for the period **1 January 2019 to 31 December 2019**, primarily for Malaysia unless Indonesia, Singapore, Thailand, and Cambodia are indicated\*. This Report should be read together with CIMB Group Annual Report 2019.

All quantitative and qualitative information for relevant indicators has been disclosed for a minimum of two years where applicable. The last report was published in March 2019 for the period covering 1 January 2018 to 31 December 2018.

Where possible, we have remained true to the principles of **balance, comparability, clarity, completeness, reliability and accuracy.**

\* During 2019, we closed our Investment Banking operations in Sri Lanka and our regional footprint reduced by 94 retail branches. Aside from this, there were no significant changes to the organisation's size, structure, ownership or supply chain.



**RELIABILITY: ASSURANCE OF THE QUALITY OF REPORTING**

(GRI 102-56)

**We continuously discuss and deliberate on the level of transparency and accountability in reporting across various functions of the Group.** This positively contributes to improving the quality of our report, in terms of presenting information in a balanced, meaningful and accurate manner.

Selected reported information for topics material to CIMB are subject to a **limited independent assurance by KPMG.** For scope of work and observations, please refer to the full assurance statement on pages 146 - 148 of this Report.

**STAKEHOLDER INCLUSIVENESS: STAKEHOLDERS' EXPECTATIONS AND MATERIALITY**

(GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47)

We have committed to use our relationships to influence our ASEAN-wide network of stakeholders to adopt and integrate sustainable business practices.



**Our basis for selecting the most critical stakeholders considers three factors**

The stakeholders' influence on our business, interactions, reputation;

The degree or level of our dependency on various stakeholders on our business; and

The stakeholders who share common business and community interests and aspirations, or their representativeness.

**Stakeholder Engagement Process**

Engage various stakeholder groups through focus groups, one-on-one interviews and online surveys to understand specific sustainability issues relevant to them, and identify topics of interest to stakeholders.

Source stakeholder data from multiple internal sources and stakeholder touchpoints, including bank branches, surveys, townhalls, review meetings, briefing sessions etc.







Seek stakeholder feedback every three to five years via focus groups, in-depth interviews, and surveys. In 2019, we updated the topics of interests through an assessment of stakeholders' expectations from various internal touchpoints and feedback loops. These however remain aligned to our material topics.
















Review our current portfolio and sectoral focus to better understand our ability to create direct and indirect impact, both by way of reducing negative impact and creating positive impact.

about CIMB sustainability report 2019

In the table below, we have listed our most critical stakeholders, the various platforms we rely on to bridge and strengthen our relationships and some of the key topics that interest our stakeholders.

> Stakeholders' Topics of Interest

				Topics of Interest	
 <b>Customers</b> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <b>Basis for Selection</b> <ul style="list-style-type: none"> <li>• Dependency</li> <li>• Influence</li> </ul> </div>	 Banking distribution channels	 Call centres	 Feedback forms and surveys	<ul style="list-style-type: none"> <li>• Consistent and Superior Customer Experience</li> <li>• Enhanced Digital Services</li> <li>• Financial Education</li> <li>• Financial Inclusion</li> <li>• Green Education and Participation</li> <li>• Data Security</li> <li>• Access to Finance</li> </ul> <p><b>Material Topics:</b> Customer Experience; Technology; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation.</p>	
	 Social media	 Seminars & conferences			<b>Frequency of Engagement – Daily</b>
	<b>Frequency of Engagement – Daily</b>				
 <b>Clients</b> Corporate/Commercial <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <b>Basis for Selection</b> <ul style="list-style-type: none"> <li>• Dependency</li> <li>• Impact</li> </ul> </div>	 Banking distribution channels	 Call centres		<ul style="list-style-type: none"> <li>• Access to Finance</li> <li>• Favourable Lending Terms</li> <li>• Customer Experience</li> </ul> <p><b>Material Topics:</b> Sustainable Finance; Customer Experience</p>	
	 Seminars & conferences (Quarterly)	 Meetings	<b>Frequency of Engagement – Daily</b>		
	<b>Frequency of Engagement – Daily</b>				
 <b>Employees</b> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <b>Basis for Selection</b> <ul style="list-style-type: none"> <li>• Dependency</li> <li>• Influence</li> </ul> </div>	 Townhalls	 Informal meetings	 Department meetings	<ul style="list-style-type: none"> <li>• Leadership by Example - Corporate Values and Culture</li> <li>• Fair Remuneration and Benefits</li> <li>• Grievance Mechanisms</li> <li>• Financial Literacy</li> <li>• Talent Development and Talent Mobility</li> <li>• Sustainability</li> </ul> <p><b>Material Topics:</b> Nurturing Growth; Talent Attraction, Growth, and Retention; Corporate Culture; Diversity and Inclusion; Corporate Citizenship and Volunteerism; Sustainable Finance; Health, Safety and Well-being</p>	
	 Feedback surveys	 Community events	 Intranet/Newsletter/Internal Communications		
	 Complaints and feedback mechanism in offices	 Focus groups	<b>Frequency of Engagement – Daily</b>		
<b>Frequency of Engagement – Daily</b>					

 <p><b>Suppliers</b></p> <p><b>Basis for Selection</b></p> <ul style="list-style-type: none"> <li>• Dependency</li> </ul>	 <p>Procurement process</p> <hr/>  <p>Performance evaluation</p>	 <p>Community events</p> <hr/>  <p>Focus groups</p>	<ul style="list-style-type: none"> <li>• Partnerships for Growth</li> <li>• Fair Remuneration and Payment Terms</li> <li>• Grievance Mechanisms</li> <li>• Financial Literacy</li> <li>• Community Development</li> </ul> <p><b>Material Topics:</b> Sustainable Supply Chain; Governance; Sustainability Education and Participation; Nurturing Growth</p>	
<b>Frequency of Engagement – Monthly</b>				
 <p><b>Government and Regulators</b></p> <p><b>Basis for Selection</b></p> <ul style="list-style-type: none"> <li>• Dependency</li> <li>• Influence</li> </ul>	 <p>Meetings</p>	 <p>Seminars</p>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Sustainable Finance</li> <li>• Sustainable Supply Chain</li> <li>• Sustainability Education and Awareness</li> <li>• Financial Inclusion</li> <li>• Quality EES Reporting / Communication</li> <li>• Value-based Intermediation</li> <li>• Customer Experience</li> <li>• Treating Customers Fairly</li> <li>• Talent Development</li> <li>• Climate Change</li> </ul> <p><b>Material Topics:</b> Governance; Customer Experience; Technology; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation; Financial Literacy, Inclusion, and Well-being; Sustainability Education and Participation; Climate Change; Sustainable Finance; Sustainable Supply Chain</p>	
<b>Frequency of Engagement – Quarterly</b>				
 <p><b>Community/NGOs/ Civil Society</b></p> <p><b>Basis for Selection</b></p> <ul style="list-style-type: none"> <li>• Dependency</li> <li>• Influence</li> </ul>	 <p>Community partnerships and investments, including donations</p>	 <p>Social media (Ongoing)</p>	 <p>Focus groups</p>	<ul style="list-style-type: none"> <li>• Partnerships for Growth</li> <li>• Financial Inclusion</li> <li>• Volunteerism</li> <li>• Financial Literacy</li> <li>• Community Development</li> <li>• Climate Change</li> </ul> <p><b>Material Topics:</b> Financial Literacy, Inclusion, and Well-being; Climate Change; Corporate Citizenship and Volunteerism; Nurturing Growth</p>
<b>Frequency of Engagement – Monthly</b>				
 <p><b>Investors</b></p> <p><b>Basis for Selection</b></p> <ul style="list-style-type: none"> <li>• Influence</li> </ul>	 <p>Briefings</p>	 <p>Meetings</p>	<ul style="list-style-type: none"> <li>• Quality EES Reporting / Communication</li> <li>• Sustainable Finance</li> <li>• Sustainable Supply Chain Practices</li> <li>• Governance (Corporate and Sustainability Governance)</li> <li>• Climate Change Strategy</li> </ul> <p><b>Material Topics:</b> Sustainable Finance; Governance; Sustainable Supply Chain; Climate Change</p>	
<b>Frequency of Engagement – Quarterly, Annual</b>				

about CIMB sustainability report 2019

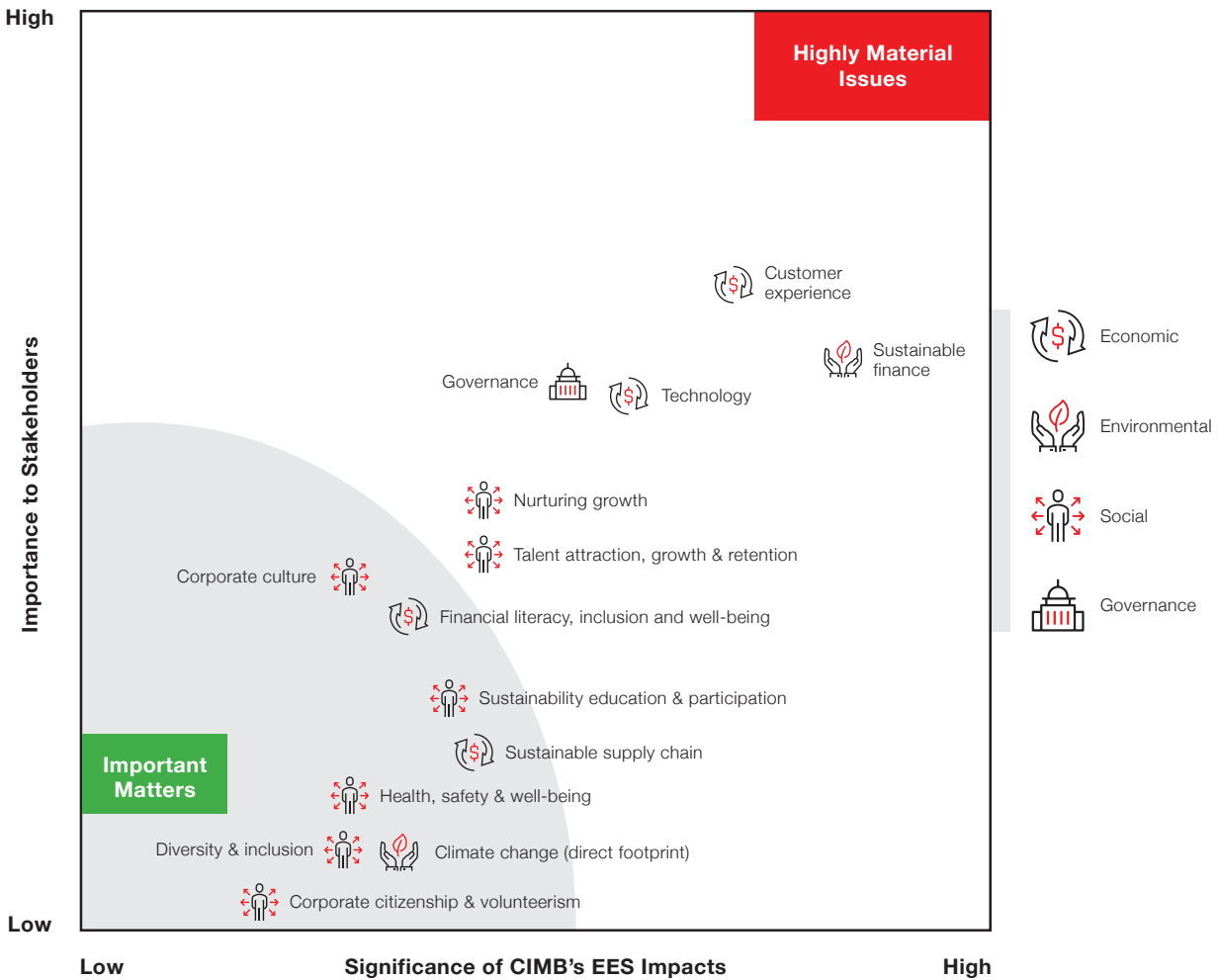
> Materiality & Prioritisation

(GRI 102-47)

Based on the in-depth stakeholder engagement and materiality assessment exercise undertaken in 2018, below is our Materiality Matrix. **These material topics have been finalised based on their expected impact, either through our operations, clients or other business relations.**

To further prioritise and address the material topics strategically, we have evaluated them based on the following:

- The material relevance to stakeholders
- Influence on stakeholders' assessments and decisions
- The significance of CIMB's economic, environmental, and social impacts



List of 6 Highly Material Issues:

- 1 Customer Experience
- 2 Sustainable Finance
- 3 Technology
- 4 Governance
- 5 Nurturing Growth
- 6 Talent Attraction, Growth and Retention

List of 8 Important Topics:

- 1 Corporate Culture
- 2 Financial Literacy, Inclusion and Well-Being
- 3 Sustainability Education and Participation
- 4 Sustainable Supply Chain
- 5 Health, Safety and Well-Being
- 6 Climate Change (Direct Footprint)
- 7 Diversity and Inclusion
- 8 Corporate Citizenship and Volunteerism

## FEEDBACK LOOPS: REVIEW FOR CONTINUOUS IMPROVEMENT

We look at sustainability as our responsibility towards our stakeholders and their future. It is therefore critical to continuously map their views on our sustainability efforts. It is equally important to seek their participation in creating long-term positive impact in areas that matter most to them.

**Our assurance to our stakeholders is to keep their interests at the core of everything that we do. The motivation is to shape a better tomorrow for all of us.**

Meanwhile, we welcome all feedback, ideas, and questions from our stakeholders on CIMB Sustainability Report 2019. Please contact:

**Luanne Sieh**

Head, Group Sustainability  
sustainability@cimb.com

### STATEMENT OF THE CIMB GROUP SUSTAINABILITY COUNCIL CHAIR AND SUSTAINABILITY SPONSOR ON THE CIMB BOARD

We assume full accountability towards the accuracy and integrity of the information shared in the CIMB Sustainability Report 2019. In our opinion, the report shares comprehensive narratives on our integrated approach to sustainability, which is one of the five key pivots of our Forward23 mid-term strategy.

The content fairly presents the Group's performance on economic, environmental, social and governance metrics for the year 2019.

Approved on behalf of the Group Sustainability Council and signed on behalf of the CIMB Board.



A stylized black ink signature of Tengku Zafrul Tengku Abdul Aziz.

**Tengku Zafrul Tengku Abdul Aziz**  
Chair of the Group Sustainability Council  
Group Chief Executive Officer /  
Executive Director



A stylized black ink signature of Rob Coombe.

**Rob Coombe**  
Sustainability Sponsor  
on the CIMB Board of Directors,  
Non-Executive Director

# sustainability leadership

#CIMBforTomorrow



## sustainability progress report by Group CEO (GRI 102-14)

**“We want to be on the right side of history in creating positive impact and shaping a better tomorrow.”**

### D E A R S T A K E H O L D E R S ,

The role, potential and business application of ‘sustainability’ is often perceived as limited to CSR or green initiatives such as recycling and reducing waste. However, in a more holistic sense, sustainability is about having proper processes in place to ensure that the organisation and its key stakeholders can thrive in the long-term, from an economic, environmental and social (EES) perspective. In conducting our business, we are mindful of our responsibility towards our key stakeholders. As such, it is imperative to exercise our influence, mobilise our network and maximise our positive impact, while making sure we do not harm the environment and society.

It is also a commitment to be inclusive and leave no one behind in our quest for progress.

CIMB has pledged to leverage its influence to not only manage the impact of our business, but to catalyse sustainable development. In 2019, we demonstrated our commitment in many ways.





## sustainability leadership

### INTEGRATION IS KEY

In 2018, when devising our mid-term strategy, Forward23 Sustainability was identified as one of the five strategic pivots. Effectively, this means that over the next four years, as an ASEAN universal bank, we aim to become a visible ‘shaper’ of sustainability practices. **Our aspiration is to emerge as one of the top three most sustainable banking groups in ASEAN by 2023.**

Towards this pledge, in 2019, **we rolled-out the CIMB Group Sustainable Financing Policy (GSFP) across our corporate banking business** in Malaysia implementing risk-based sustainability due diligence across the various industries to which we have exposure. As part of the GSFP, **we developed specific Sector Guides detailing our expectations of clients in the Palm Oil, Construction & Real Estate, Oil & Gas, and Forestry sectors.** With the GSFP and Sector Guides, we intend to promote and encourage sustainable practices beyond compliance across our clientele. **In 2019, we conducted Enhanced Sustainability Due Diligence (ESDD) on more than 44 clients** and we will expand this to cover a larger portion of our lending portfolio in 2020.

We also extended our sustainability ‘enculturation’ efforts to our vendors (suppliers) by rolling out a self-disclosure submission on various aspects of sustainability. **Our aim, over the next four years, would be to map specific Environmental and Social (E&S) risks associated with our key suppliers, such as disruptions due to non-compliance to environmental laws or reputational damages due to human rights violations etc.** We will work with our partners to improve our collective performance on material metrics of sustainability.

**In terms of Corporate Social Responsibility (CSR), we expanded our internal definition to include a wider network of stakeholders and the E&S issues material to them.** This is to ensure our CSR efforts across ASEAN are aligned with our sustainability goals and aspirations. In 2019, we standardised and improved our regional CSR strategy, implementation processes, project admission criteria and overall governance. As part of CSR, CIMB Foundation launched CIMB SHINE, a platform for start-ups, entrepreneurs, and SMEs to equip them with the right knowledge in finance, the Fourth Industrial Revolution, and e-commerce. Through this programme, in partnership with the Malaysian Digital Economy Corporation (MDEC) and Cheng & Co, we delivered seven seminars across Malaysia to benefit more than 1,000 SMEs.

### GLOBAL ALIGNMENT IS CRITICAL

While it is important to operate in the context of local issues and solutions, we need to also understand systemic challenges and global trends. **Our intent is to align our regional sustainability efforts with the Group’s overall goals, global issues and expectations of stakeholders.**

We took three major steps in 2019:

Firstly, further to a strategic exercise undertaken in 2018, **we prioritised seven of the 17 United Nations Sustainable Development Goals (UN SDGs).** Our methodology included the mapping of material issues, our sector exposure, our direct impact (including retail products), and our ability to influence positive outcomes. **This is particularly important for us in order to consistently design and deliver programmes in the chosen focus areas or causes. We will also be able to measure and document our aggregate Group-wide environmental and social impact.** In other words, our Group-wide Economic, Environmental and Social (EES) performance will meaningfully contribute towards mitigating global E&S issues that are of national importance and have local impact. All future programmes, including performance monitoring and reporting, will be structured and designed to meet these UN SDGs.

Secondly, we **were among 33 global banks, with over \$13 trillion in assets, to pledge a Collective Commitment to Climate Action.** This means that the signatory banks will scale-up their contribution to and align their lending with the objectives of the Paris Agreement on Climate Change. This further reinforces our continued commitment to support national, regional as well as international efforts to build a low-carbon and climate-resilient world.

Thirdly, **we joined 29 other global businesses to pledge our support to fulfil the objectives of the Global Investors for Sustainability Development (GISD) Alliance, a UN initiative to free-up trillions of dollars from the private sector to finance the SDGs.** Being part of the GISD Alliance complements our commitment to UNEP FI’s Principles for Responsible Banking, and our five-year plan on realising CIMB’s SDG-related goals. It will also see us enhance efforts towards increasing investments in sustainable development, in line with CIMB’s focus on sustainability, a key pivot of our Forward23 strategy.

Above all, **we are continuously seeking opportunities to work with policy-makers and regulators to accelerate efforts to mainstream sustainable finance and responsible banking practices.** For instance, in 2019, we joined a taskforce under the auspices of Bank Negara Malaysia (BNM), to deliberate and submit recommendations on the modernisation of the agricultural sector. This included discussions on how emerging solutions, such as regenerative farming, could substantiate efforts to improve human health and the planet’s future. We are also members of BNM’s Joint Committee on Climate Change (JC3) which aims to support the financial sector’s efforts in climate action.



## AWARENESS IS A PREREQUISITE

The greatest challenge as well as opportunity is to create a responsible mindset. This is even more important given the global climate emergency, the geo-political and socio-economic influences that will increasingly change the dynamics of business (Refer to the Management Discussion and Analysis in the Annual Report 2019 for details). **At CIMB, we believe that engagement for a 'purpose' can go a long way towards mobilising meaningful and definitive action for positive impact.**

What were our priorities in 2019?

We embarked on a roadshow internally to raise E&S consciousness. Most importantly, **our objective has been to demonstrate how we make our business more responsible and a force for shaping a better tomorrow.** We conducted 71 sustainability awareness sessions, involving more than 2,268 members of #teamCIMB across ASEAN. To empower employees to create or support staff-led positive impact projects, we introduced the CIMB ACTS (Advancing CIMBians Towards Sustainability) programme. In 2019, we received 11 mission ideas across different departments. Initiatives such as e-waste recycling and eliminating single-use plastic packaging were successfully executed.

In addition to the Principles for Responsible Banking, **we worked closely with UNEP FI to engage our industry peers across ASEAN to solicit feedback on the principles, guidance and tools.** During the year, we planned a regional roadshow to meet banks, regulators and banking associations in Malaysia, Singapore, Indonesia, Cambodia, Vietnam and Thailand.

Locally, we engaged with 12 Malaysian banks to share our journey and sustainability aspirations. In the process, we raised awareness and continued to explore partnership opportunities to create greater impact.

## URGENT ACTION IS NEEDED

Ultimately, all our efforts in 2019 and beyond are aimed at achieving definitive action and positive impact. **Measurable outcomes are possible only when business KPIs are linked to sustainability goals.** During the year, we created momentum by introducing various tangible solutions. The most significant was the launch of CIMB's SDG Bond, the first-ever SDG Bond to be issued by a Malaysian and ASEAN issuer in the Reg S international capital markets, and also the first to be issued in the Formosa market. The proceeds from the SDG Bond will be channelled to various impactful sectors that support one or more of CIMB's seven priority UN SDGs.

We also rolled-out the **CIMB SME Renewable Energy Financing for small and medium-sized enterprises (SMEs) in Malaysia,** as part of our RM15 billion SME allocation for 2019-2020. The scheme covers 100% of the cost of acquiring and installing renewable energy technology for SMEs. This is to support the Malaysian government's efforts to transition towards a zero-carbon economy, as well as to provide a springboard for the critical mass of SMEs to start thinking of sustainability as the future of business.

As part of our mission to mobilise our clients and networks to adopt sustainable practices, we initiated the process of designing **Sustainability-Linked Loans (SLLs)** and in early 2020, committed RM3 billion for corporate borrowers. Through SLLs, we actively encourage business clients to achieve agreed ESG targets by offering tiered rebates if targets are met.

Overall, 2019 has been a foundational year for us as far as sustainability is concerned. In the next four years, we will accelerate our efforts for greater impact across the region. Along the way, our objective will be to encourage our clients, partners and communities to join forces for meaningful action. **We are changing fast as an organisation. Whilst we care about today, we also want to ensure a better and more resilient future. This is our promise. This is CIMB for Tomorrow.**



**Tengku Zafrul Tengku Abdul Aziz**  
Chair of the Group Sustainability Council  
Group Chief Executive Officer / Executive Director

sustainability leadership

INSIGHTS



our business case by  
**Sustainability Sponsor on the Board**

(GRI 102-14)

**“We see Sustainability as integral to the Board’s agenda and beyond a fiduciary duty, it is every Board member’s responsibility.”**



D E A R S T A K E H O L D E R S ,

The future of the financial markets services will be shaped by three key trends. Sustainable finance, technology and innovation. These trends will change the way banks have been operating, pushing us to rethink our business model and growth strategies. The role of the financial sector in catalysing sustainable development has been a critical topic of global debate and discussion.

**ACCOUNTING FOR SUSTAINABILITY RISKS**

The challenges are systemic and our risks therefore are not limited to regulations, economic trends and market fluctuations. **There are externalities, especially in the risks induced by the Climate Emergency and increasing social inequity and imbalance.** These are posing new threats, compromising the value of our assets, our people, and the communities we serve.

According to Sustainalytics, examples of the pervasive ESG issues in 2019 included:



APAC insurers facing large payouts and high carbon risk from their investments, with ever-rising insured losses due to weather events



Slave labour prevalent in Asian supply chains, especially in the seafood industry



Low levels of leadership diversity and high rates of discrimination incidents putting the software and services industry at risk of gender inequity



Data privacy and security reframed as potential drivers of competitive advantage

In response, at CIMB, we recognise the need to continuously integrate sustainability principles and practices into our Regional Operating Model. **We have to look beyond short-term financial returns and risks, and start accounting for social and environmental returns,** which will give us the ‘true value’ of our business.

**ESG INTEGRATION INTO THE INVESTMENT PROCESS**

Our institutional investors are increasingly concerned about these (and other) environmental and social risks, and are interested to know how CIMB, as a leading ASEAN banking group, is preparing to manage these risks. Economic, Environmental, Social, and Governance (EES&G) analysis and disclosures are an expectation and a critical component of their investment process. Where previously, this was seen as a trade-off, **there is sufficient evidence that EES&G integration today means investment performance at par with, if not better than, best market indices.**

## INCREASING SUSTAINABILITY FOCUS

Global sustainability issues and trends have challenged the status quo. Policymakers, financial industry associations and special interest groups are taking tangible steps and introducing forward-looking solutions.

**There is increasing regulatory and investor push on sustainable banking and finance.** The following initiatives in some of our key markets are shaping the conversations on sustainability and how the financial services sector will respond in the years to come.

- Malaysia:** Securities Commission of Malaysia (SC) launched the **Sustainable and Responsible Investment (SRI) Roadmap**. The roadmap aims to create a facilitative SRI ecosystem and redefine the role of capital markets in accelerating Malaysia's sustainable development. Bank Negara Malaysia (BNM), in December 2019, issued a discussion paper on **'Climate Change and Principle-based Taxonomy'** inviting banks and stakeholders to share their views on climate change and its impact to the financial system. This is in keeping with global trends, where the European Banking Federation (EBF) and UNEP FI are set to launch a project to assess the application of the EU Taxonomy on Sustainable Activities to core banking products.
- Indonesia:** At the 2019 IMF World Bank Annual Meetings in Washington DC, Otoritas Jasa Keuangan (OJK), the banking regulatory authority of Indonesia, secured International Finance Corporation's (IFC) commitment to implement the **Sustainable Finance Phase II Roadmap**, to strengthen ESG risk management by financial institutions as well as to mobilise global investors to enter the Indonesian sukuk market.
- Singapore:** The Monetary Authority of Singapore has been advocating the role of the financial sector in catalysing sustainable and green finance in the region. In November 2019, MAS launched a US\$2.0 billion **Green Investments Programme (GIP)** to invest in public market investment strategies that have a strong green focus.

- Thailand:** The Thai Bankers' Association, under the auspices of the Bank of Thailand, issued the **Responsible Lending Guidelines** reinforcing the importance of sustainable banking as the country accelerates its efforts to build a competitive and resilient financial sector.
- Cambodia:** Further to the introduction of the **Cambodian Sustainable Finance Principles**, leading banks are committing to integrate environmental and social considerations into their financing decisions. In recognition of the role of the banking sector in shaping a sustainable future, the banks are also undertaking the task of raising financial awareness and literacy among citizens, in addition to introducing innovation towards developing a green economy.

## URGENT ACTION FOR POSITIVE IMPACT

How is CIMB responding to all these trends and expectations? **In addition to various global commitments and partnerships, back home in Malaysia, we organised our first major industry engagement platform – The Cooler Earth Sustainability Summit – in the form of a two-day dialogue.** 169 CEOs and board members, 35 representatives from regulatory authorities, and 148 government officials were part of the 1200-strong audience who joined CIMB to deliberate on some of the ground-zero sustainability adoption and implementation challenges of businesses. Rich insights and potential opportunities for partnerships and long-term value creation emerged from the conversation. **The most important outcome was the institutionalisation of a closed group of highly influential and motivated leaders.** The group, led by top CEOs from diverse sectors, will endeavour to influence policy, mobilise support, inspire action, and deliver positive impact industry-wide.

We have also developed a **Positive Impact Products and Services (PIPS) Framework**, which will guide us to develop solutions that are aligned to SDGs, with positive economic, environmental and social impact. In 2019, we organised the first of many workshops with different business units including, Islamic Banking,

Wholesale Banking, Commercial Banking and Consumer Banking, to brainstorm innovative solutions that would benefit CIMB and our clients.

## CRITICAL ROLE AND COMMITMENT OF THE BOARD

In keeping with our purpose of 'Advancing Customers and Society', sustainability will be our key area of focus for the next four years and beyond. The overarching objective is to future-proof our business, our people, and other key stakeholders.

**I particularly acknowledge the pivotal role of the Board in strengthening our sustainability governance, including the operating model, with clear commitment to EES&G performance.**

Going forward, there is a need to consider 'sustainability' as critical to upholding fiduciary duty and it is an obligation on the part of the Board to meaningfully contribute to setting the overall sustainability direction. **In 2019, we have linked the KPIs of selected senior management, including the Group CEO, with sustainability performance.**

Going forward, our efforts will intensify. We will continue to engage our peers and other financial institutions to consider EES&G criteria in decision-making processes. We will also advocate for our clients to adopt industry standards and guidelines – local, regional and international, as well as to support industry-led sustainability efforts. Partnerships will be crucial, and we invite various industry stakeholders, including not-for-profit, civil society and purpose-driven organisations, to collaborate with us to create positive impact.



**Rob Coombe**  
Sustainability Sponsor  
on the CIMB Board of Directors,  
Non-Executive Director

# sustainability principles & strategies

## OUR PHILOSOPHY

**Our philosophy for business goes beyond short-term profits.** With a rich legacy of over four decades, CIMB Group continues to be a progressive financial institution, fulfilling not only the expectations of our stakeholders today, but safeguarding the needs of future generations.

**Our core business of banking aspires to fulfil the promise of a better future,** where economic growth empowers people and businesses, creates new opportunities, and reduces social inequalities. With sustainable banking practices, we operate to achieve growth that is meaningful for everyone who shares this vision.

This also means that **we acknowledge the impacts of our business as well as our people on the planet as well as society.** Our commitment is to operate in a way where we assume accountability and responsibility towards our actions, while minimising negative impacts and creating net positive impact. In short, **our promise of a better future inspires us to optimise our capabilities, resources, and influence for creating positive economic, environmental and social impact.**

## OUR BUSINESS CASE

At CIMB, we believe that our positive sustainability performance will not only give us strategic advantage and differentiation, but will future-proof our organisation and our people.

The driving force behind all sustainability efforts is our business case as follows:



**Stakeholders' Expectations on Responsibility**

84% of asset owners are pursuing or actively integrating ESG factors in their investment process<sup>1</sup>



**Customers' Trust in the Company and its Offerings**

There is a positive correlation between brand relationship and consumer behaviour, where consumers are willing to pay more for sustainable brands.



**ESG Integration for Enterprise and Shareholder Value**

Economic, environmental, social and governance risks and related issues have had a measurable impact on companies' market value and reputation.



**Employees' Opting for ESG-compliant Companies**

About 70% of millennials surveyed would consider staying for a long term if the company has a strong sustainability plan.<sup>2</sup>



**Sustainability Leadership in ASEAN**

Need for definitive action and leadership to catalyse adoption of ESG principles, policies, and programmes.

Sources: 1. Morgan Stanley Institute for Sustainable Investing and Morgan Stanley Investment Management (2018)  
2. Fast Company (2019)

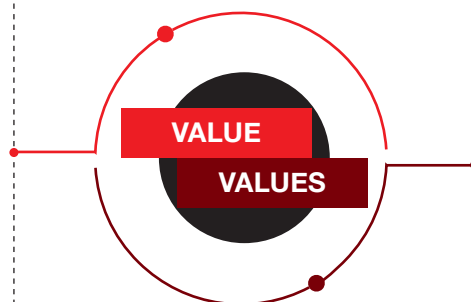
**We consider both VALUE and VALUES  
when embedding sustainability principles into our business model.**

**Value Preservation**

We endeavour to **identify and mitigate environmental and social risks** across the bank, including our products and services, customers, business practices, human capital management, and our value chain partners.

**Value Creation**

Our ultimate objective is to both **catalyse and create positive impact** in terms of profits, people, and our planet, for CIMB as well as our multiple stakeholders in markets and communities where we operate.



**Moral Responsibility**

We believe **'Sustainability' is the right thing to do** and we have a moral responsibility as a corporate citizen.

**Fiduciary Obligation & Beyond**

Beyond corporate responsibility, we have to **demonstrate the right leadership** through governance at the highest level.



**Our aspiration towards 2023 is to become a visible 'shaper' of sustainability practices in the ASEAN community.** Our actions today will determine how the future will look like, and whether the generations of tomorrow will be grateful for the world we leave behind for them.

**#CIMBforTomorrow is our pledge for the future and to ensure the sustainability of the planet.** By reducing our negative environmental and social impacts and increasing our positive impacts, we are committed to create net positive change for our planet, our people, and for progress, ensuring a better tomorrow.

**The United Nations Our Common Future, also known as the 'Brundtland Report', defines sustainability as "...meeting the needs of the present without compromising the ability of future generations to meet their own."**








Thank You from Tomorrow video.  
Follow us on social media #CIMBforTomorrow

sustainability principles & strategies

**SUSTAINABILITY ROADMAP 2023**

We broadly focus on two key objectives. The first is to create positive impact and opportunities through our business, operations, relationships and networks. The second is to manage and mitigate negative impacts and risks through partnerships, capacity building, policy influence and action. **In alignment with the Group’s business strategy, the Sustainability Roadmap 2023 focuses on five key areas** as follows.



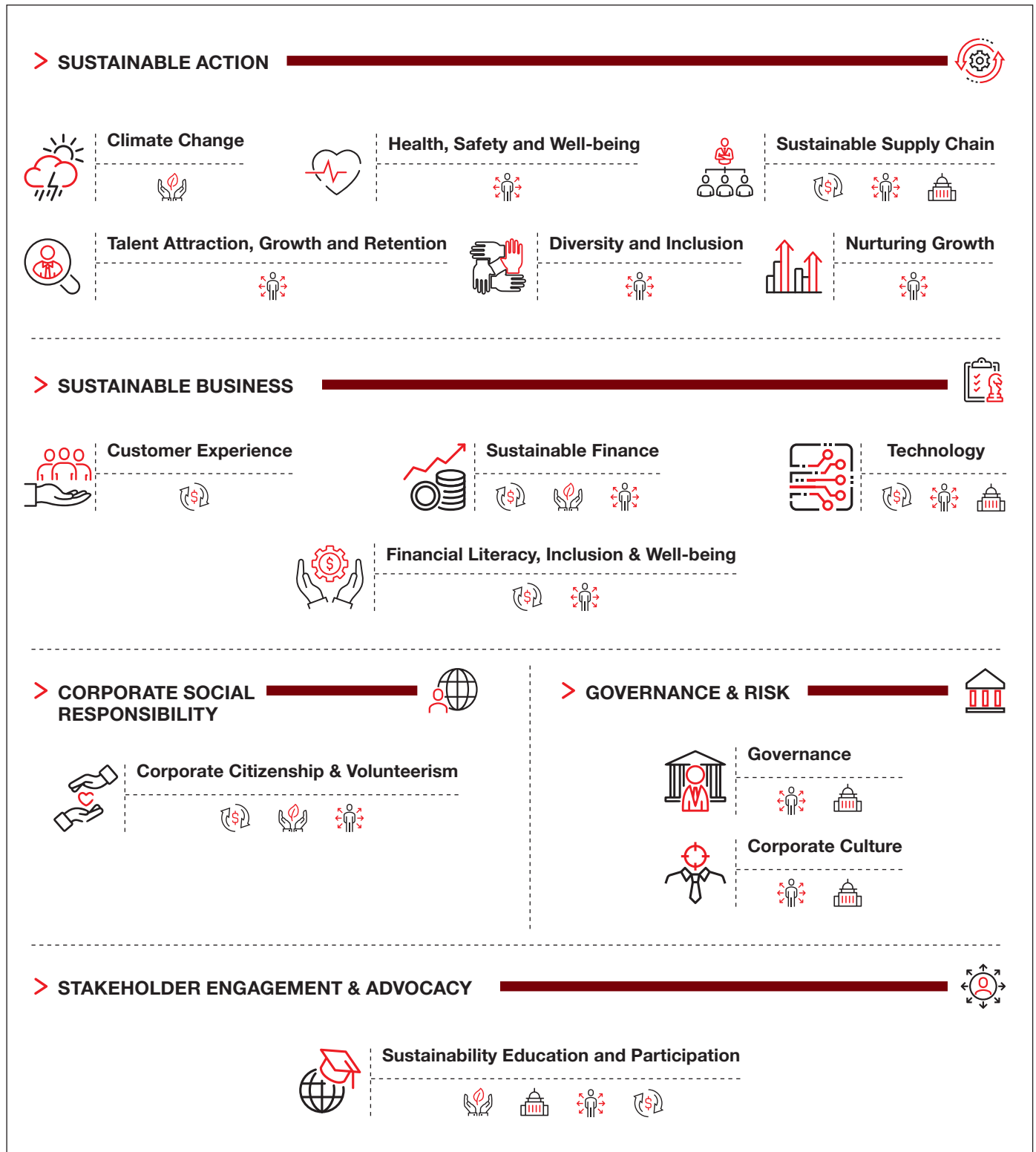
 <p><b>THE GROUP</b></p> <p><i>Sustainable Action</i></p> <p>How we embed sustainability principles in all our business operations and processes to reduce our negative impact such as carbon footprint and generate positive impact through our business</p>	 <p><b>OUR CLIENTS</b></p> <p><i>Sustainable Business</i></p> <p>How we generate profits in a responsible manner, creating net positive impact through the products and services we provide, and by assisting and encouraging our customers and clients on their own sustainability journeys</p>	 <p><b>SOCIETY</b></p> <p><i>Corporate Social Responsibility</i></p> <p>How we use a portion of our profits to enhance and contribute towards sustainable long-term positive impacts in the communities around us</p>	 <p><b>Governance and Risk</b></p> <p>How we govern and report sustainability risks at CIMB, including setting targets and tolerance levels, and how we organise and mobilise ourselves for best results</p>
			 <p><b>Stakeholder Engagement and Advocacy</b></p> <p>How we champion, engage, build capability and capacity, raise awareness and drive participation for sustainability, both internally and externally</p>



Luanne Sieh, Head of Sustainability, conducting a brainstorming session on sustainability value creation at the Annual Management Summit 2019.



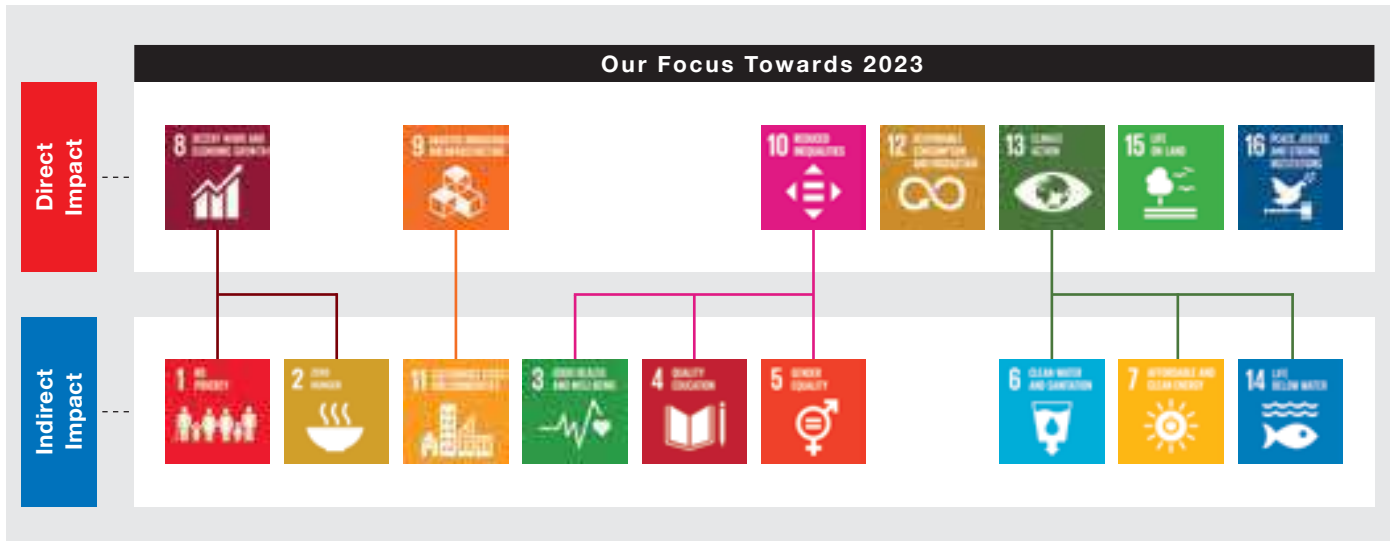
**MATERIAL MATTERS BY FOCUS AREAS OF OUR SUSTAINABILITY ROADMAP AND THEIR IMPACT (ECONOMIC, ENVIRONMENTAL, SOCIAL & GOVERNANCE)**



sustainability principles & strategies

**PRIORITY SUSTAINABLE DEVELOPMENT GOALS (SDGs)**

All our sustainability efforts, programmes and initiatives, performance tracking, and impact reporting in relation to the above focus areas are structured and designed to meet specific targets of the following seven priority SDGs.



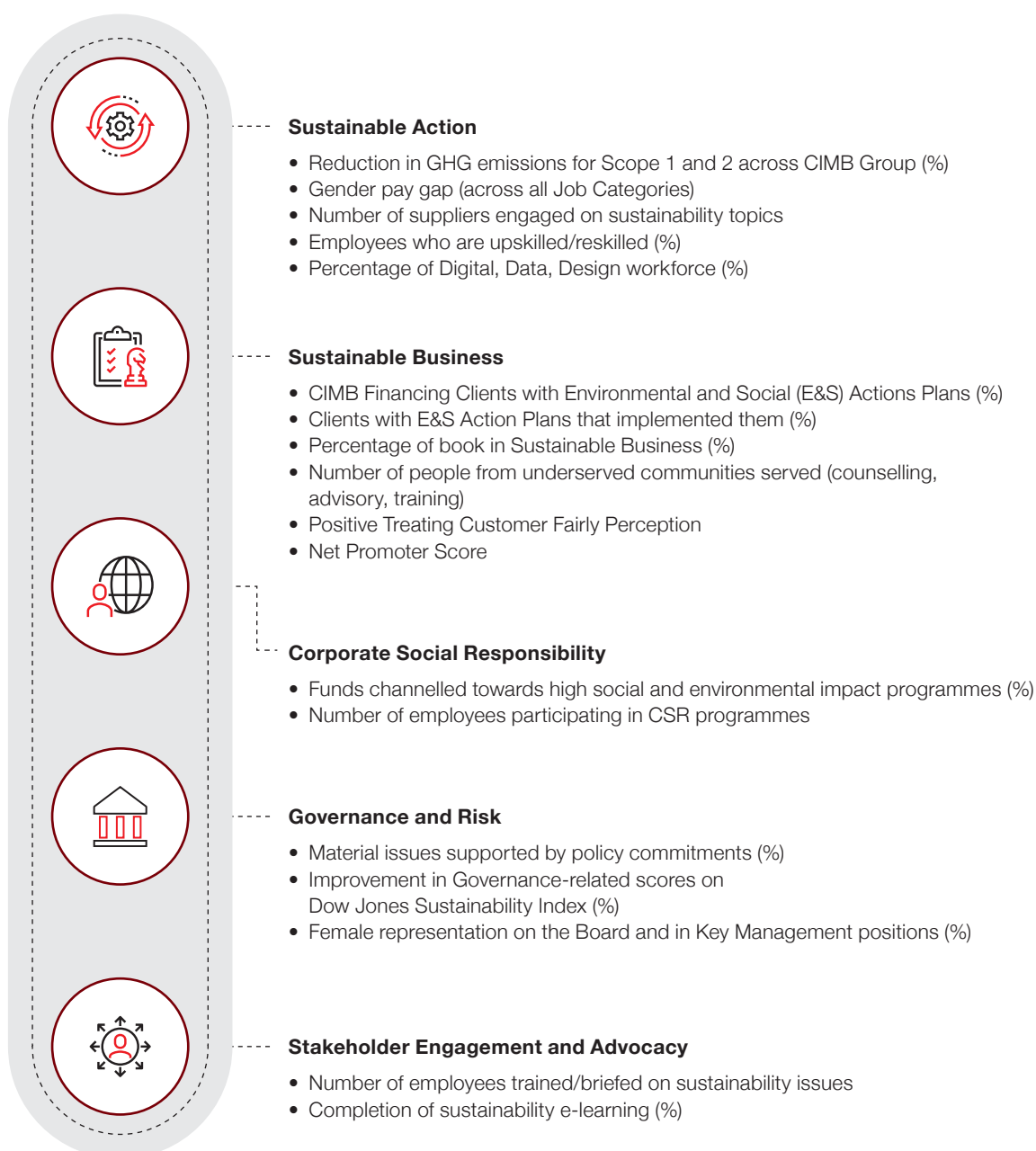
The following factors were taken into consideration when prioritising SDGs, in alignment with our focus areas and business impact.





## SUSTAINABILITY SCORECARD

In consultation with the Group Sustainability Council, **we have determined our preliminary indicators of measuring impact for the 5-year Sustainability Roadmap 2023.** A comprehensive target-setting exercise based on all the five pillars (below) is currently in progress. Meanwhile, our aspiration is to progressively demonstrate sustainability leadership across ASEAN. Below is the table with preliminary indicators:



sustainability principles & strategies

FIVE FACTORS UNDERPINNING SUSTAINABILITY TARGETS

While we have set internal sustainability targets to guide various functions to deliver positive performance against each of the five pillars of our Sustainability Roadmap 2023, we are in the process of finalising the mid-term targets, which will be published in the 2020 Sustainability Report.

- > The **seven UN SDGs** prioritised by the Group (as indicated on page 22) and other pivotal SDG indicators will ensure our alignment to global goals and commitment to local impact in markets where we operate.
- > The Government's Strategic Plan, led by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), aims to achieve energy sustainability and wealth creation. The plan has 20 initiatives for the energy sector, 22 initiatives for science, technology and innovation (STI) and 20 specific plans for environment and climate change. We also align ourselves to the **11<sup>th</sup> Malaysia Plan's Six Strategic Thrusts** that address economic, environmental, social and governance challenges.

Thrust 1	Thrust 2	Thrust 3	Thrust 4	Thrust 5	Thrust 6
Enhancing inclusiveness towards an equitable society	Improving well-being for all	Accelerating human capital development for an advanced nation	Pursuing green growth for sustainability and resilience	Strengthening infrastructure to support economic expansion	Re-engineering economic growth for greater prosperity

- > The **top concerns and issues that are material to our stakeholders** as well as to CIMB form the basis for determining mid-term strategies and approaches, risks and opportunities and key areas of focus for achieving EES impact.
- > Significant **multi-sectoral material issues tracked by global sustainability indices** such as DJSI, MSCI, FTSE and WWF are critical to help our customers and leadership to monitor and manage economic, environmental, social and governance impact.
- > Determining the baseline for each indicator and building internal capability to help us measure and achieve our targets.

## > SUSTAINABLE ACTION



**Sustainability is part of our core Forward23 strategy.** Sustainable action demonstrated at CIMB speaks of our commitment to creating positive impacts through our day-to-day business. **Our key focus is on promoting sustainable practices in our operations and processes group-wide.** Over the last one year, we have achieved significant milestones and made commitments to initiate tangible steps towards addressing sustainability challenges facing our organisation, and its stakeholders.

At CIMB, we recognise the urgency. **Our mid-term strategy on sustainability takes into account how our business (including the supply chain) will continue to be impacted by the global phenomenon of climate change.** We also understand the role of our people in championing definitive action to mitigate negative impacts and create positive change within our circles of influence as well as the communities where we operate. The role of people and their mix is also critical for our business performance. According to the Global Diversity Practice, Diversity widens access to the best talent, whereas Inclusion allows organisations to engage with talent effectively. Together, Diversity and Inclusion lead to enhanced innovation, creativity, productivity, reputation, engagement, and results. At CIMB, we do believe that a healthy balance of gender, age, and ethnicity improves decision-making and gives us a business advantage.

### HOW DO WE MAP SUSTAINABLE ACTION?

#### Material Topics



Climate Change



Sustainable Supply Chain



Diversity and Inclusion



Health, Safety and Well-being



Talent Attraction,  
Growth and Retention



Nurturing Growth

#### Key Considerations



- What represents the highest percentage of our carbon footprint?
- What are the projects designed or supported to mitigate the internal effects of climate on the environment and communities who matter to us?
- What motivates our people and how do we future-proof our people?
- What drives performance and growth for both our employees and the organisation?
- What tangible actions can we take to promote diversity and inclusion in our business?

#### Sustainable Development Goals (SDGs)



### FORWARD 23

#### Relevant Strategic Pivots



Our People



Technology  
& Data



Ventures &  
Partnerships



Sustainability

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CLIMATE CHANGE

(GRI 102-11)

In 2019, we have witnessed climate emergency declarations by 19 countries, 1,034 jurisdictions and local governments, covering 266 million citizens. Philippines is also taking concrete steps to mitigate the impending risks of climate change. The next decade will see many more tipping points.

The global response to climate change is “by holding the increase in global average temperature to well below two degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius...” This will require definitive action towards limiting greenhouse gas emissions.

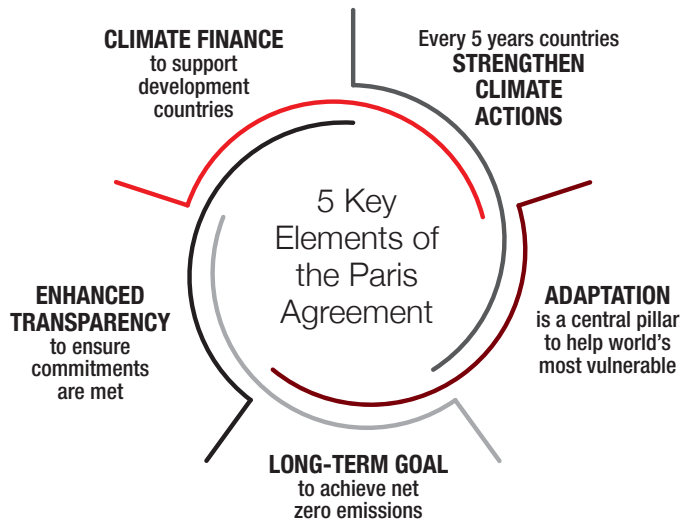
At CIMB, we recognise that the climate emergency is real. Global heating is affecting us, our clients and their businesses. Governments in our key operating markets including Malaysia, Indonesia, Singapore and Thailand are in the process of strategising their transition to low-carbon economies. **The physical and transition risks are requiring us to tighten our due diligence mechanism and manage our exposure better. We are committed to work with our peers and other stakeholder partners to take a precautionary approach and catalyse awareness as well as action on climate resilience in the financial sector.** For instance, we are working together with a multi-stakeholder team on scenario-based climate-related risk assessments for the real estate sector, as part of UNEP FI’s Task Force on Climate-related Financial Disclosures (TCFD) Banking Pilot.

**OUR RESPONSE**

- > Manage our direct carbon footprint by monitoring and reducing emissions and waste from our operations
- > Work with our stakeholders and encourage them to adopt sustainability principles, policies, and programmes to mitigate the impact of climate change

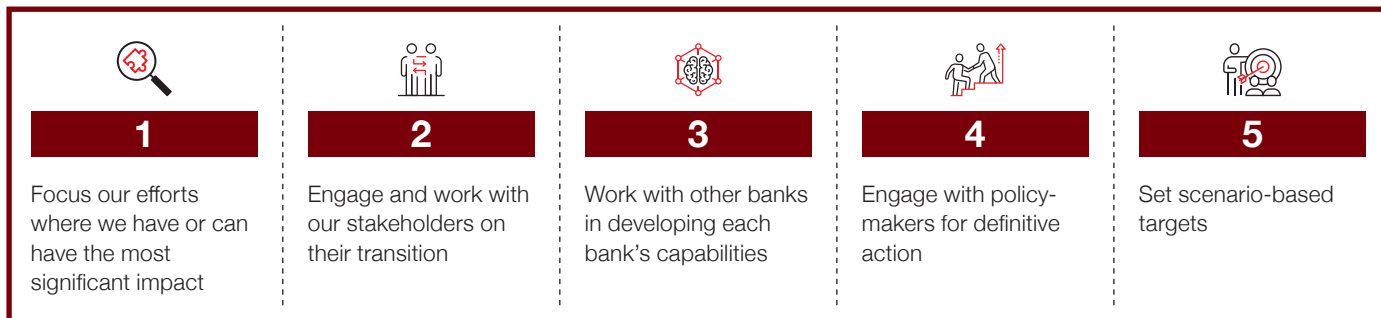
Key Indicators

Direct (Scope 1) GHG Emissions in Malaysia, Indonesia, Singapore and Thailand (MIST)	<b>4,434.4</b> tCO2e
Energy Indirect (Scope 2) GHG Emissions in MIST	<b>73,377.5</b> tCO2e
• Reduction in Emissions (%)	

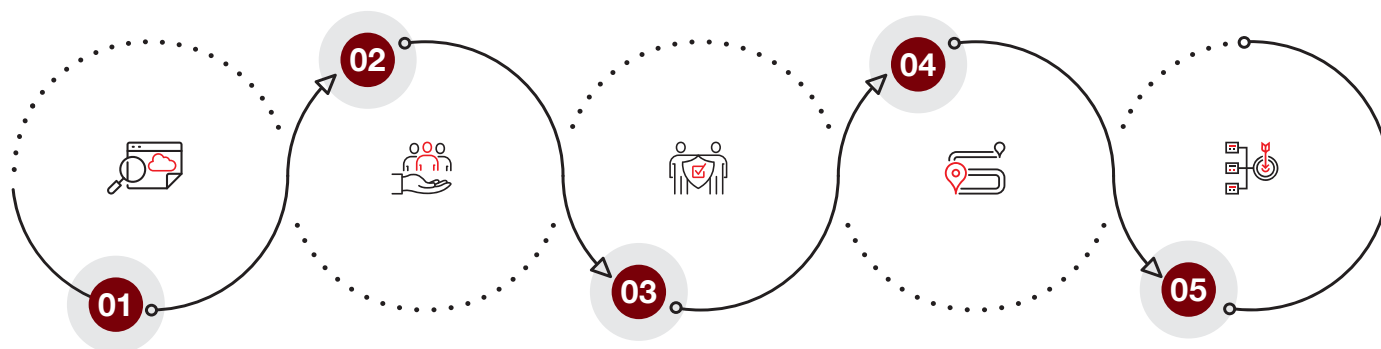


\*Source: World Resources Institute

As an ASEAN bank, our Climate Change approach is guided by the following five strategies:



**HOW DO WE DEPLOY THESE STRATEGIES?**



OUR IMPACT	OUR STAKEHOLDERS	PARTNERSHIPS	ROADMAP	TARGETS
<p>Monitor and manage our carbon footprint.</p> <p>Assess and manage our exposure to carbon-intensive and climate-vulnerable sectors.</p>	<p>Help our clients and other stakeholders to transition to a low-carbon, climate-resilient economy by adopting standards and policies to demonstrate environmental stewardship.</p> <p>Design and launch products that support climate change mitigation and adaptation measures and programmes.</p>	<p>Collaborate with other banks to develop capabilities and methodologies to measure, mitigate and adapt to climate impact.</p> <p>Participate in, and influence deliberations on the TCFD Banking Pilot. CIMB is represented in the sector focus group for real estate.</p>	<p>Engage with key stakeholders (including raising awareness) on sector-specific roadmaps, aligned to limiting global warming to well below 2 degrees Celsius.</p> <p>Contribute to definitive action as part of Bank Negara Malaysia's Joint Committee on Climate Change (JC3), which aims to pursue collaborative actions for building climate resilience within the Malaysian financial sector.</p>	<p>By 2023, set sector-specific targets for portfolio alignment.</p>

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WHAT DID WE DO?

COMMITTED TO LOCAL AND GLOBAL ACTION ON BATTLING THE CLIMATE EMERGENCY

> Collective Commitment to Climate Action

In the wake of the global climate emergency, we must extend all support to galvanise the energy transition and decarbonise our economies, while ensuring that we are able to create value for our stakeholders. At CIMB, we understand the gravity of this issue and in 2019, at the UN Secretary-General's Climate Action Summit, we became one of the 31 Signatories with over \$13 trillion in assets to pledge our support for the Collective Commitment to Climate Action. **Building on the Katowice Commitment, our efforts will be to mobilise our products, services and relationships to help accelerate the economic transition necessary to achieve climate neutrality.**

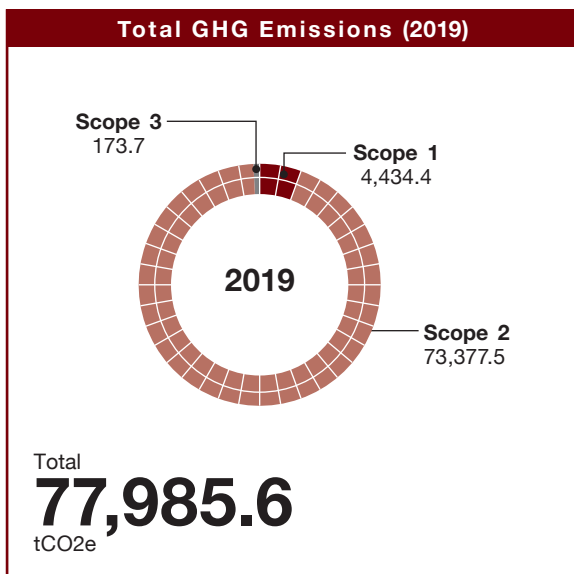
We will work with other signatory banks to scale-up our contribution to and align our lending with the objectives of the Paris Agreement on Climate.

The three main commitments are as follows:

- Focus our efforts where we have or can have the most significant impact, i.e., initially focus on the most carbon-intensive and climate-vulnerable sectors within our portfolios.
- Work together with other banks, clients, governments and policymakers and support each other in developing capabilities and the necessary methodologies to measure climate impact, align with global and local climate goals, and help transition to low-carbon, climate-resilient economy.
- Assume public accountability for our climate impact and progress on these commitments.

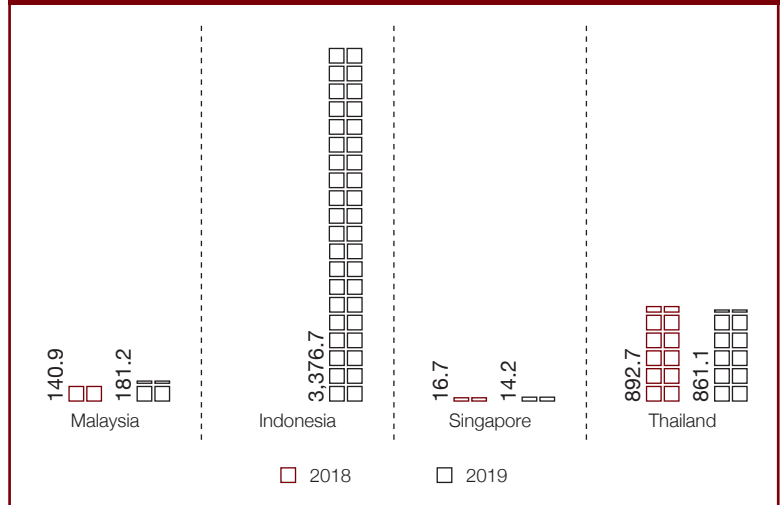
MANAGED OUR CARBON FOOTPRINT

Our carbon footprint approach is based on the **Greenhouse Gas Protocol (GHG Protocol): Corporate Accounting and Reporting Standards**. We have set 2019 as the baseline year for MIST and our methodology takes into account the following GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and hydrofluorocarbons (HFCs). Where relevant, CH<sub>4</sub> and HFCs were converted into CO<sub>2</sub> equivalents based on their global warming potential from the IPCC Fifth Assessment Report.

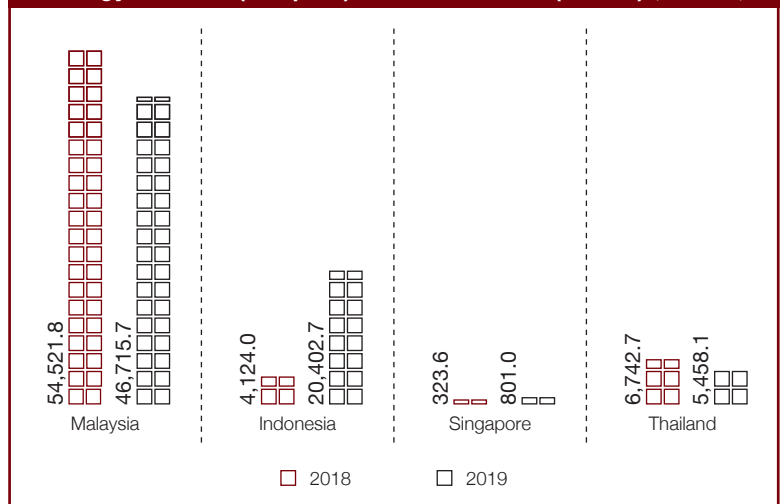


Refer to page 122 – 125 for further details on our carbon footprint and methodology. Increase in emission were largely due to expanded boundaries for which we measured our emissions.

Direct (Scope 1) GHG Emissions (tCO<sub>2</sub>e) (GRI 305-1)



Energy Indirect (Scope 2) GHG Emissions (tCO<sub>2</sub>e) (GRI 305-2)





## THE CIMB ENERGY MANAGEMENT STATEMENT



### Our Purpose

- To reduce energy consumption and eliminate waste without adversely affecting business operations
- To optimise the use of energy and adopt good energy management practices and to meet the energy efficiency practices established by the Malaysian Energy Commission



### Our Objectives

- Adopt best energy management practices set by the Malaysian Energy Commission
- Monitor energy usage regularly
- Report monthly energy usage
- Identify and implement ways to increase employee awareness
- Ensure that new appliances, equipment and systems are energy-efficient and cost-effective

## INITIATED ENERGY AND WASTE MANAGEMENT EFFORTS

**Our long-term objective is to develop mitigation strategies and measures to minimise our GHG emissions through target-setting, as well as robust energy and waste management practices.**

During the year, we initiated planning to undertake a comprehensive energy and waste audit in 2020. The plan is to pilot the efforts in Malaysia before conducting the audit in other ASEAN markets in phases. By close of 2020, we aim to be ready with our audit findings, with clear indications on critical aspects such as energy intensity and waste generation. Our objective will be to set and implement targeted initiatives to systematically reduce our net impact from use of energy and waste generation

### > Energy Reduction Initiatives Implemented in 2019

#### CIMB Offices (Malaysia)

##### Equipment

- Replaced, reduced and integrated individual and stand-alone photocopiers, facsimiles and scanners to energy-efficient, centralised multi-printing-solution machines.
- Introduced a single platform PABX system.
- Replaced desktop PCs to laptops with reduced energy consumption and relieving some of their support system i.e., power supplies e.g., Uninterruptible Power Supply ("UPS"), generator set, cooling system etc.

##### Building

- Closed the MBC office and consolidated operations into existing Head Offices
- Consolidated and optimised office square footage to reduce floor space, and as a result reduce energy consumption and consumables.
- Replaced faulty air conditioner units to new energy-efficient or inverter-type air conditioner units.
- Replaced 153 faulty motorised roller shutters to new energy efficient roller shutters.
- Replaced 27 old refrigerators to new energy efficient refrigerators.

##### Transport

- Abolished fleet vehicles and introduced ride hailing programme.

#### Menara UAB (Malaysia)

- Replaced six units of old and inefficient lift systems to new energy-efficient lift systems
- Replaced old fluorescent lighting sky sign to LED lighting sky sign.

#### Menara SBB (Malaysia)

- Replaced two units of old and inefficient cooling towers to new energy efficient cooling towers.

#### Menara CIMB (Malaysia)

- Replaced conventional back-up power supply, UPS system to a modular UPS system to reduce energy wastage and improve energy efficiency.

#### CIMB Niaga

- Piloted the use of solar energy with a solar PV panel installation at one of the Bank's warehouses. The project generated on average 68 kWh of solar energy a month.

#### CIMB Thailand

- Launched a pilot project to install solar cells in the main corporate building. The main objective is to promote renewable energy and to reduce the electricity costs. It is estimated that once operationalised, the solar installations can help reduce power consumption by 560 kWh per month.



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> Green Initiatives Launched by CIMB's Regional Offices

**Reduce & Recycle Campaign**

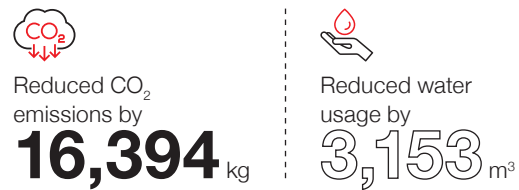
The campaign, launched by our Thailand office, aimed at raising awareness to reduce the use of plastic containers at the cafeteria by encouraging CIMBIans to bring their own food container for take away or use a reusable mug for beverages. Employees were offered a discount for bringing their own containers and mugs during the campaign. Nearly 100 CIMBIans actively supported this campaign on a daily basis.

Similarly, we introduced a campaign to enlist Green Volunteers and encourage employees to pledge and discontinue use of plastic bags. More than 200 CIMBIans registered as volunteers and all of them received special recyclable bags to set the green cause in motion.



**Shred 2 Share Project**

This project was initiated by Iron Mountain, a solution provider of information security. The idea was to shred and recycle waste documents with sensitive/confidential information. CIMB Thailand achieved the following impact from saving 216.4 tonnes of paper over a period of 12 months in 2019.



> Diverting Waste from Landfill

CIMB Niaga partnered with Waste4Change (W4C), a waste management service provider, to invite CIMBIans to volunteer for post-event clean-up at The Color Run. About 57 staff volunteers participated and collected 1,246.6 kg of organic, inorganic and residue waste. All wastes were sorted and processed based on type. Organic waste was turned into compost. Inorganic waste was channeled to recycling facilities and residue waste was sent to cement factories to be used for co-processing. The initiative helped The Color Run to divert all waste from landfills to sustainable use.

**ENCOURAGED EMPLOYEES TO LEAD SUSTAINABILITY INITIATIVES (ACTS: ADVANCING CIMBIANS TOWARDS SUSTAINABILITY)**

**Malaysia**



> **No Plastic Packaging at Menara CIMB Food Outlets**

This mission, started by Group Company Secretarial (GCS) in conjunction with Earth Day on 22 April 2019, aimed at reducing single-use plastics at two of the major food outlets within the premises of Menara CIMB, Kuala Lumpur, by encouraging patrons to bring their own containers to pack food. **Visitors requesting for plastics were discouraged by applying a surcharge.**



> **E-waste Recycling**

With an objective to promote awareness on the importance of recycling e-waste, we organised a collection drive at Menara CIMB and Wisma CIMB on 8 May 2019. CIMBIans dropped-off their unused electronics and electrical appliances (e-waste) in the collection boxes. **A total of 427.5kg e-waste was collected in a day.** Plastics and metals from the e-waste were partially recovered by the vendor before being sent to an authorised recycler (approved by the Department of Environment) for full recovery.



> **Beeswax Wraps as Alternative to Plastic Packaging**

One of our employees from the Coporate Responsibility department carried out **a workshop to show participants how to make beeswax wraps from cotton cloth.** Used for food packaging, beeswax wraps provide an alternative to plastic packaging and are washable and reusable.

**Indonesia**



> **Care With Our Home – Plastic Bottle Recycling**

CIMB Niaga's Human Resources Department led this initiative to promote recycling habits among CIMBIans. More than four plastic recycling points were set-up at key locations in various head offices. Through the intranet and HR Portal, employees were encouraged to contribute to waste collection. **Over 770 used plastic bottles of various sizes were collected over a period of two months.** The plastic bottles collected and sent to 'Sahabat' (Bank Sampah/Waste Bank) for recycling.



## MADE OUR EVENTS MORE SUSTAINABLE

We have consciously started monitoring how we plan and execute our events, training sessions and meetings, including best sustainable practices. **The objective is to manage use of energy and waste, thereby reducing our environmental footprint.** Starting in 2019, we have integrated sustainability aspects in implementation of selected events. **Going forward, our goal would be to make sustainability considerations part of our standard operating procedures for all CIMB events.**

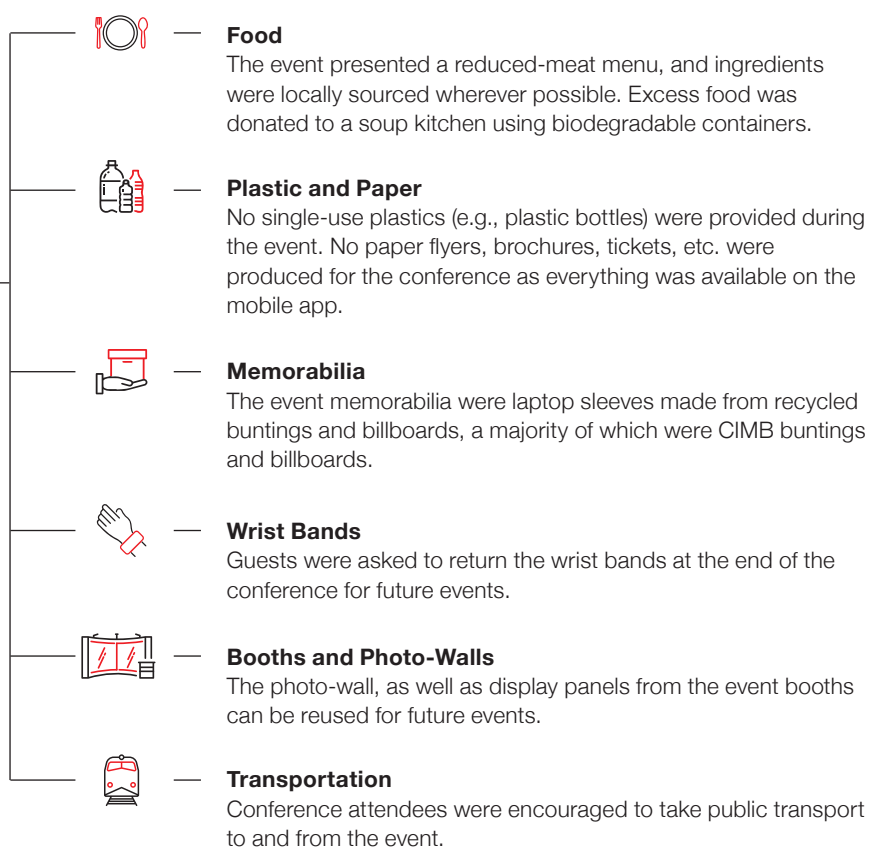
### > The Cooler Earth Sustainability Summit

The Cooler Earth Sustainability Summit was organised to encourage participants to embrace sustainability and take action towards shaping a more responsible society and a less sweltering planet (hence "Cooler").

#### Some of the Sustainable Event Best Practices at The Cooler Earth Sustainability Summit:



Interested in finding out more about The Cooler Earth Sustainability Summit? Please visit:



#### Carbon Offsets

The carbon footprint of the event was carefully tracked and participants were encouraged to offset their own carbon contributions to the footprint. **The total carbon footprint for the Summit was estimated to be equivalent to around 200 tCO<sub>2</sub>e, and the total carbon offsets purchased was 1,007 tCO<sub>2</sub>e, just over five times of the carbon emitted.**

Carbon offsets purchased were channeled towards the Bukit Tagar Sanitary Landfill for its waste-to-energy project. The landfill gas recovery project enables the collection of landfill gas to generate power. Without this project, the landfill gas (consisting mainly of methane, a potent greenhouse gas) would be released into the atmosphere, accelerating global heating. **The emissions reduced from this project were certified under the Clean Development Mechanism of the Kyoto Protocol.**



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> **The Music Run (TMR) by CIMB**

2019 marks the first TMR with a sustainability focus. **In addition to embedding sustainability principles throughout the event, there were also various messages to raise sustainability awareness of more than 20,000 runners.**

Beyond raising awareness, this event featured the following:



For more information about TMR, go to:



**Reduced Single-Use Plastics**

With a Water Distribution Solution, the need for single-use plastic water bottles was largely eliminated. CIMB distributed refillable and recyclable water bottles for all the event participants.



**Zero Food Waste**

With the help of Food Village, all compostable food waste was converted to compost and used to plant trees that were then donated to the Free Tree Society for replanting at local schools.

The Lost Food Project collected all leftover 'clean food' to distribute to the needy. A total of 300 kg of surplus food went to The Lost Food project and another 600 kg food waste went to Ground Control for composting.



**Upcycled E-Waste**

With CIMB's three tonnes of donated e-waste, EARTH Malaysia designed and produced trophies for the winners, diverting the e-waste from landfills.



**360° Recycling**

With reverse-vending machines from KLEAN and waste segregation for recycling by iCYCLE, the event targeted to recycle 100% of waste generated. Paperway helped to eliminate plastic infra by using unique recycled cardboard to replace the traditional foam.



**Carbon Offset**

The GHG emissions were tracked and reported at 392.1 tCO2e. Towards making the event carbon neutral, CIMB invested over RM20,000 in the gold standard 'Nazava' water filter project to offset the emissions.



**Annual General Meeting 2019**

CIMB Group's 62<sup>nd</sup> Annual General Meeting, with 3,139 shareholders registered, took place on 22 April 2019 at Sime Darby Convention Centre, which has an with ISO 50001 Energy Management System accreditation.

We started raising sustainability awareness by encouraging shareholders to download the electronic (PDF) version of the Annual Reports, instead of taking printed versions. In keeping with the effort, the event memorabilia for the guests included reusable cutleries and metal straw sets, which reinforced the need and importance of embracing sustainable lifestyles.

> **Annual Management Summit (AMS) 2019**

The Group AMS, held on 8 and 9 of November, saw a total of 300 senior management members from across the region (Malaysia, Indonesia, Thailand, Singapore, Cambodia, Philippines, China, Vietnam, Myanmar, and the United Kingdom) who gathered to deliberate plans and strategies for 2020. Sustainability was one of the key discussion topics, supported by dedicated breakout trainings sessions. Philippe Joubert (picture), special guest speaker, delivered a session on sustainable business practices.

Various sustainability aspects were considered in organising the event:

- Full digital registration (QR) with minimal paper used (wristbands)
- Usage of fully digital presentation screens (also promoted TVs instead of tarp at booths)
- Complimentary coffee/tea thermos to promote reduction of paper cups during and after the event
- Minimal food wastage and zero single-use plastic mineral water bottles



> **The Cooler Earth Party**

This is an annual event for the clients of CIMB Treasury and Markets. The 2019 theme centred around sustainability, with an objective to raise awareness of over 590 clients and their families. Sustainability highlights included:



Best recycled dress contest: Participants in creative mix and match of classic old clothes, driving home the message to recycle and upcycle clothes and prevent them from going to the landfills.

- Recycling awareness activities for children and adults
- Recycling-themed Best Dress Contest
- Full digital registrations (QR)
- Decorations using natural items such as dried leaves, bamboo and preserved flowers. Zero sourcing of single-use material for the event including flyers, plastic, décor and backdrop
- Go Green Memorabilia (coffee/tea thermos) to encourage reduction of disposable cups during and after the event
- Dato' Zainal Abidin, the famous Malaysia singer, performed the song 'Hijau'
- Partnership with YTL SV carbon for managing and offsetting carbon footprint

**Sustainable Events by CIMB in 2020**

In 2020, we plan to make it a standard operating procedure to collaborate with our stakeholders (business units, event suppliers and managers, etc.) for designing and delivering low-carbon events. We will also develop an internal carbon footprint calculator to monitor our impact towards continuous improvement.



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SUSTAINABLE SUPPLY CHAIN

According to the UN Global Compact, supply chains are essentially an extension of a company’s workforce and community. It is a known fact that carbon emissions in supply chains are on average 5.5 times those of company’s direct operations (CDP Supply Chain Report 2018/2019). The CDP report further revealed that the participating 5,545 suppliers globally reported combined total scope 1 and 2 emissions of 7,268 million tCO2e, which is higher than the annual greenhouse gas emissions from the USA and Canada combined.

It is therefore critical to not only raise awareness, but also encourage suppliers to monitor and manage their negative environmental impact. There are clear benefits. The CDP Report also highlights that **suppliers’ annual monetary savings associated with action to reduce emissions was to the tune of USD19.3 billion.**


Besides, it is also important to monitor the social impact along our value chain. Within our own network of suppliers and business partners, we can exercise our influence towards ethical and fair business practices to include labour conditions, human rights, diversity and others.

What our partners do and how they conduct their own business while delivering our mandated projects and services can have a direct impact on our projects, our business continuity, as well as our reputation. **We are committed to work with our suppliers over the next four years to raise awareness, and empower them with tools and information on sustainable practices, which will not only improve their efficiency, but also reduce costs while contributing positively to reduce CIMB’s indirect carbon footprint.**

**OUR RESPONSE**

- > Implement sustainable supply chain practices through a multi-phase plan to include education, adoption, ownership, monitoring, and reporting

Some of the key areas that we plan to cover on a year-to-year basis include:

 <p>Engagement with suppliers, mainly to raise awareness and perform EES screening for procurement.</p>	 <p>Adoption of sustainable practices.</p>	 <p>Governance to include fair and inclusive supplier policies, code of conduct, grievance mechanisms etc.</p>
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Key Indicators

Local supplier base  
**88%**  
 (Malaysia)

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Spends on suppliers having stronger CSR and/or sustainability orientation  
**40%**  
 (Malaysia)

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Total disbursement to suppliers  
**RM945 million**  
 (Malaysia)

- Number of suppliers engaged on E&S topics



Sustainability briefing to Procurement Department in May 2019.

**Key Enabler**



**CIMB GROUP SUSTAINABLE PROCUREMENT GUIDELINES**

Encouraging Sustainable Supply-Chain Practices (GRI 102-9)

Considering that our procurement mission stands for more than short-term gains, we work with our suppliers to go beyond legal compliance and to strive for continuous improvement. Effective September 2018, all new suppliers need to disclose their non-involvement in:

- child labour, forced labour and human trafficking;
- environmental harm - illegal logging, uncontrolled use of fire for clearing forest lands, natural resource development within UNESCO World Heritage sites (unless there is prior consensus with both the government authorities and UNESCO, etc.); and
- transactions linked to the financing of and/or parts of arms and ammunition.

In 2019, we included clauses that will encourage suppliers to subscribe to the national and/or the international principles of sustainable development, covering areas of human rights, labour, the environment and anti-corruption in all new procurement supplier due diligence and in the tender terms and conditions.

**We also raised awareness on the CIMB Whistleblowing Policy for our suppliers**, which provides a confidential avenue to report suspected unethical, illegal or improper conduct and behaviour, accessible through the CIMB Group Electronic Procurement System's (GEPS) homepage.

**WHAT DID WE DO?**

**ACCELERATED EFFORTS TO APPLY SUSTAINABLE PROCUREMENT PRINCIPLES**

(GRI 102-9)

**> Integrating sustainability into our Vendor Code of Conduct (VCOC)**

Since 2016, procurement suppliers were required to register in the Group Electronic Procurement System (GEPS) for the onboarding process. Supplier due diligence including sustainable procurement screening has been conducted to ensure the vendor meets the requirements of CIMB.

**As a condition to work with CIMB, all registered suppliers must strictly adhere to our VCOC\*, which includes our expectations in relation to sustainable supply chain practices and guidelines on anti-corruption, human rights and the environment. The VCOC also defines CIMB's requirements of its suppliers and the responsibility of suppliers towards their stakeholders and the environment.**

We proactively conduct supplier due diligence. For instance, all new suppliers are required to make a voluntary Sustainable Procurement Declaration. The declaration, among other critical areas, tracks:

- If suppliers' companies or any of their shareholders, directors, officers or senior employees were subject of public allegations, under investigation, charged, prosecuted, or convicted;
- If their assets were seized, blocked, frozen or ordered forfeit or had a judgment entered against in respect of any national, foreign or international law relating to (a) Money laundering; (b) Financial crime; (c) Corruption; (d) Bribery; (e) Terrorism (including but not limited to transactions linked to the financing of and/or parts of arms and ammunitions; (f) Child labour, forced labour or human trafficking; (g) other economic offences; and
- If they have any past records of violation of environmental standards or health and safety regulations, the details of which are also stipulated in the VCOC.

**CIMB  
eProcurement Portal**



<https://eprocure.cimb.com/>

\* A copy of the VCOC is available in CIMB Group Website.  
<https://www.cimb.com/content/dam/cimb/group/documents/sustainability/Vendor%20Code%20of%20Conduct%20V3.pdf>



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In keeping with our commitment to the principles of sustainable procurement management, we have initiated the process of screening and evaluating the profile of our vendors. Based on the preliminary findings of our assessment in 2019:



**88% of our procurement suppliers in Malaysia are local service providers.**

- A total of 819 suppliers were successfully registered in our GEPS with “Active” status, and this represents a **25% increase** compared to 2018.
- Of the 819 suppliers, 723 were companies/businesses incorporated in Malaysia while the remaining were foreign suppliers.
- Our approach has been to provide opportunities for local SMEs, especially to catalyse and help them deliver their role for sectoral development. Foreign suppliers are only preferred in areas that require global expertise from more evolved and matured markets.



**Nearly 40% of our spend has been committed with suppliers having strong CSR and/or Sustainability.**

- Our total Malaysian spend on suppliers was **RM945 million**.
- These suppliers have a clearly-articulated sustainability statement or a policy, or have been supporting local communities and the environment through their CSR programmes and initiatives. Some of them have publicly committed to monitoring and managing their environmental and social impact, whereas some other suppliers are directly providing sustainability and related services. They operate to either local, regional or global standards/mandates of sustainability and/or CSR, depending on their internal governance and organisational structure.

**ENGAGED STAKEHOLDERS ON SUSTAINABILITY**

> **Raising Awareness of Suppliers on EES issues**

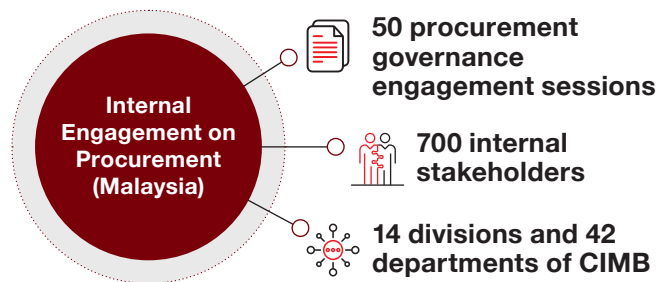
We continuously seek opportunities to communicate and reinforce our sustainability vision and aspirations with our suppliers. We regularly engage with them on various matters such as the updated VCOC, commitment to timely payment for all procurement related spends, participation in CIMB-led sustainability initiatives etc. For instance, at the inaugural Cooler Earth Sustainability Summit, our key suppliers from various industries including IT, facility management, advertising & marketing, general printing, telecommunications, and consultancy actively participated in the deliberations on sustainability.

**In 2019, we also refreshed and reviewed our key messages to include sustainability commitments on our GEPS homepage, which is the first touch point for our suppliers when accessing any part or process of CIMB procurement.**

> **Raising Awareness on Sustainable Procurement**

Alongside suppliers, we believe that it is both critical and effective to start promoting sustainability values and a culture of compliance right from our initial stages of engagement with CIMBians. In 2019, **we included sustainable procurement practices as part of our existing orientation on procurement governance in the New Hires Induction Programme.** The primary objective is to create awareness on our sustainable procurement objectives and initiatives.

Besides, we also partnered with Group Human Resource to feed reminders to all staff on procurement ethics and to preserve the integrity of procurement processes. During the year, **Group Strategic Procurement and Group Human Resource have jointly improved and amplified procurement governance in the Code of Conduct and Code of Ethics e-learning modules,** which will be launched in 2020.



**STRENGTHENED OUR GRIEVANCE MECHANISMS**

> **Providing a Safe Avenue for Grievances**

We have put in place effective mechanisms to address supplier grievances, in a transparent manner. **The CIMB Group Whistleblowing Policy provides a confidential avenue for suppliers to report suspected unethical, illegal or improper behaviour, and disclosures are treated confidentially.** We have made the Whistleblowing Policy visible and easily accessible to all stakeholders in various channels, including the recently refreshed CIMB Group website, the GEPS homepage, the VCOC, among others.

OUR WHISTLEBLOWING PLATFORMS

**Email:**  
whistleblowing@cimb.com

**Website:**  
<https://www.cimb.com/en/who-we-are/corporate-governance/code-of-conduct/whistle-blowing.html>



## DIVERSITY AND INCLUSION

**Diversity and inclusion strengthen organisational leadership and performance. According to a study by Boston Consulting Group (BCG), there is a strong correlation between diversity of leadership teams and innovation and financial performance.**

Companies in the top quartile of ethnic and cultural diversity on executive teams are 33% more likely to have industry-leading profitability, while companies in the top quartile for gender diversity on executive teams are 21% more likely to outperform on profitability and 27% more likely to have superior value creation (McKinsey).

The business case for diversity of management teams for innovation as well as overall business resilience has been long-established. **Diversity across multiple facets of the organisation can foster innovation, inclusive growth and participative leadership, with opportunities to remove barriers in communication, productivity and performance.**

At CIMB, we aim to establish clear linkages between various dimensions of diversity (which is one of our core values) and employee morale, productivity, and their ability to innovate. It is also important to equip our diverse employees with opportunities to demonstrate their leadership and increase their share of voice in organisational decision-making processes.

### OUR RESPONSE

- > Expand diversity programmes to include the dimensions of gender, age, nation of origin, career path, industry background, education, and socio-economic status
- > Involve the board and senior management in diversity solutions
- > Develop diversity and inclusion criteria for talent acquisition, growth and retention

### Key Indicators

Female representation in senior management

**43.9%**

Total People with Disabilities (PWDs) Employed (Malaysia, Indonesia & Thailand)

**49**

- Ratio of remuneration between male and female employees

### Key Enabler



#### CIMB GROUP DIVERSITY STATEMENT

Promoting Diversity and Inclusion for Sustainable Growth

At CIMB, we celebrate diversity. We recognise that employees are our greatest asset and it is the uniqueness of each of these individuals that drives the company forward.

We believe diversity contributes to bringing creative solutions and positive results to serve our customers, business associates, stakeholders and the community at large.

We take deliberate efforts to foster inclusiveness through our corporate values. We instil in our employees the culture of respect, open engagement and teamwork, and we reinforce these behaviours in our daily work life.

We are committed to strive towards providing equal opportunities for employment and development and career progression based on merits, without regard to their ethnicity, religion, gender, nationality or age. We promote work-life flexibility to enhance workplace wellness and help individuals to achieve quality of life and personal effectiveness.

As a company with a firm foothold in ASEAN, our strength lies in our diversity and we will continue to uphold and champion our core values.



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WHAT DID WE DO?

IMPROVED DIVERSITY AT THE WORKPLACE

> Diversity of Skills

The banking sector is evolving. **Rapid advancement in technologies and digitalisation are changing the traditional business models of banks and the financial sector as a whole.** Non-traditional and non-banking institutions are in line to secure banking licenses. Fintechs and digital solutions such as blockchain are redefining the customer experience and banking itself. **To meet the growing challenges that come with these transformational and revolutionary sectoral developments, we continued to focus on developing the skill set of our employees across all levels.**

About 50% of our Associates under our graduate associate programme, The Complete Banker (TCB) and the CIMB ASEAN Scholarship Programme are from non-business disciplines such as engineering, mathematics, bio-medical sciences and psychology. In addition to recruiting from non-traditional pools, all of our Associates, regardless of their academic backgrounds, are given the opportunity to have job rotations beyond CIMB and the banking industry. These include opportunities in fintechs, start-ups and online payment institutions, which help build internal capabilities across various business functions. This initiative reinforces our commitment to equip our talent with critical skills required to compete in the digital economy.

**In 2019, we continued to monitor and assess the credentials of our Board members at a Group level as well as the senior management to map their competencies in critical areas** such as Technology and Digitalisation; Compliance and Enterprise Risk Management; Banking and Finance; Accounting and Audit; Sustainability and Leadership. For instance, with Sustainability as one of our five strategic pivots under Forward23, 33% of our Board members are actively involved with non-profit environmental and or social organisations.

> Diversity of Abilities

**Inclusivity features strongly on our agenda** and in line with this approach, we employ 11 Persons With Disabilities (PWDs) in Malaysia. CIMB Niaga also hired 12 new PWDs, adding on to the existing 23 PWD workforce, who were placed as Social Media Telemarketing Funding Officers and Personal Banking Officers.

In CIMB Thailand, we collaborated with the Thai Red Cross and offered special funds to the tune of THB3.0 million (RM396,000) to support a total of 27 PWDs. Meanwhile, we also hired three PWDs to work in Operations, Investor Relations and HR departments. The collaboration has been active since 2016 and even extends to hiring blind therapists to promote and raise awareness on PWDs among CIMBIans. **The efforts and positive impact from this initiative have been awarded and recognised by the Social Innovation Foundation and Ministry of Social Development and Human Security for three consecutive years.**

> Gender Diversity

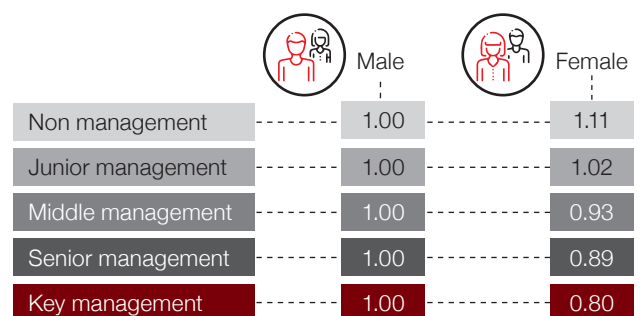
In 2019, 56.4% of the total workforce in CIMB comprised of women. 47.5% of middle to top management positions comprised of women.

The Board of CIMB Group Holdings Berhad currently comprises nine Directors, of whom one is a female, or 11% representation. The Board remains committed to achieve at least 30% female representation on the Board by 2020, whilst ensuring that diversity in skill set, experience, and age are met. The GNRC is currently considering new candidates to be nominated to the Board and is mindful of this requirement.

The 30% female representation on the Boards target is also observed on the Boards of CIMB's main subsidiaries. The subsidiaries that have achieved more than 30% female representation on the Board are CIMB Bank Berhad (40%), and CIMB Islamic Bank Berhad (33%). The CIMB Investment Bank Berhad Board is mindful of this requirement and is currently reviewing its composition with the view to nominate more female candidates for the Board.

At entry level, we continue to ensure a robust pipeline of female talent. 43% of the most recent intake of TCB, were female. The programme is an important source of high potential talent for our future management.

**At CIMB, we also believe in achieving parity in economic participation and opportunities at the workplace.** We continuously monitor and regulate the remuneration to reduce and eliminate pay gaps between women and their male counterparts. As at 31 December 2019, the ratio of remuneration\* between male and female employees is as indicated below:



\* Considerations

- Data is based on Malaysian staff, employed in Malaysian entities (excludes iCIMB, TnG)
- Data is based on basic salaries only as at December 2019 payroll
- Men average indexed to 1; and women average taken as proportion to men's average



### Empowering Women Series

This was launched in August 2018 to enable CIMB women to gain inspiration from accomplished women leaders from diverse sectors. In 2019, the programme, themed, **“Removing the Glass Ceiling in the Corporate World”**, featured three distinguished speakers: Prof Emerita Datuk Dr Mazlan Othman, an Astrophysicist; Khai Lin Sng, Co-Founder of Fundnel, a technology-based private investment platform; and Teoh Su Yin, Senior Independent Director of CIMB Group. More than 120 CIMB women and men participated in this learning experience.

We also continued to celebrate the winning spirit of CIMB Women on International Women’s Day, with a full-day of activities including a special panel featuring women from diverse backgrounds to speak on the topic of **“Having It All – A Successful Career and a Fulfilling Life”**. The panel members, who inspired many with their stories, included Chong Chye Neo, a Board Member of several public listed companies and former Managing Director of IBM Malaysia; Marion Caunter, a local celebrity; and Hiba Abdul Rahman, a cancer survivor and breast cancer advocate.



Dato' Hamidah Naziadin, Group Chief People Officer with the panelists and moderator of the session on “Having it All – A Successful Career and a Fulfilling Life”.



Employees in CIMB Vietnam celebrating Women's Day.

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**HEALTH, SAFETY, AND WELL-BEING**

Workplace wellness as well as physical and mental health of our employees and partners have a direct impact on overall output and performance. Globally, workplace related stress poses one of the largest employee health risks and ranks second after lack of physical activity in Asia Pacific (The Isosceles Group). Workplace well-being and safety are also strongly correlated to company value, with companies that have healthier, happier employees outperforming the S&P 500 Index by 6% to 17% (The Edge). The link is also financial. Workplace health programmes reduce medical and absenteeism expenditures for a company by 25% (Chapman Institute). In other words, good health, safety, and well-being practices in the workplace translate into significant efficiency gains and even operational cost savings.

At CIMB, beyond our focus and orientation on Occupational Safety and Health, we also implement wellness programmes, welfare policies and well-being initiatives, with active participation of our employees across all levels. We believe that by taking a proactive approach, we can enhance our preparedness to manage various issues and concerns in relation to health and safety, positively contributing to high productivity and performance.

**OUR RESPONSE**

- > Implement health, safety and well-being guidelines, assessments, and programmes
- > Assign managerial responsibilities to champion health and safety awareness and promote well-being
- > Institutionalise emergency procedures, monitoring and measurement as well as audits

**Key Indicators**

Total number of OSH training sessions  
**18**

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Total number of employees trained in OSH  
**430**

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Absentee rate  
**1.89%\***

- Total workdays lost
- Total number of accidents
- Take-up rate of well-being policies

**Key Enabler**

**OCCUPATIONAL SAFETY AND HEALTH (OSH)**  
Committed to inculcate a safe working culture and a healthy working environment (GRI 403-2)

Our OSH efforts go beyond compliance to the national laws and regulations. We instil a sense of responsibility and a culture of health and safety across all functions, promoting a conducive and productive workplace. Our commitment is also to mobilise CIMBians and our network of stakeholders to seek active participation in OSH programmes and initiatives towards positive performance.

The Group OSH Policies and Procedures, led by the Group OSH Unit, set out roles and responsibilities as well as targets for various stakeholders, including the Group Chief Executive and Board of Directors; Head, Group Corporate Security & Insurance; OSH Committee Members; Building and Branch Managers; Heads of Departments; Employees; Suppliers and Contractors etc.









\* This data was assured by KPMG. Please refer to Assurance Statement on pg 146 - 148.

## WHAT DID WE DO?

### IMPROVED OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE

We are committed to inculcate a safe working culture and provide a healthy banking environment for all employees, customers and contractors. We comply with all relevant safety and health related legal requirements and take reasonable measures to prevent injuries, diseases as well as property losses. **Our OSH-conscious culture is reflected in our managerial systems, personnel and training policies as well as the overall quality OSH management system.**

**Guided by Malaysian Standard, MS1722:2011, CIMB developed a management system which encompasses the following elements:**

<p><b>Policy</b> </p> <p>Includes activities related to the development of CIMB's OSH policy, procedures and structured practices that ensure active and meaningful employee participation in OSH arrangements.</p>	<p><b>Action for Improvement</b> </p> <p>Addresses issues associated with preventive/corrective actions and continuous improvement. With information obtained from performance monitoring and measurement, investigation and audits, appropriate preventive/corrective and improvement actions are taken.</p>
<p><b>Roles and Responsibilities</b> </p> <p>Addresses the establishment of OSH responsibilities and accountabilities, a training system, competency definitions, documentation of practices and a communications system.</p>	<p><b>Awareness</b> </p> <p>Promotes awareness on occupational accidents/diseases and improves employee awareness as well as inculcates a culture of safety and health among CIMB employees.</p>
<p><b>Planning and Implementation</b> </p> <p>Includes activities associated with fulfilment of the principles expressed in the OSH policy and procedures, including the initial assessment of OSH arrangements, which supports the system planning, development and implementation functions.</p>	<p><b>Audit</b> </p> <p>Maintains a safe and conducive working environment through hazard recognition and removal, ensuring facilities, equipment and operations are in line with the national standards and requirements.</p>
<p><b>Evaluation</b> </p> <p>Includes functions associated with measuring the OSH management system performance, involving development of performance monitoring and measurement protocols, investigation practices for accidents and auditing methods.</p>	<p><b>Communications</b> </p> <p>Facilitates effective communications supported by an effective two-way flow of information across the organisational hierarchy and different geographies. We have a mechanism in place for receiving, documenting and responding to relevant communications from external interested parties.</p>

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> OSH Policies and Procedures

The Group's Occupational Safety and Health Unit is responsible for the Group's compliance with the Occupational Safety and Health Act 1994 and other regulations of the Department of Occupational Safety and Health (DOSH).

**The OSH Policies and Procedures apply to all employees across the group. However, if there is a higher regulatory requirement in the respective countries where we operate, the local office will comply to the more stringent requirement.**

CIMB is also under the collective agreements with the Malayan Commercial Banks Association (MCBA) and National Union of Bank Employee (NUBE), where the Banks are required to appoint two Inter-relations Committee (IRC) members nominated by NUBE as employee representatives in the Building/Branch Occupational Safety and Health Committee.

> Monitoring and Management of OSH Performance

Our efforts are to continuously improve Occupational Safety and Health Performance in compliance with the OSH requirements pursuant to national laws and regulations, and practices.

**The evaluation of OSH progress is conducted through various mechanisms to include Planned Preventive Maintenance; Workplace Inspections by the OSH Committee; OSH Internal Audit; Yearly Inspections by the Department of Occupational Safety and Health, Malaysia (DOSH) among others.**

**Regular Monitoring of OSH Practices**

Description	Frequency
OSH Committee Meeting	Quarterly
Workplace OSH Inspection	Quarterly
Fire Certification Inspection	Annually
Fire Extinguisher Certification	Annually

> Emergency Preparedness

Over the last two decades, Malaysia has experienced more than 50 natural disasters and the risks to humanity and also businesses from floods, storms, droughts, and other extreme weather events are only increasing. During the period 1998-2018, Malaysia sustained damages of nearly RM8.0 billion, of which RM5.82 billion in damages were from floods that affected over 770,000 people.

**At CIMB, we believe that preparedness to calamities can significantly help to save assets and lives. In 2019, we mobilised the CIMB Flood Relief Committee, a task force comprising Group Human Resources, Group Admin and Consumer Sales and Distribution to initiate key steps of Disaster Preparedness and Mitigation, including**

> Active Participation and Promotion of OSH Principles

We facilitate OSH Committee Meetings; Awareness Talks; Induction Programmes for New Joiners; Communications; Campaigns and Awareness Days; and Training.

**In 2019, we conducted 18 training sessions in Malaysia outreaching to 430 employees\*.** The list of programmes conducted are as below:



As part of the awareness campaign, we disseminated 16 e-newsletters in addition to posting relevant OSH Act information in our employee Portal. **We also successfully completed a number of Safety and Health Audits for the financial year 2019, covering several workplaces in Malaysia.** We also conducted Fire/Evacuation drills for all head office buildings and several branches.

\* This data was assured by KPMG. Please refer to Assurance Statement on pg 146 - 148.

**monitoring weather forecasts and mobilising our state Liaison Officers' Network (SLO), which is made up of senior CIMB employees who can be contacted for assistance in the event that any of our stakeholders are affected by floods.**

In 2019, Group Corporate Security issued nearly 50 notifications across the group with updates on weather forecasts and natural calamities; possible or real disruptions in power, water, public transport, and traffic; safety guidelines and emergency tips and contacts. The idea is to provide real-time information to CIMB employees, who in turn can keep clients, partners and networks alert on various developments. The notifications also inform CIMBians about potential health threats; disruptions and security hazards due to political demonstrations and civil unrest; tailgating and opportunistic crimes among others.

## ENRICHED ENABLING POLICIES AND PROGRAMMES TO MOTIVATE PERFORMANCE

(GRI 401-2)

We believe that policies help strengthen the implementation and effectiveness of various employee initiatives, improving morale and motivating performance. Beyond policies, we also ensure that there are feedback loops to capture constructive and practical suggestions from employees.

### > Family and Employee-Friendly Facilities

**Our objective is to provide the right infrastructure to ensure that employees' needs are met as part of a comprehensive work-life integration programme for the betterment of our employees.**

<p><b>Nursing/ Mother's Room</b></p> <p>Private space for mothers to use for breast-feeding, expressing or temporarily storing breast milk</p>	<p><b>Childcare Facilities</b></p> <p>An onsite centre providing childcare services to cater for employees with young children in Menara CIMB</p>	<p><b>Car Park Bays for Pregnant Women</b></p> <p>Designated car park bays for pregnant women</p>	<p><b>Sick Bays, Rest &amp; Relax Rooms</b></p> <p>Allocated spaces for staff/public usage located at Wisma CIMB</p>
<p><b>Accessible Buildings</b></p> <p>Wheelchair ramps and accessible rest rooms in most of our Malaysia head office buildings for easy access of individuals with special needs. All lift buttons are also fitted with braille</p>	<p><b>Gyms</b></p> <p>Fully-equipped facilities located in Menara CIMB and Akademi CIMB Putra in Bangi</p>	<p><b>Surau</b></p> <p>Convenient access to surau for religious routines in most of our office buildings</p>	<p><b>iTapau</b></p> <p>Piloted in 2019. Partnership with an app-based food company to provide healthy office lunches to employees who prefer to eat in</p>

### > Workplace Wellness @ CIMB

In promoting well-being of our employees, while building a gender-balanced and inclusive ecosystem, **CIMB's Workplace Wellness@ CIMB was first introduced as a comprehensive work-life initiative to support staff in both their professional and personal aspirations, covering all aspects: physical, mental, financial and spiritual.** The programme is founded on four pillars, which are supported by various welfare and well-being policies, programmes, and initiatives.

<p> Pillar <b>1</b></p>	<p> Pillar <b>2</b></p>	<p> Pillar <b>3</b></p>	<p> Pillar <b>4</b></p>
<p><b>Flexible Work Arrangements</b></p> <ul style="list-style-type: none"> <li>• Staff Rejuvenation Programme</li> <li>• Telecommuting</li> <li>• Reduced Workweek</li> <li>• One-month Paternity Leave</li> <li>• Flex4CSR</li> <li>• Flex4ALL</li> <li>• Flex4Moms</li> <li>• Flex4Moms (Parents of children with special needs)</li> <li>• Flex4SmartWear</li> </ul>	<p><b>Women Empowerment</b></p> <ul style="list-style-type: none"> <li>• Nursing rooms</li> <li>• Designated Car Parks</li> <li>• Parking Bays for expectant mothers</li> <li>• Onsite Childcare</li> <li>• Six Months Maternity Leave for first time mothers</li> <li>• Enhanced Maternity Leave for subsequent children</li> <li>• Flex4Moms</li> </ul>	<p><b>Health Programmes</b></p> <ul style="list-style-type: none"> <li>• Health Talks and Fairs</li> <li>• Exercise Programmes</li> <li>• In-house Gyms</li> <li>• On-site Dentist and Clinics</li> <li>• Honour-based Medical Leave</li> </ul>	<p><b>Financial Well-Being</b></p> <ul style="list-style-type: none"> <li>• Scholarships</li> <li>• Sponsorships</li> <li>• Employee Loans</li> <li>• 0% Housing Loans</li> <li>• Financial Support for single parents</li> <li>• Financial Support for parents of children with special needs</li> </ul>



value creation

> Employee Policies / Work-life Benefits and their Take-up Rates

(GRI 401-2)

Well-Being and Welfare Policies and Benefits	2018	2019
<p><b>Staff Rejuvenation Programme</b> Allows employees to take unpaid time-off from work for up to six months to pursue personal projects or simply take a break without compromising their careers. The company secure the employee's position in the organisation until the employee returns. Employees gain a new perspective, boost their outlook and skills, which in turn aids job performance.</p>	104	83
<p><b>Medical Leave without Medical Certificate</b> An honour-based benefit allowing all employees to take up to five days of medical leave without a medical certificate. Promotes an environment of trust and transparency among employees, allowing them to feel empowered and motivated.</p>	3,630	2,332
<p><b>Financial Assistance for Staff with Special-Needs Children</b> Allowance of up to RM1,000 per month for employees with special-needs children up to the age of 18, and an option to work from home one day per week</p>	125	135
<p><b>Financial Support for Single Parents</b> Assistance of RM200 per month for each school-going child aged 18 years and below, subject to a maximum of five children. This is to supplement the child's education expenses to ease their financial burden.</p>	5	29
<p><b>0% Housing Loan</b> Interest-free housing loans not exceeding RM250,000 for up to five years for staff earning less than RM3,500 per month for completed properties. Repayment of loan instalments is delayed for a specific period to relieve lower earning staff of the financial burden of servicing a housing loan during this time. Ensures that staff are adequately supported as they pursue their careers.</p>	90	293
<p><b>Special Allowances</b> For staff earning less than RM2,000 per month, assistance of RM50 per month for water bill and RM100 per month through Touch 'n Go credit to partly fund their transportation costs.</p>	1,372	885
<p><b>Child Care Subsidy</b> Monetary benefits or discounts for employees with young children to subsidise the cost of childcare services, to provide parents with the best value for quality services.</p>	4,174	3,845
<p><b>Digital Enablement Benefit</b> Eligible permanent employees can claim up to RM50 per month for their data plan</p>		
Retention Policies and Benefits	2018	2019
<p><b>Flex4ALL</b> Flexibility to adjust start and end time of work, provided standard number of hours worked per day is met</p>	222	309
<p><b>Reduced Work Week</b> Employees work fewer days with reduced workload</p>	4	5
<p><b>Telecommuting/Work from Home</b> Flexibility to work from home or anywhere other than the office, enabled by information and communications technology</p>	<p><b>Shift-Swapping</b> Flexibility for shift workers to trade shifts with each other</p>	



Group Admin & Property Management (GAPM), on 5 December 2019, held an awareness campaign for our employees at Menara CIMB to help improve workplace ergonomics. **Our main aim has been to increase the awareness of our people on common risks associated with desk jobs to include musculoskeletal disorders (MSDs)** such as carpal tunnel syndrome, strained muscles and ruptured discs. We provided simple tips that employees can use to enhance their overall health and productivity at the workplace.

Policies Encouraging Participation	2018	2019
<b>Flex4CSR</b> Paid leave for 30 consecutive days to perform charitable work with CIMB Foundation	2	2

Diversity Policies and Benefits	2018	2019
<b>Extended Maternity Leave</b> Six months paid maternity leave for first-time mothers to allow them to bond with their child and adjust to their new role. For subsequent children, female employees are allowed to extend their maternity leave of 90 days for an additional 90 days on a half-pay basis.	N/A	133
<b>Paternity Leave</b> Paid leave of 30 days or more offered to all first-time fathers to allow them time-off to share responsibilities of caring for their newborn.	120	90
<b>Flex4Moms</b> Employees with young and special needs children can work from home one day a week.	40	35

## REINFORCED EMPLOYEES' RIGHTS AND SHARE OF VOICE

### > Grievance Mechanisms

**CIMB has formal grievance mechanisms, which set out clear and transparent complaints processes.** Settlement of grievances is in accordance with the respective Collective Agreements, where applicable.

### > Safe Speaking Channels

The 'Have Your Say' mailbox was piloted in Group HR in September 2019 to provide a safe space for staff to offer suggestions and highlight concerns/issues either digitally or physically, with an option to remain anonymous. Through this initiative, **our objective is to encourage employees to share ideas, which will be analysed for implementation and impact.** Platforms such as this help foster a productive and progressive working environment, where employees embrace values such as empathy, cooperation and innovation.

The contents of the mailbox are shared with all employees and action items are tracked and reported regularly. **In 2019, a total of 30 employees contributed suggestions and raised concerns using this channel. Four ideas are currently being considered for implementation.** In view of the positive response, this initiative will be rolled-out to other divisions in 2020.

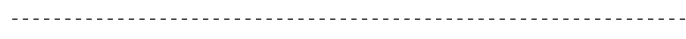
### > Freedom of Association

With regard to labour rights in Malaysia, we recognise eight unions and have in place Collective Agreements (CA) with the National Union of Bank Employees, Association of Bank Officers, CIMB Bank Berhad Executive Staff Union, Sarawak Bank Employees' Union, Sabah Banking Employees' Union, Kesatuan Pegawai-Pegawai Bank Sabah, Kesatuan Pegawai-Pegawai Bank Sarawak and National Union of Commercial Workers.

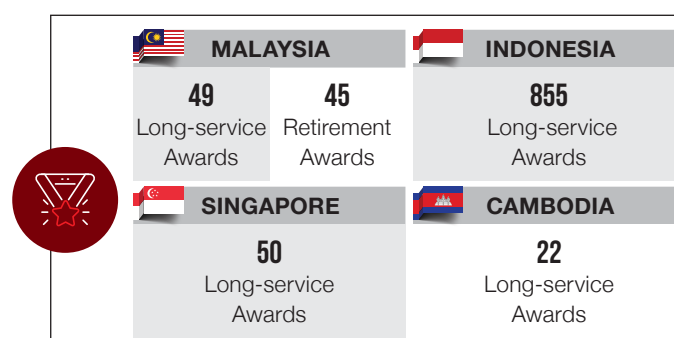
**As at end 2019, 48.6% of employees in Malaysia are covered by a trade union or collective bargaining agreement.**

### > It's a Tuesday Thing

In 2019, we launched 'It's a Tuesday Thing' (IATT) across the Group. **This programme is an expanded version of 'Tuesday Chats', informal skip-level meetings initiated by senior leaders including Group Management Committee members for divisional staff with the intent to engage, seek ideas and feedback openly.** For IATT, employees and their line managers organise activities or gatherings to engage with each other in an informal manner to foster better collaboration. More than 1,600 gatherings were organised during the year.



We continued to recognise our most deserving and loyal employees with long-service and retirement awards in recognition of their demonstration of the three critical behaviours of the 'A Better CIMB' culture.



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**TALENT ATTRACTION, GROWTH, AND RETENTION**

People form one of the pivots of the Forward23 strategy. We recognise that people and their talent are the machinery behind all growth. The dynamism of business today requires our people to be equipped with special skills that will prepare them to manage the present and emerging risks of business. This means building the skills of tomorrow and offering horizontal and vertical career and education paths. Also, talent mobility (both physical and virtual) increases access to skills and new opportunities for growth, which in turn improves employee morale and helps retain talent that are deemed critical for the organisation.

At CIMB, our approach is to boost the skills of both our current and future workforce. The idea is to future-proof our people as well as our business. We believe that effective and efficient mechanisms to manage talent acquisition, growth and retention can ensure business continuity, productivity, performance and competitiveness.

**OUR RESPONSE**

- > Launch initiatives for talent recruitment, growth and retention
- > Invest in upskilling and reskilling our people to improve their income potential and socio-economic status

**Key Indicators**

Total investment in training and development  
**RM141 million**

Average training hours per employee  
**Male 68.7 | Female 72.3**

Average e-learning completion rate for Malaysia  
**98.9%**

- Employee turnover rate
- Employees who are upskilled/reskilled
- Percentage of Digital, Data, and Design (3D) workforce



Graduates showing off their CIMB tumblers at the 2019 MEGA Careers and Education Fair.

**Key Enabler**



**CODE OF ETHICS AND CONDUCT**

Promoting Professional and Responsible Behaviour  
(GRI 102-16)

**At CIMB, we recognise the consequences of any actual or potential conflict of interest that affects trust and integrity, which are the values that we live by to build mutually-rewarding and productive relationships at the workplace. We have documented comprehensive policies and standards to guide the conduct of CIMB employees.** For instance, we follow a structured on-boarding approach to familiarise our new employees with tools, processes, systems, security practices, policies and procedures. All our employees are equipped with the Bank's Code of Ethics and Conduct. We conduct regular audits to ensure that our employees understand and follow the established policies.

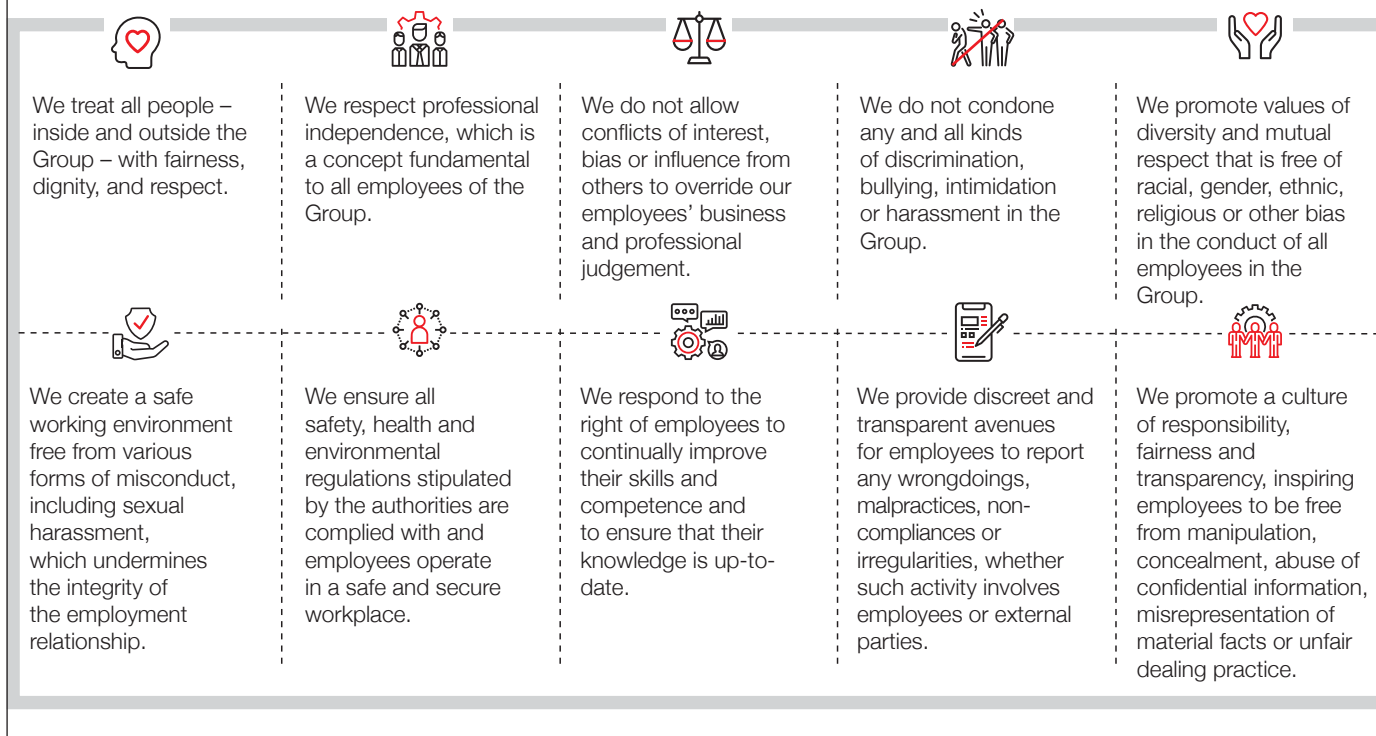
**CIMB GROUP HUMAN RIGHTS STATEMENT**

Protecting the Rights and Privileges of People  
(GRI 102-8, 102-41)

**We adhere to the principles of Human Rights and Labour, which are advocated by the Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.**

Through our progressive staff policies and procedures, as well as our continuous efforts to create a culture of responsibility and integrity, we support and respect our employees' and partners' rights to freedom of association, collective bargaining, and equitable opportunities for learning and growth.

The principles of Human Rights are embedded into various provisions made in our Employee Code of Conduct, including the following:




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WHAT DID WE DO?

**ACCELERATED EFFORTS TO CREATE AND STRENGTHEN OUR DIGITAL SKILLS**

The banking sector is undergoing continuous transformation. Digitalisation of the workforce is becoming more of a cross-sector industry norm. At CIMB, we are focusing our efforts on diversifying our talent sourcing channels. We believe that efficient and effective implementation of CIMB's strategic and sustainability roadmaps will depend on the quality of our talent and how they are increasingly adept in meeting the future needs of the organisation. Our two-pronged approach is as follows:

- > **Launching specific programmes that are designed to build digital skill set, with an objective of orientating and recruiting high-potential technology talent from universities as well as industry players. These initiatives are also our opportunities to position CIMB as the preferred tech talent employer.**

Initiative	2019 Progress
<p><b>The Digital Apprenticeship Programme</b></p> 	<ul style="list-style-type: none"> <li>• A highly-structured internship programme that combines classroom learning with job rotations and learning outcomes jointly pre-defined between partner institutions and CIMB.</li> <li>• Apprentices are offered positions in CIMB's graduate programme upon successful completion.</li> <li>• In the spirit of social inclusion by providing pathways into careers in the digital economy, the institutions identified for the pilot programme were mainly polytechnics and public universities whose students are largely from families that are in the B40 and lower M40 categories.</li> <li>• Conducted outreach and engagement activities with two polytechnics and two universities and enlisted 18 talents for the pilot programme.</li> </ul>

Initiative	2019 Progress
<p><b>The Complete Banker (TCB) Digital</b></p> 	<ul style="list-style-type: none"> <li>• Targeted at grooming tech and digital talent, this newly-established graduate programme ensures that CIMB has the necessary talent with the right skills to thrive in the new digital economy in the long-term. In the immediate to medium-term, the programme contributes to the objectives of one of our Forward23 strategic pivots – People.</li> <li>• The programme combines classroom training and job rotations, aimed at equipping graduates with industry-specific knowledge and experience in developing solutions for banking and financial services, with mentoring from senior digital talent within the firm.</li> <li>• Recruitment started for the pioneer group, in preparation to launch to the wider public and universities in the following year. The target is to have a total of 40 participants for 2020.</li> </ul>

- > **Enhance the digital quotient of all CIMBIans across various levels and functions. In the mid-term, we aim to build an agile, innovative and tech-savvy workforce, which will meaningfully contribute to digital transformation of the Group.**

Initiative	2019 Progress
<p><b>The CIMB 3D (Digital, Data, and Design) Academy</b></p> 	<ul style="list-style-type: none"> <li>• Established to enhance the digital quotient of CIMB staff in all job roles ranging from basic awareness to certification level to enable the Group's digital transformation.</li> <li>• A total of 11,389 employees participated in 3D Academy programmes from Malaysia, Indonesia, Singapore, Thailand and Cambodia across a variety of platforms (mobile, virtual, e-learning, in-house and external 3D training).</li> <li>• Delivered 78,219 training hours during the year, against the target of achieving 2.0 million hours by 2021.</li> <li>• Launched 3D training via mobile platform in Malaysia and Singapore to liberalise learning and making it accessible to all levels of employees anytime, anywhere.</li> </ul>





**Our 3D Academy competency framework is anchored on six pillars, namely digital world awareness; agile and entrepreneurial thinking; future communication skills; risk and governance; human-centred design; and data science and analytics. To raise our employees' awareness, in 2019, we launched Gametize – a 3D education series in gamified content on a mobile platform.**

**CIMB 3D Conquest**



<https://youtu.be/5PfATIWniN8>

In 2019, we introduced the **Digital Enablement Benefit**. The benefit is targeted at junior-grades mainly to ensure that all employees have access to technology and digital learning platforms such as Gametize to gain new 3D skills, cloud-based career planning and internal personal branding tools such as Y.O.D.A. Under the policy, eligible permanent employees can claim up to RM50 per month for their data plan. This policy is in line with our values of diversity and inclusion, ensuring that we take all employees forward with us.

The inaugural edition of the **CIMB 3D Conquest** came to a close on 18 January 2019 with the grand finalé held in Le Méridien, Putrajaya. Organised in partnership with leading brands such as SAS, AWS, Cloudera, Oracle, Fusionex and Malaysia Airlines, the event aimed at positioning CIMB as an employer of diverse talent, attracting young talent, especially in the digital space.

**Open to all undergraduates, the two-days finals hackathon shortlisted 33 finalist teams from Malaysia, Indonesia, Singapore, Vietnam, and Thailand.**

In the spirit of inclusivity and developing digital skills among youth, **the hackathon was divided into three tracks: Data Science, Coding and Fintech, allowing students from a variety of backgrounds to form multi-skilled and pluri-disciplinary teams to devise solutions based on real world case studies.** Competitors were also coached and mentored by domain experts from various digital divisions within CIMB and partner organisations. The teams competing for a cash prize of USD48,000 for each track and the opportunity to visit Silicon Valley.

The finalists were assessed for their problem-solving skills, analytical prowess, creativity, and also their ability to collaborate and communicate their vision. A total of 42 students were eventually recruited from the winners for TCB Digital, internships and other digital business units, contributing to the objectives of one of our Forward23 strategic pivots – Technology & Data.



- Skills to help CIMB 'digitise' our business, products and services.
- Digital-first mindset.
- Skills of current and emerging technologies to drive seamless digital user experiences.



- Skills to manage, analyse and translate the data we have into meaningful insights that CIMB can capitalise on.



- Skills to design products and services centred around people (customers and employees) and the ability to change our business model from what it is today.



**Our Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, announced the winners, with cash prizes and an immersion trip to Silicon Valley.**



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**STRATEGISED AND DELIVERED TRAINING AND DEVELOPMENT**

We consider continuous learning and development as critical to not just be productive at the workplace but to also future-proof our employees. **We take an inclusive approach to designing and delivering training and immersion programmes, including employees from various functions and levels.** To ensure the pragmatic value of the content delivered is at optimum, we conduct regular training needs assessments for all employees. Based on the topics required, **we deploy multiple learning methodologies and platforms.** These include digital/online courses, class-room sessions, computer-based workshops etc.

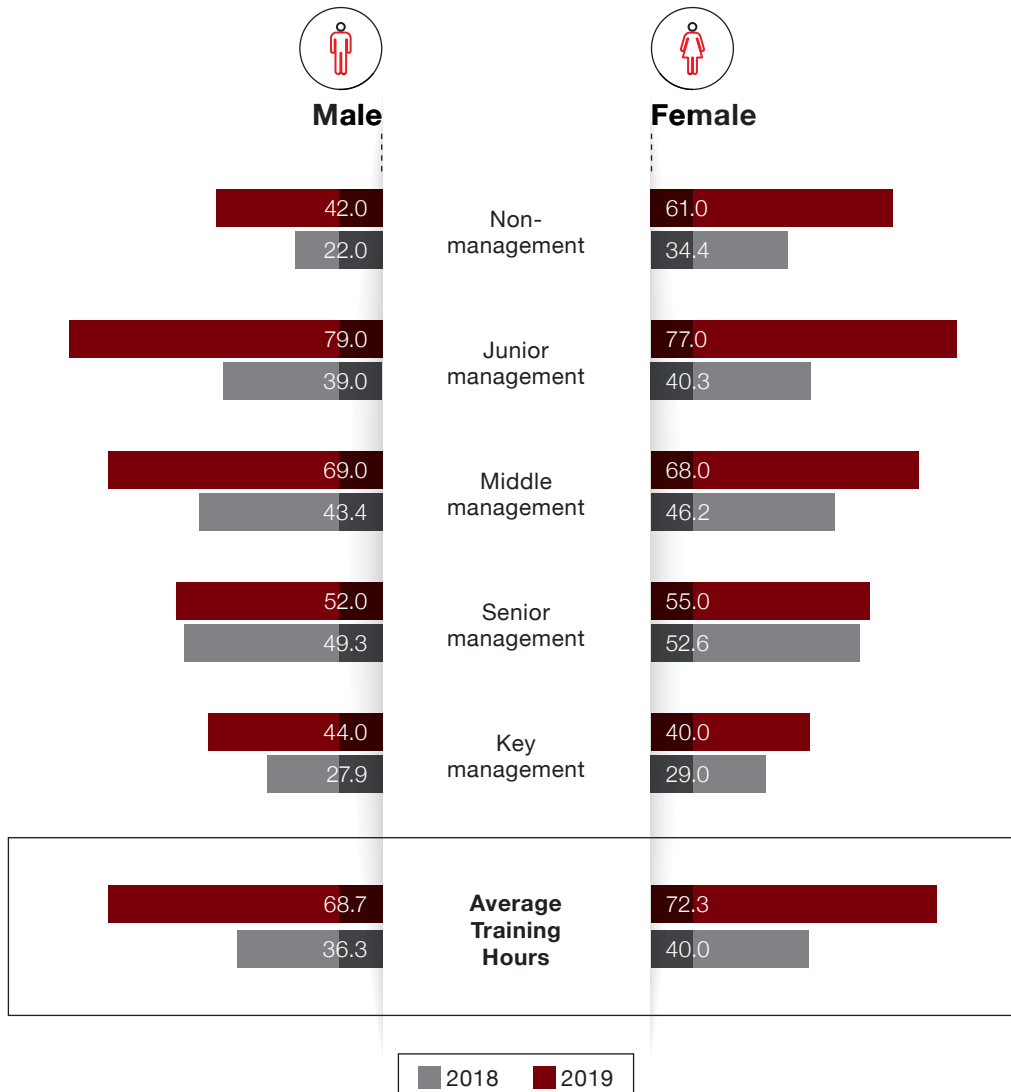
Progress in 2019

**3.0 million**  
TRAINING HOURS








**RM141 million**  
TRAINING INVESTMENT ACROSS THE REGION

> **Average Training Hours per Employee, by Gender and Employee Category (Malaysia, Indonesia, Singapore, Thailand and Cambodia)**  
(GRI 404-1)



> **Training by Country**

(GRI 404-1)

					
Total Training Hours Completed	1,270,251	1,564,693	35,316	123,598	13,740
Average Training Hours per Employee	80.0	118.0	28.0	31.0	34.0
Training Investment (RM)	55,402,320	81,484,101	787,478	3,307,212	122,987

> **Mandatory E-Learning**

The following e-learning programmes covering areas of governance, risk, AML and IFSA are mandatory for all permanent staff based in Malaysia. In 2019, we achieved an average completion rate of 98.9%

Course Title	Compliance Frequency	Percentage of Staff Completed
Anti-Money Laundering / Counter Financing of Terrorism (AMLA/CFT)	Annual	99.1
Financial Services Act / Islamic Financial Services Act (FSA/IFSA)*	Half-yearly	97.9
Introduction to Customer Experience (CX)	One-off	99.9
Introduction to Competition Act 2010	Every 2 years	96.2
Data Protection	Annual	98.6
Information Security Awareness	Annual	98.4
Shariah Governance Framework	One-off	99.9
Risk Appetite Principles	One-off	99.9
Operational Risk Management	One-off	99.8

\*All non-clerical staff of grades 32, P28, P29, P32 & U11, receptionists, messengers, drivers, bodyguards, security guards, telephone operators, interns and PROTÉGÉ trainees are exempted from compulsory e-learning.

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**PREPARED EMPLOYEES FOR CAREER TRANSITIONS AND LIFE BEYOND WORK** (GRI 404-2)

> **Equipping Employees with Skills of the Future**

After its launch in 2018, the Future of Work Centre (FOWC) continued in its mission to provide a comprehensive approach to future-proofing and getting our workforce ready for the digital economy. **FOWC offers a wide menu of options to meet the different career aspirations and varying personal circumstances of our employees.** Some of the career development interventions are as follows:

**Upskilling and Reskilling**

**Employees are upskilled or reskilled to perform the roles that are currently in demand, with an aim of increasing individual employability within and beyond CIMB.** The idea is also to help employees grow their income and livelihood. As at 31 December 2019, we have reskilled and upskilled 2,205 employees regionally.

**Internal Talent Mobility**


The concept of internal mobility at CIMB is premised on growth and learning opportunities. **Employees have the option to be considered for internal vacancies, with permanent transfers into the new roles, internal internships to put into practice newly-acquired skills, and stretch assignments over and above their current roles.** In 2019, we also facilitated internal mobility and organised our first internal career fair for Forward23 and received 450 applications for 188 approved positions.

**FlexMyCareer (FMC)**

In 2019, **we introduced FlexMyCareer, an extension of the many options already available to employees under FOWC. The main aim is to equip employees with more choices and more control over their career direction and growth. The additional choices include opportunities beyond banking, entrepreneurial ventures, passion projects or early retirement.**

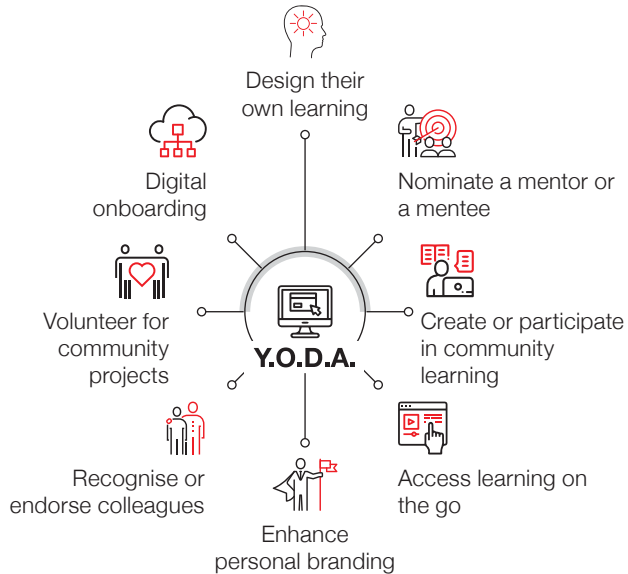
Under this scheme, employees are also offered a financial assistance package, add-on medical benefit coverage and a preferential rate for outstanding staff loans with CIMB, mainly to assist them to pursue their personal and professional goals.

A Beyond Banking Opportunities Day was also organised with external partners consisting of workshops and talks for those keen to explore opportunities beyond banking.



**Y.O.D.A.**  
YOUR OWN DIGITAL ASSISTANT

In 2019, we launched Y.O.D.A. - an acronym for Your Own Digital Assistant. It is a mobile-enabled cloud-based Human Resource Information System (HRIS) that empowers employees and allows them to take charge of their own careers through a number of features:



The platform is easy to use, intuitive and accessible on mobile devices, in line with cultivating a workforce with an agile and digital-first mindset. In the end it is about giving employees a personalised and wholesome employee experience.



We organised pre-retirement workshops to help employees transition from working life to retirement. The full-day event titled **“Forward Your Financial and Lifestyle Planning”** brings together trainers and speakers from financial management consultancies, healthcare and lifestyle management providers to help our employees prepare for a stress-free and productive retirement. In Malaysia, two sessions were organised with a total of 105 participants.



## NURTURING GROWTH

**Growth of our business, as well as our key stakeholders is both an objective and an aspiration. Catalysing growth that is meaningful for everyone is however, a continuing challenge. Mapping different types of growth is an important step and this requires strategic engagement and planning with all our key stakeholders.**

In nurturing growth of our key stakeholders such as employees, suppliers, and customers, we also seek to strengthen our partnerships. Our efforts to foster growth of those associated with us improve the quality and outcomes of our collaboration towards common business objectives. The more we take interest in the growth of our stakeholders, the more we create shared value.

### OUR RESPONSE

- > Implement fair and transparent performance review mechanisms and feedback loops
- > Nurture growth for all parties we work with, in addition to driving profitability
- > Design and implement leadership and succession planning programmes

### Key Indicators

CIMB ASEAN Scholarship  
**13 Scholars**

The Complete Banker™  
programme  
**48 New Talent**

- Leadership programmes
- Performance reviews

### WHAT DID WE DO?

#### DEVELOPED LEADERSHIP AND TALENT PIPELINE FOR GROWTH

##### > Succession Planning

The dynamic banking and financial services sector and the fast-evolving operating environment requires us to plan and prepare a healthy pipeline of talent. **Succession planning across all mission-critical functions of the organisation remains a priority. We seek opportunities to continuously upskill our high-potential talent, as well as maintain levels of motivation to establish trust and loyalty, along with prospects for career satisfaction and growth.**

As an example, we conducted 360° Feedback for the Risk EXCO in 2019. The Group's Risk leaders were assessed by their peers and team members using the 'A Better CIMB 3 Critical Behaviours' approach, and were also assessed on their business acumen.

##### > Talent Development

At entry-level, we offer structured programmes to cater to various profiles and aspirations, providing young talent with options to pursue under The Complete Banker™ (TCB) umbrella. The TCB programmes create a pipeline of talent for management roles.

#### TCB (Diversity Within Banking)

TCB is a 24-month management programme open to graduates of all disciplines. It provides young graduates with exposure and experience in all areas of banking. With a recent curriculum upgrade, the programme now incorporates digital appreciation modules and options to experience cultural and language immersion in China, and regional rotations or secondment to fintechs. A total of 48 graduates were recruited during the year from across ASEAN. 30% of them were from Science, Technology, Engineering and Mathematics (STEM) and other non-finance and banking-related backgrounds.

#### TCB Fusion (Diversity Beyond Banking)

TCB Fusion is a 24 to 48-month programme that provides graduates with an opportunity to experience working in two different companies. We partnered with leading organisations in various sectors during the year: PwC (Accounting), Accenture (Consulting), Zico Law (Law), Teach for Malaysia (Non-profit) and DXC Technology (Technology). Upon successful completion of the programme, the associates have the option to decide their preferred employer.

#### TCB Digital

TCB Digital is the most recent addition to the TCB suite, targeted at digital and technology talent. Recruitment started at the end of 2019 for the programme, scheduled to launch in early 2020.

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In addition to the conventional training and development efforts, we also forged partnerships with institutions of excellence to deliver world-class programmes for our high-potential employees, especially the ones in mission-critical roles.

**CIMB-INSEAD**

The **CIMB-INSEAD partnership** is our flagship leadership programme, which delivers bespoke leadership coaching to senior and top management. During the year, the programme anchored around 'Leading in the Fourth Industrial Revolution (IR4.0)', and preparing talent to navigate digital disruption. A total of 31 members of the management were required to complete an action learning project on digital technology and innovation with exposure to venture capital style pitching. The project allowed participants to immerse in the digital space through site visits and dialogues with industry practitioners from the start-up ecosystem in Paris. The participants had an opportunity to further apply their learning with a Venture Capital (VC) challenge at the end of their training.

**Accelerated Universal Bankers Programme**

Another flagship initiative is our **Accelerated Universal Bankers Programme**, a customised leadership programme developed in partnership with Nanyang Technological University. Targeted at middle management, the programme's objectives are to encourage cross-functional camaraderie and collaboration among middle managers, to prepare them for the IR4.0 and for senior management roles through action learning projects, enabling cross-pollination of ideas and allowing them to become well-rounded bankers. More than 33 members of our middle management successfully completed this programme in 2019.

**ENCOURAGED ASPIRING YOUTH TO FULFIL THEIR LEADERSHIP POTENTIAL**

> **CEO@Faculty**

CIMB continuously engages with local institutions of higher learning, academicians and industry, through our own programmes as well as through public sector initiatives such as CEO@Faculty, which started in 2015, as part of the Group's contribution to the larger national agenda.

The objective of these efforts is to bridge the gap between industry and academia by facilitating knowledge exchange, experience sharing, curriculum design advisory as well as to provide much-needed support to young talent. It comes in the form of workshops and mentoring, to raise career awareness among Malaysian undergraduates, especially to those in public institutions of higher learning.

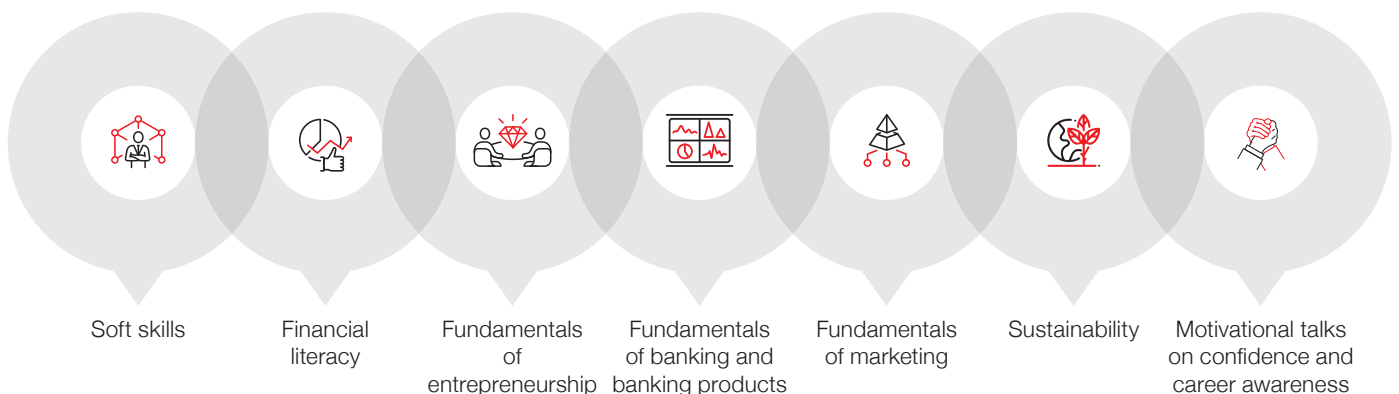
In 2019, as part of the **CEO@Faculty programme**, Dato' Hamidah Naziadin, Group Chief People Officer adopted UiTM and UKM to conduct outreach programmes. A total of seven guest lectures to students and sharing sessions with faculty members were conducted in 2019 on topics ranging from IR4.0 to diversity and inclusion, representing approximately 30 hours of lectures and sharing sessions invested (excluding other activities).

As a result of the continued efforts over the years, Dato' Hamidah was one of five industry leaders identified for recognition by the Ministry of Education in 2019.

> **PROTÉGÉ**

We also continued to support the **Professional Training & Education for Growing Entrepreneurs programme, PROTÉGÉ** (formerly known as SLIM), to provide routes to employability and careers. 250 Malaysian graduates were recruited for placement across various banking functions as part of an employability-enhancing graduate training scheme.

In addition to providing work experience, we organised nine training sessions covering the following areas:



## > ASEAN Scholarship

Another flagship initiative is the **CIMB ASEAN Scholarship**. In 2019, we introduced a maximum annual household income threshold of RM15,000 for Malaysian applicants. The main objective of this new requirement is to provide opportunity to youth from low and modest income families who would otherwise miss out on quality education and exposure. The net is cast wide to identify talent from different backgrounds, fields of study and location of study (in their own countries and abroad) so that with this, they might bring their life experiences and perspectives to the table.

# 32%

of our scholars are pursuing STEM courses in fields such as Engineering, Computer Science, Actuarial Science and Mathematics

# 24%

of the scholars are studying in their respective home countries



In 2019, we offered close to RM5.0 million in scholarships to 13 talents from six ASEAN countries, with internships, mentorship and guaranteed employment. The total allocation of RM38.9 million for 2016-2023 has benefited 63 students to date. We take pride in our vision to nurture and develop a regional talent pipeline for the Bank and in 2019, we realised this vision with the return of nine graduates from the first cohort of the ASEAN Scholarship programme.



## > CIMB Young ASEAN Leaders 2019

**The CIMB Young ASEAN Leaders (CYAL)** is an annual programme with an overarching objective to grow and nurture the best of our young ASEAN leaders, and enable them to exchange ideas, broaden their perspectives, as well as gain cross-cultural experiences, while exploring a theme that is relevant to all ASEAN countries.

In 2019, 50 delegates from all 10 ASEAN nations convened in Kuala Lumpur to deliberate and exchange ideas on the theme "Sustainable Indigenous Resources for Renewable Energy". The group explored how ASEAN countries can utilise renewable local natural resources to provide energy to sustain life and economic needs.

Since 2012, CYAL has produced an alumni community of 350 bright individuals across ASEAN. During the CIMB Young ASEAN Leaders 2019, CIMB Foundation launched the CYAL Alumni to engage the alumni community and ensure continuing impact.

The CYAL Alumni aims to:

- Further enhance cross-cultural learning and partnership between ASEAN countries;
- Provide further opportunities for the CYAL Alumni to inspire and enact change in their home country;
- Provide further growth and career opportunities for the CYAL Alumni to develop their leadership capabilities and achieve their potential; and
- Act as ambassadors for CIMB's regional CSR initiatives.



value creation

Number of CIMB Young ASEAN Leaders alumni (2012-2019)

All ASEAN countries	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam	Total
2019	3	5	6	5	14	2	4	1	3	7	50
2018	3	5	8	4	13	5	3	1	2	6	50
2017	1	7	5	2	15	4	4	1	4	7	50
2016	2	4	8	2	13	4	7	2	3	5	50
2015	1	8	5	4	13	3	4	1	3	8	50
2014	5	5	5	5	5	5	5	5	5	5	50
2012	3	3	14	2	10	3	2	6	5	2	50
<b>Total</b>	18	37	51	24	83	26	29	17	25	40	350

INTRODUCED A MORE HOLISTIC PERFORMANCE APPRAISAL SYSTEM

The Group’s performance is tracked via a balanced scorecard with measures on profitability, cost, capital, shareholders’ return, medium to long-term strategic initiatives, as well as risk, audit and compliance. These success measures are cascaded through the organisation through KPI scorecards of individuals.

Likewise, individual KPIs are based on a balanced scorecard, covering:

- financial targets
- customer experience measures
- long-term initiatives (where progress of milestones or ROI may be monitored)
- risk management and process controls
- audit and compliance findings
- people-related measures.

Year-end assessments of individual performance are based on KPI achievements as well as the individual’s proficiency in required competencies.

In 2019, KPIs were aligned towards our Forward23 strategy, with long-term focus areas on customers, technology, sustainability, partnerships and people. Emphasis continued on risk-adjusted performance measures such as risk-adjusted return on capital as well as reinforcing our culture of accountability and compliance. 100% of senior management’s scorecards in 2019 were developed centrally to ensure alignment to organisational priorities.

During the year, we piloted newer approaches to performance management to include more regular conversations with employees, with strong focus on employee growth and career development.

We also piloted a new compensation model that enhances linkage of pay to performance, and provides a clearer line of sight to drive performance.

# > SUSTAINABLE BUSINESS



**Business can be a force for good.** Key to this is to understand what sustainability means in the context of both business and stakeholders. Aligning business priorities with stakeholders' expectations is always the starting point. Over the last two years, we have started to take an outside-in orientation on business i.e., from stakeholders' perspectives. We are also working to reconcile the gaps, and change the way we measure our impact, our success and our stakeholder relationships.

Today, we are mindful of how we generate business profits in a responsible manner. **Our objective is to create net positive impact through our products and services. In the process, our long-term approach is to inspire and encourage our customers to contribute to sustainable business, by embracing sustainability principles and practices.**

## HOW DO WE MAP SUSTAINABLE BUSINESS?

### Material Topics



Customer Experience



Sustainable Finance



Technology



Financial Literacy, Inclusion & Well-being

### Key Considerations

- Who are using our products and services and how?
- How do our products and services cater to underserved communities?
- How do we ensure fair and equitable treatment of our customers?
- Which are the sectors that we fund and what is our environmental and social impact along the value chain?
- How do we contribute to the greater agenda of financial well-being?
- How do we create positive impacts on the environment and communities through our products and services?

### Sustainable Development Goals (SDGs)



## FORWARD 23

### Relevant Strategic Pivots



Customer Centricity



Technology & Data



Our People



Ventures & Partnerships



Sustainability

value creation



CUSTOMER EXPERIENCE (CX)

Our brand promise “Forward” reflects our commitment to enable our customers in achieving their goals and aspirations. As such, we strive to advance together with our customers and society. With the increasing competition and rise of new players such as fintechs, trust has become an important differentiator in the financial services industry. CIMB’s strategic focus on Customer Centricity will be optimised through ongoing efforts in strengthening and sustaining the Group’s current CX model. This model drives internal synergies via best-in-class practices across the region, closes existing CX gaps, and creates game-changing experiences using agile and iterative design methodology.

All CX initiatives will be carried out on the basis of our 3Es promise to customers, making banking **E**asy, **E**fficient and always going the **E**xtra mile. This further enhances our employee experience through the **E**mpowerment of doing the right thing (for our customers) and providing them proper **E**scalation points to resolve issues effectively. As a result, we will be able to consistently deliver these promises.

Keeping in mind the importance of cultivating a ‘customer first’ organisation, the Group has set a target around customer outcomes known as ‘Net Promoter Score’ (NPS) to steer the Group ahead under the Forward23 Strategy – where the aspiration is to position CIMB in the top 15% among its peer groups in key markets by 2023.

OUR RESPONSE

- > Achieve consistent service delivery across branches and all other channels
- > Adopt technologies for greater reach, value, convenience, and ease of banking
- > Build and enhance customer trust through our policies

Key Indicators

Net Promoter Score  
**top 48%**  
 among comparables in MIST -  
 General Retail Banking

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- Positive Treating Customer Fairly Perceptions

Key Enabler



**CUSTOMER EXPERIENCE (CX) POLICY**

Designing and Delivering a Differentiated Customer Experience (GRI 102-16)

The overarching principle of our CX Policy is to provide a clear set of standards that help to design and deliver a differentiated experience, with emphasis on providing the right solutions and information, as well as a high commitment to customer satisfaction. This policy stipulates actions to mitigate potential risks and impacts arising from mishandling, to safeguard the interests of customers, as well as to meet regulatory requirements.

**There are three main sections of the Group CX Policy, namely the Group Treating Customer Fairly (TCF) Policy, the Group Complaints Handling Framework and the Group Customer Exit Handling Policy.** This is being expanded to cover other facets of customer engagement, including interactions and customer communications.

The Group TCF Policy sets-out clear guidelines to be applied in embedding TCF outcomes as part of our corporate culture and core values, to enable a customer-centric DNA. By adopting and applying the six fairness outcomes defined, CIMB Group employees will be able to give customers confidence that they are dealing with an organisation where fair treatment of customers is central to their corporate culture. For consistency, a TCF Taskforce is in place to provide oversight and strategic direction, while building momentum for the successful adoption of TCF.

The three CX policies are implemented and applied by the various regional offices, and adapted where necessary to align to local regulatory requirements.

## value creation

### WHAT DID WE DO?

#### STRENGTHENED OUR COMMITMENT TO CUSTOMERS

To fulfil our 'Forward' brand promise to customers, it is imperative that the organisation adopts a culture of 'customer obsession'. In other words, **it is our aspiration to build a customer-obsessed organisation where delivering CX promises is part of our DNA.**

#### > Customer Experience and Excellence

Our goal is to advance our customers and the societies we serve. **By using data analytics and customer insights, we are able to understand their expectations and challenges, to remain relevant today and in the years to come.**

In 2019, we focused our efforts on the following:

#### Accelerated our Efforts to Measure and Design with the Customer in Mind

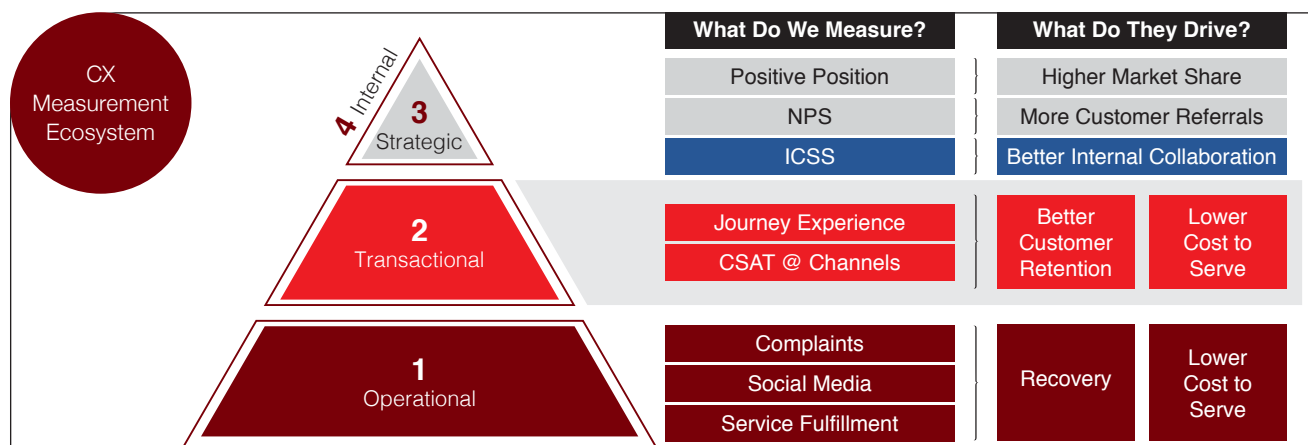
To reinforce a mindset of continuous improvement from the customers' perspective (outside-in), **we have re-built our measurement ecosystem by determining key metrics that are vital to customers and further augmented all this data through research and Voice-of-Customer (VoC) surveys to discern customer behaviour and preferences.** The overall framework comprises both direct and indirect data points towards a more holistic view of customer understanding, notably at:

1. **Operational level**, where a total of 16 vital indicators encompassing fulfilment levels across core channels, products and systems such as branch wait time, call centre wait time, product application turnaround time, etc. have been consolidated and tracked on a monthly basis to significantly improve our services delivery. **As of 2019, 81% of these indicators showed positive improvement.**

2. **Transactional level**, where an in-house platform is utilised to:

- Track service experience at key channels. We started off successfully from the roll-out in the Contact Centre in May 2018 and subsequently expanded to 14 channels regionally in 2019, including branches, complaint handling units and Preferred relationship managers. **This has helped us to keep-up the service momentum and drive higher accountability towards creating delightful experiences for our customers.**
- Perform in-house research/surveys to embed customer view-points during decision-making. The number of ad-hoc surveys have doubled to 33 in 2019 – with stronger adoption of integrating Voice-of-Customer (VoC) insights from businesses when reviewing and revamping products and services. These have been used to strengthen our value proposition to our customers.

3. **Strategic level**, we conduct an annual bank-wide Customer Engagement Survey where NPS is used to gauge where we stand relative to our key competitors in the total banking relationship. Based on our recent 2019 performance, **we have seen positive performance for Indonesia (positioned as top three retail bank among comparables) and Thailand (positioned as top five retail bank among comparables), while maintaining our position for Singapore.** We have also shown consistent customer experience strength with our non-retail customers across key markets. Although we have had a competitive edge in Malaysia in 2018, our position in 2019 declined on the back of increasing competition within the financial industry, coupled with recurring challenges on system interruptions and inconsistencies in people delivery. The flat performance has given us a clear indication that **we need to create game-changing experiences, keeping in mind that customers' expectations are ever changing and evolving fast** – hence, focusing on organic improvement is not sufficient to create value differentiation. Our efforts for 2020 will revolve around technology resilience and revamping the branch and contact centre experience. **We do believe that transforming customer journeys through technology will enable us to achieve this balance.**



value creation

**The insights derived from CX performance data were used to generate ideas for delivering delightful experiences and uncovering new opportunities.** Some of the ideas included the following:

- Embracing a Lean approach to reduce the turnaround time for the internal technology deployment process by 61%. This subsequently allowed new products and services to be introduced to the market in a timely manner.
- Reduction in complaint volume by 34% by removing redundant processes and reviewing the empowerment matrix for frontliners. We have raised the bar for complaint handling SLA (Service Level Agreement) from six working days and 11 working days (Preferred & Mass respectively) to three working days and six working days. As a result, 79% of were complaints resolved within three working days and six working days respectively.
- Change in the way we engage customers – a total of four customer journeys were activated (i.e., credit card payment summary, credit card payment reminder, credit card on-boarding and tax relief reminder).

**Strengthened Principles and Fundamentals of CX to Enable Culture of Customer Centricity**

The core function revolves around formulating frameworks, policies and executing internal activations to strengthen CX practices within the organisation. **Through the concept of #cxmywayoflife, we aim to enable employees to carry out their duties in a customer-centric way, embedded as part of their DNA.**

Some of the core initiatives to inculcate a CX DNA across all CIMBians are as below:

- Embed clear customer-focused elements (i.e., CX-related KPIs) into the formal reward system
- Activate the Group-wide CX Recognition Reward for demonstration of Customer-Obsessed behaviours. The framework was designed using a three-pronged approach of:
  - i) Sharing success stories of customer interactions and CX outcomes;
  - ii) Seamlessly implementing monthly tactical activities (i.e., tracking customer compliments); and
  - iii) Encouraging peer-to-peer nominations for best CX stories.

**From the above initiatives, we received more than 600 nominations across the region, of which 100 finalists were shortlisted to attend a 1-day CX Camp.** CX Camp involved a range of activities via business simulations. As part of the experiential learning experience, our finalists were also given an opportunity to meet esteemed CX professionals from other industries to learn best practices in customer obsessed behaviours.

**CX Star Awards – Participant’s Testimonial**



<https://vimeo.com/331656878>

**During the year, we successfully implemented the following:**

- **Customer Journey Mapping (CJM)** to instil and connect employees with outside-in view thinking (from a customer’s perspective) when re-designing or building processes/solutions. **The overall mechanism helps to prioritise interventions and deliver a process design with measurable CX improvements.** We have successfully transformed seven customer journeys across our key markets, where all projects anchored on Lean Six Sigma (LSS) and a human-centric design-thinking approach.
- **'CIMB BEATS'**, a 5-step guide on best practices when engaging with customers to deliver signature experiences. It incorporates engagements at various touchpoints such as face-to-face, voice and complaint handling, as well as voice of customers obtained via their complaints/feedback. This has been rolled-out across all markets to drive a consistent CIMB experience. **As at December 2019, we received more than 4,000 compliments from customers based on their experience at our branches and contact centres in Malaysia, Singapore, Indonesia and Thailand.**

- **Jaeger Fighter**, an initiative to encourage employees to demonstrate entrepreneurship by applying tested methodologies and converting their ideas into effective actions to improve CX and drive positive change. **The objective is to gamify the process by including attractive prizes for rolling-out specific improvement projects with proper governance.** All initiatives/ideas implemented were nominated for winning attractive prizes. During the year, we received more than 200 projects regionally. The top winning ideas included:

#### Malaysia

- Unique and personalised Tax Relief Reminder emails to customers, helping them to organise their financial transactions in a much simpler way.
- A user-friendly list of occupation descriptions and codes which is in line with the regulatory requirement, mainly to reduce rework and returns from frontline submissions.

#### Indonesia

- Shariah Acceptance Criteria to accelerate the process of acceptance in Shariah financing.
- AutoGen, a tool to help Loan Signing Officers to generate different sets of legal documents 15x – 30x faster than before. This tool also standardises mortgage legal documents across different parts of the country.

### GROUP-WIDE EXTERNAL ENGAGEMENT PROGRAMMES FOR CIMB CUSTOMERS

The **Customer Day Campaign in September and October 2019** involved partnerships across all functions within the organisation, mainly to establish ways to build connections with customers across various channels (e.g., branch, contact centre, digital, etc.). The campaign has been pivotal in shaping our priorities and commitment to drive the concept of #cxmywayoflife in CIMB. **Our ultimate objective is to empower our staff on the ground to WOW our customers (e.g., by giving away rewards, gifts, thank you notes) and proactively gather candid feedback on improvement areas.**

Leveraging on our regional operating model, this campaign was rolled-out across multiple markets, including Indonesia, Thailand, Singapore and Cambodia. The basic design and fundamentals of the programme were replicated and customised according to local nuances for better participation, response, and results. **The universal campaign theme and tagline across the region was “You Inspire Us to Keep Moving Forward”, as customers are our main driving force to keep us moving forward and continuously enhancing customer experience.**



Special visits by senior leaders to selected branches. In the picture: Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Group Chief Executive Officer with Manpreet Singh, Group Head – Customer Experience Management.



#### Customer Day Celebration 2019



<https://vimeo.com/369495205>



value creation

**COMMITTED TO TREATING CUSTOMERS FAIRLY**

Traditional banks have fallen behind non-traditional competitors in terms of transparency and recommending products that are relevant to their customers' needs. (Global Consumer Banking Survey, EY).

To tackle this, **our strategy has been to elevate our CX DNA through imperatives that focus on Treating Customers Fairly (TCF) when handling our day-to-day operations.** This means that we embed TCF standards in all of our customer-related policies, guidelines and governance to ensure TCF compliance. Our TCF Policy advocates practising need-based selling, ensuring transparency, giving suitable advice, being flexible and providing customers with peace of mind.

**During the year, we operationalised the CIMB Treating Customer Fairly Policy to institutionalise the integration of fair treatment principles into business and operations.** The overall aspiration is to have our customers recognise CIMB as the most trustworthy bank which embraces high standards of transparency, integrity and conduct.

> **In 2019, we built frameworks and tools that revolved around TCF, based on five core initiatives:**

**Customer Communications**

Strengthened and simplified our products' Terms and Conditions based on fairness and plain language. We omitted terms that were perceived as not favourable to our customers and aligned our internal processes to ensure that the fair terms are operationalised. The language used to describe our products' Terms and Conditions were further simplified to make it easier for our customers to understand the clauses. In 2019, we successfully completed this exercise for our Mortgage products and will roll-out the same for the remainder of our consumer products by 2020.

**Call Back Framework**

Strengthened our internal processes by having a robust review mechanism for our sales practices which ensures that we practise transparency and provide suitable advice to our customers so that they can make informed decisions.

**Mis-selling Framework**

Ensured proactive identification and mitigation of mis-selling, where we have aligned internal processes, ensuring a robust process for remedial action. This will give customers peace of mind, as we have a virtuous sales process in place to increase their confidence when banking with us.

**Fair Customer Exit Practices**

Ensured that our exit process is fair to the customers by way of providing adequate notice for them to make alternative banking arrangements.

**Customer Feedback and Appeals**

Offered flexibility to our customers to submit feedback and make appeals via various available avenues and channels within the bank.



**Since 2019, we continued to adopt a differentiated Complaints Analysis Framework, which has a systematic method involving the following four key areas or approaches:**

**Hygiene first:** Focus on customer pain points that are most frequent and high in volume, and deploy analytics to identify trends and determine effectiveness of our platforms and processes for solutions

**Processes next:** Deep-dive into recurring and persistent issues as well as their trigger points through root-cause analysis and Lean Six Sigma Action Workout

**People always:** Monitor service and people-related issues, mainly to identify skill gaps, understand motivation, and invest in mechanisms that empower as well as encourage our people to remain customer obsessed to consistently deliver service excellence

**Culture critical:** Emphasise the continuing need for stringent measures to efficiently embed the principles of TCF in both our processes and our people behaviour

The Framework has been in implementation across multiple channels, including digital and human-support.

If you feel that you have not been treated fairly as a customer of CIMB, or wish to share your feedback, you can drop us a note using the QR code.



<https://www.cimbbank.com.my/en/personal/support/contact-us/enquiries-and-feedback.html>



## SUSTAINABLE FINANCE

### Financial institutions are uniquely-positioned to mobilise capital flows for greater good, while meeting business motives.

The majority of Sustainable and Responsible Investment (SRI) funds outperformed the S&P 500 over a 10-year period, by an average of 6.7%. Similarly, over a 5-year period, the Dow Jones Groups Sustainability Index performed at an average of 36.1% better than the traditional Dow Jones Group Index (IFC). The funding opportunities are enormous: East Asian cities could attract up to US\$17.5 trillion in climate-related investments over the next decade (IFC).

There is an increasing expectation from investors and policy-makers, locally and globally, for organisations to shift their focus from short-term gains to long-term value creation. Sustainable finance allows us to design our lending and investment portfolio, with environmental and social (E&S) considerations, helping the bank operate with resilience while delivering positive impact.

**Financial services players are in a position of influence, and therefore we have a responsibility to advocate environmentally and socially responsible behaviour along with principles of good governance.** As a financial intermediary, we are able to promote and encourage positive impacts through the expectations and guidelines that we set on clients, in terms of environmental and social best practices, while implementing strong controls against illegal practices including money laundering, corruption, terrorism, and violations of environmental, labour and social regulations. At the same time, we can encourage our customers to create a positive impact through our sustainable products and services, such as through Sustainability-Linked Loans for corporate clients and preferential rates for GBI-certified houses and hybrid vehicles for individuals.

**In short, sustainable business is good business and creates value. Effective implementation of our Sustainable Financing Policy will enable us to manage our exposure to sustainability risks, encourage positive impacts, and reduce potential negative impacts through proactive engagement with clients.**

#### OUR RESPONSE

- > Deploy our Sustainable Financing Policy to guide lending decisions regionally
- > Build internal and external capacity and skills to champion sustainable financing strategies and implementation
- > Increase our net positive impact on key stakeholders

#### Key indicators

Sector guides introduced on E&S risks

**4**

Number of clients screened on E&S risks

**44**

- Book in Sustainable Business (%)
- Sustainable products and services launched
- CIMB Financing Clients with E&S Action Plans (%)
- Clients with E&S Action Plans that implemented them (%)

#### Key Enabler



#### GROUP SUSTAINABLE FINANCING POLICY (GSFP)

Facilitating Responsible Banking

As a financial institution that provides financing to enable and facilitate economic activities, it is our duty as a responsible corporate citizen to manage the risks and potential negative impacts arising from the activities that we finance, on the environment, to society and to the economy in general. We also place emphasis on providing financial solutions that are designed to facilitate sustainable development, and to aid businesses in contributing to positive EES impacts.

The Group Sustainable Financing Policy serves as a guide on the mitigation of environmental and social risks in lending decisions. Sustainability due diligence is required for the bank's financing facilities with non-individual borrowers. In cases where clients are involved in high sustainability risk sectors including palm oil, forestry, construction and real estate, and oil and gas, CIMB undertakes an Enhanced Sustainability Due Diligence (ESDD). ESDD is also conducted when clients from other sectors fail Basic Sustainability Due Diligence. As part of our ESDD process, we utilise third-party data sources such as Sustainalytics and Dow Jones Risk and Compliance database to supplement our research and analysis. Depending on the risk level and complexity of the case, we may also conduct face to face interviews and site visits.

The Group Sustainable Financing Policy was rolled-out in Malaysia during the year. In 2019, we conducted 44 ESDD checks on clients with potential high sustainability risk.

value creation

WHAT DID WE DO?

**ROLLED-OUT SUSTAINABLE FINANCING POLICY IN MALAYSIA**

As part of CIMB's sustainability strategy and implementation of GSFP, we recognise that the sectors we are exposed to through our financing are linked to different types and levels of social and environmental risks. **Based on the exposure and more so for high risk sectors, we have institutionalised stronger controls including an Enhanced Sustainability Due Diligence process, higher authority levels for approval, and sector-specific guidance documents for our Corporate and Commercial Banking relationship managers.** In ensuring these relationship managers are equipped with the necessary capacity and awareness to implement the sustainable financing policy, we conducted 13 training sessions where 560 personnel were trained in 2019. **Upon roll-out of the GSFP, all business financing applications, excluding SMEs, underwent environmental and social due diligence screening.**

> **Exclusion List and Approach:**

As explicitly stated in our Group Sustainability Policy, CIMB does not conduct business with entities that are directly linked (with evidence) to one or more of the following:

- illegal activities
- bribery and corruption
- illegal logging or uncontrolled fire
- terrorism
- smuggling
- activities impacting UNESCO World Heritage Sites
- arms and munitions
- casino and gaming

There are permitted exemptions for arms and munitions, casino and gaming, and activities impacting UNESCO World Heritage Sites subject to stringent criteria and upon escalated approvals. CIMB does not fund political campaigns. However, we would not exclude a company that has been linked to political campaigns.

> **Monitoring and Management of Risks:**

An integral part of CIMB's internal sustainability risk management approach is the proactive monitoring of news reports, press releases, research reports and related sources for information on negative impacts that may be linked to our business relations. **Our approach to dealing with adverse events is context-specific and is spelt-out in internal procedures on sustainability.** Material information that could impact our business and corporate reputation is escalated to senior management and in special cases, to the Board.

**Our sustainability due diligence process arrives at recommendations based on environmental, social and governance risk factors.** These recommendations are then provided to higher approval authority for deliberation and final decision alongside credit risk factors.

> **Sector Guidance**

CIMB has identified certain industries exposed to relatively higher E&S risk against other sectors. For these industries, we are progressively developing sector guides to help our relationship managers apply our GSFP requirements in a clear and structured manner. These guides allow the Bank to make sustainability-driven financing decisions based on specific risks and asks that are tailored to conditions in the respective sectors.

**CIMB has developed internal sector guides on E&S risks for the following industries:**



**In each sector guide, CIMB has specified industry-specific minimum requirements for financing clients. In the event that clients are not meeting these requirements at the point of new financing approval or review, a time-bound action plan with reasonable targets for completion would be agreed with the client. The sector guides also specify certain prohibited activities that would cause CIMB to cease business with a client, in addition to those listed in the Exclusion List.**

In addition to the above, we have included a list of best practices in our sector guides that serve to encourage and support clients in improving their sustainability positions. One example of this is the adoption of industry-leading certification standards that are able to demonstrate E&S performance that exceeds mandatory legal requirements. As these types of practices are not often part of business-as-usual for most companies, we strive to positively influence companies towards adopting these measures as part of our sustainability commitment.

**Enhanced Sustainability Due Diligence 2019**  
G4-FS10

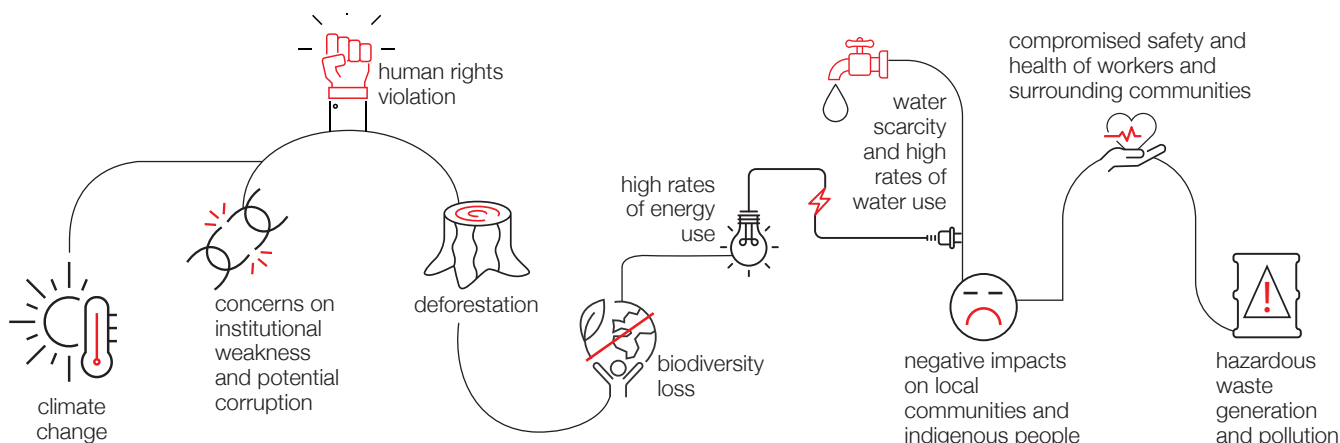
**Total high risk clients screened**

44

	No. of Cases
Recommended based on low material sustainability risks	32
Recommended with Action Plans	11
Not recommended due to material sustainability risks	1

## > Our Collective Commitment with Clients:

We are committed to encouraging our clients to adopt sustainable practices and identify, monitor, and mitigate negative impacts that may arise from our financing activities. Among the issues that raise material concerns for CIMB include industries with significant exposure to the following risks:



**In cases where clients are identified to be potentially linked to these issues, we may recommend time-bound environmental and social action plans to mitigate the risk of negative impacts if safeguards have not already been put in place.** We have processes in place to periodically follow-up on and monitor the completion of agreed action plans, as well as address cases of non-compliance to the agreed plan.

In 2020, our Group Sustainable Financing Policy and related Sector Guides will be rolled-out to all other key markets outside Malaysia and will be reviewed to strengthen our alignment with global sustainability drivers and our international commitments.

## INTRODUCED OUR POSITIVE IMPACT FINANCE FRAMEWORK

According to studies by the United Nations Conference on Trade and Development (UNCTAD), the financing gap to achieve the Sustainable Development Goals (SDGs) in developing countries is estimated to be US\$ 2.5 – 3 trillion per year. As a bank, CIMB looks to influence change and drive sustainability through its products, services and operations. **Predicated on the philosophy of ‘Banking for the Future’, CIMB takes a long-term view on its business, to build a sustainable future for itself as well as its partners in growth. CIMB endeavours to mobilise investments and capital for sustainable development and as an intermediary, we can create net positive impact by bringing to market purpose-driven financial solutions.**

As a signatory to the Principles for Responsible Banking (PRB), CIMB supports and advocates Positive Impact Finance, which is defined by UNEP FI as products that “serve to deliver a positive contribution to one or more of the three economic, environmental and social pillars of sustainable development at the heart of the SDGs, once any potential negative impacts to any of the pillars have been duly identified and mitigated”.

2019 marked the beginning of CIMB’s journey on positive impact finance. Ranging from the introduction of a Positive Impact Products & Services Framework to new product offerings, **CIMB is committed to assisting to improve the economic, environmental and social performance of our clients and to stimulate the emergence and growth of new, impact-based business models.**

## > CIMB’s Positive Impact Products & Services (PIPS) Framework

In 2019, Group Islamic Banking collaborated with Group Sustainability to formulate CIMB’s PIPS Framework to help streamline and guide the development of a suite of banking products and services that maximise the Group’s net positive impact to the environment, society and the economy, in alignment with the SDGs.

For more information on CIMB’s sustainable banking products, please visit CIMB’s website:

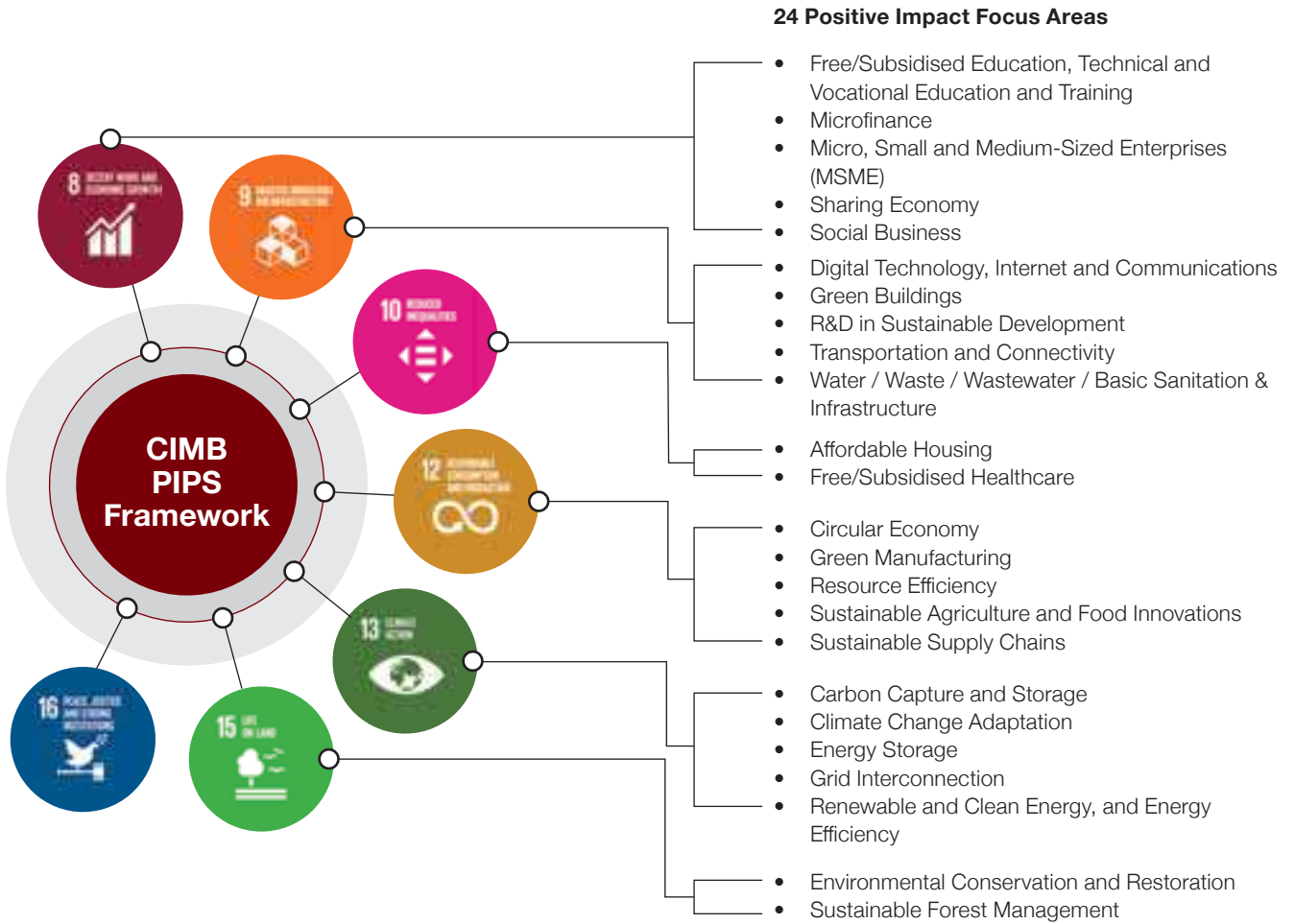
### CIMB’s Sustainable Banking Products



<https://www.cimb.com/en/sustainability/sustainable-banking-products.html>

value creation

The PIPS Framework sets out the focus areas and eligible business opportunities that CIMB considers as imperative to the attainment of the SDGs, and where there is a need in the market. For a start, the PIPS Framework focuses on CIMB's seven priority SDGs. To ensure that the PIPS Framework remains relevant and valuable to our stakeholders, we will continuously review, enhance or expand the universe of focus areas and eligible activities to cover other SDGs, based on the needs in those areas.



We target to continue to bring to life a range of positive impact products and services to our customers through Wholesale Banking, Commercial Banking and Consumer Banking in 2020 and beyond.

> **CIMB SDG Bond Framework**

CIMB is constantly on the look out for opportunities to grow its sustainable business portfolio and at the same time, create net positive impact for stakeholders.

**In 2019, CIMB Bank Berhad developed the SDG Bond Framework and executed our maiden SDG Bond transaction at US\$680 million (RM2.85 billion).** The bond marks the first-ever SDG bond to be issued by a Malaysian and ASEAN issuer in the Reg S international capital markets, as well as in the Formosa market. With banks taking-up more than 76% of the issue, with the rest being subscribed by securities firms and fund managers, our first transaction has been a success.

**The net proceeds of the current and future SDG Bonds issued as per the CIMB SDG Bond Framework will be channeled to various impactful sectors in line with the following SDGs:**





The CIMB SDG Bond Framework sets-out five social and nine green eligible categories for the use of bond proceeds:

5

**Social**

- Access to Essential Services
- Employment Generation including through the potential effect of SME financing and microfinance
- Gender Equality
- Affordable Basic Infrastructure
- Affordable Housing

9

**Green**

- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Green Buildings
- Climate Change Adaptation
- Pollution Prevention and Control
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Terrestrial and Aquatic Biodiversity Conservation
- Sustainable Water and Wastewater Management

Sustainalytics provided a second-party opinion that CIMB Bank Berhad's SDG Bond Framework is credible and impactful, and aligns with the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines 2018 and ASEAN Sustainability Bond Standards.

#### > CIMB Sustainability-Linked Loans

Guided by the Sustainability-Linked Loan Principles 2019 issued by the Asia Pacific Loan Market Association, during the year, CIMB Bank Berhad and CIMB Islamic Bank Berhad developed the framework for Sustainability-Linked Loans (SLLs). **Launched in January 2020, the SLL offering is the first in Malaysia, targeted at corporate borrowers who are keen to enhance their sustainability performance in alignment with any of the 17 SDGs.** With RM3.0 billion earmarked for SLLs, this incentive is effective from 1 January 2020 to 31 December 2024. The SLLs have been designed based on active feedback from our clients, as well as best market standards and practices. **SLLs are targeted to serve as a catalyst, motivating businesses to embed EES considerations in their strategies and operate responsibly for the long-term well-being and sustainability of our environment and communities.** Among the SDGs which may be relevant to corporate borrowers include: Quality Education; Gender Equality; Industry, Innovation and Infrastructure; and Responsible Consumption and Production.



**Sustainability-Linked Loans (SLLs) are any types of loan instruments and/or contingent facilities which incentivise the borrower's achievement of ambitious, predetermined sustainability performance targets (SPTs). Incentives are offered in the form of interest rebates, if the borrower is able to achieve the SPTs.** SLLs assist and encourage borrowers to improve their sustainability profile or commitment as the financing terms and conditions are aligned to the achievement of SPTs.

The SPTs must be negotiated and agreed upon by both the borrower and the bank. Examples of SPTs could include improvement in sustainability index ratings (e.g. Dow Jones

Sustainability Index), number of household covered and benefited from rural electrification project, reduction in greenhouse gas emissions; percentage of electricity from renewable sources; reduction in waste generated; percentage of suppliers adhering to predetermined sustainability requirements; proportion of women in top management positions; reduction in lost time injury and near misses; or proportion of payroll spent on staff training and development. The identification of suitable SPTs and their measurements could be guided by external consultants, external sustainability indices, borrowers' internal measurement by their own established sustainability team or the lending Bank.



value creation

> **CIMB SME Renewable Energy Financing**

We live in extremely challenging times, with issues such as the climate emergency and water scarcity becoming increasingly critical. These systemic issues are also impacting small and medium-sized enterprises (SMEs) and their ability to manage their capital allocations and returns efficiently.

**At CIMB, we are committed to leveraging our resources and network to offer targeted financing solutions that will help the critical mass of SMEs in the country improve their sustainability practices and future-proof their businesses. With this idea, in October 2019, we launched CIMB's SME Renewable Energy (RE) Financing.**

As part of the RM15.0 billion SME allocation for 2019 to 2020, CIMB allocated RM100 million for SMEs to fulfil their financing needs to purchase solar photovoltaic (PV) and other renewable energy systems. **This programme will finance up to 100% of the solar PV system cost, including cost of installation, and the maximum facility amount is capped at RM1.0 million.** SMEs need to obtain the Net Energy Metering (NEM) approval from the Sustainable Energy Development Authority (SEDA) and the property must be charged to the Bank under CIMB SME property loan/financing, to be eligible for this solar financing programme.

**This is our first SME Renewable Energy financing scheme and a sustainable yet practical solution to enable SMEs in Malaysia to reduce their operational costs on power consumption while contributing to the planet's well-being.**

This offering is also expected to increase the share of renewable energy in the country's total electricity consumption and support national climate change mitigation targets.



YB Yeo Bee Yin, Minister of Energy, Science, Technology, Environment and Climate Change (centre); Datuk Mohd Nasir Ahmad, Chairman, CIMB Group (left) and Tengku Dato' Sri Zafrul Tengku Abdul Aziz, Group CEO, CIMB Group (right) at the launch of the CIMB SME Renewable Energy Financing programme for SMEs in Malaysia, at CIMB's The Cooler Earth Sustainability Summit 2019.



**CIMB Business Banking Solar Financing**

Businesses are increasingly looking for ways to reduce their climate impacts and to improve cost efficiency. Electricity usage commonly forms a large portion of a business' carbon footprint which in turn provides an ideal opportunity to achieve carbon savings by switching to RE or undertaking energy efficiency improvement projects.

**Generating electricity through solar panels allows businesses to reduce their carbon footprint, while saving on electricity costs. In the past few years, solar power systems have made rapid technological advances and have reached cost levels that make them a sound financial investment for businesses looking to implement sustainable solutions.**

CIMB serves small and mid-sized enterprises in various financing schemes for industrial equipment including enterprise-scale solar systems. In 2019, we developed a handy guide to equip our Business Banking relationship managers with the necessary knowledge about solar systems so that they are able to recommend the right financing packages for solar systems to our clients.

The solar financing guide contains information on government incentives for uptake of RE including capital and investment tax allowances, information on the technological aspects of solar installations, and the enabling factors in Malaysia that allow solar installations to produce power efficiently, such as abundant sunshine hours etc.

The Business Banking team also engaged with certified and accredited solar technology providers to prepare standardised packages for clients. Through these innovative and comprehensive packages, mid-corp clients are able to seek financing and commence systems installation with ease.

> **Green Economy Programme**

In keeping with the Group's Forward23 growth objectives, CIMB Islamic established a Green Economy Programme focusing on green economy opportunities such as Renewable Energy, including Enhanced Net Energy Metering (NEM), Large Scale Solar (LSS); Waste-to-Energy (WtE), including Biogas and Biofuels; and Energy Efficiency. To support this, we formed a business development team in 2019, to bring in new clients within these identified sectors, focusing on capturing market share for the commercial banking segment.

In the development of the Renewable Energy and Energy Efficiency sectors in Malaysia, we commissioned INCEIF (International Centre for Education in Islamic Finance) to undertake research and analysis on these sectors. Concluded in mid-2019, the research identified gaps and opportunities in policies and banking products and compared the findings across markets in ASEAN and China.

As part of our drive to champion and engage the industry towards generating positive, sustainable impacts to the economy, community and environment, we will continue to champion such initiatives of high industry relevance.

> **Green Home Financing**

Preferential financing rates, launched since September 2018, signal CIMB Group's commitment to offering our individual customers an avenue to embrace a more sustainable lifestyle. At the end of December 2019, we achieved a take-up rate of RM156 million for green residential homes in Malaysia.

> **Green Vehicle Financing**

We also achieved a take-up rate of RM69.0 million as of December 2019 for green vehicles in Malaysia.

On the other hand, **CIMB Thai became Thailand's first bank to offer loans for electric motorcycles.** The monthly interest rates of 1.5% is lower than the average regular motorcycle loan which is at 1.9% a month. By the end of 2019, the volume of booking reached a total of 50 electric motorcycles worth THB4.0 million.

> **Green Building Financing**

CIMB is proud to have offered project finance for the construction of International School of Kuala Lumpur's (ISKL) new campus - the first platinum-rated green building by Green Building Index (GBI) in the education space in Malaysia. In 2019, the completed campus received three prestigious industry awards in Sustainability/Green categories.



**The Edge Malaysia - Pertubuhan Akitek Malaysia (PAM) Green Excellence Award 2019** for innovative and sustainable design as well as positive community contributions

**Cityscape Dubai (Global Property Development) Award** for Sustainability in Emerging Markets

**PAM Gold Award** for a new building in the field of education

> **EcoSave Savings Account-i**

**EcoSave Savings Account-i (EcoSave) is the first green savings account in Malaysia that enables customers to contribute to the environment. CIMB Islamic commits 0.2% of the total average portfolio balance of the account to environmental-focused projects and activities.**

2019 witnessed the launch of the first EcoSave quarterly e-newsletter to our account holders, where they will receive regular updates on environmental activities and the latest campaigns. The e-newsletter will engage our customers, sharing green facts and sustainable lifestyle tips.

ACCOUNTS BALANCE (AS OF DEC 2019)

**RM730.33 million**

TOTAL AMOUNTS DISBURSED

**RM1.31 million**



**Setiu Wetlands Conservation**



Ahmad Shahrizan Mohd Shariff, Chief Executive Officer, CIMB Islamic (second from right) and Samir Gupta, Chief Executive Officer, Group Consumer Banking, CIMB Group (far right) presenting the mock cheque to Sophia CK Lim, Chief Executive Officer, WWF-Malaysia (second from left) and Rozanna Basri, Director, Marketing & Communications, WWF-Malaysia (far left).

During the year, CIMB Islamic strengthened its partnership with WWF Malaysia with a commitment of RM1.0 million through EcoSave Savings towards the conservation of Setiu Wetlands, Terengganu for a period of three years. The disbursement was made in October 2019 and the project was officially launched in early 2020.

As the project matures, we will see initiatives towards maintaining a healthy and functioning wetland ecosystem while also addressing the threats and issues that can disrupt the wetlands' potential for livelihood and importance in biodiversity.

**The Setiu Wetlands in Terengganu are of national importance. They provide various ecosystem functions and**



**services that are essential in fulfilling human needs, supporting livelihoods as well as safeguarding biodiversity.**

Three community groups are targeted in conservation efforts related to ecotourism and wetland restoration, namely Persatuan Wanita Kampung Mangkok Setiu (PEWANIS), Persatuan Sahabat Alam Sekitar Setiu (or Sahabat Setiu), and Kumpulan Pengembangan Wanita Kg. Beris Tok Ku (KPW).

In 2019, four community members were trained as painted terrapin rangers and four others trained as mangrove rangers.

**Activities of the Conservation Project:**

- Wetlands ecosystem assessment and management recommendations
- Painted terrapin nesting assessment and hatchery centre
- Development of tools for effective management of Setiu State Park
- Promotion of wetlands conservation e.g., scientific research activities
- Empowerment and community participation in wetlands conservation
- Capacity building through training the trainers and citizen science programmes
- Community-based low impact eco-tourism aligned with sustainable management of natural resources

value creation



TECHNOLOGY

**Technology is changing the nature of banking, not only for customers but also for organisational capacity. Competition from financial and non-financial players that upend the traditional model of doing transactions – think merchants that have developed their own payment channels instead of relying on a third party – are shaking up the game and forcing banks to keep-up.**

With sophisticated technologies and digital solutions, banking is expected to be more simple, safe, and convenient. Customers also expect the same level of personalised service that ‘physical banking’ offers. For example, e-wallets and other digital finance services are changing the face of banking. Today, 98% of our banking transactions are happening outside the branches, which reduces carbon footprint, lowers cost of servicing, and improves efficiency and accessibility of services. Take it straight from the consumers, who say that online banking is the single most important investment that banks can make (Accenture).

While technology is increasing the choices for customers, banks have to build more protective measures to combat increased vulnerability to cybersecurity and data privacy issues.

**Technology in CIMB is anchored on five key areas, namely service availability, cyber security, data privacy, innovation and accessibility.** Our focus and efforts are reinforced with the introduction of Bank Negara Malaysia’s Risk Management in Technology (RMiT) policy which came into effect on 1 January 2020.

OUR RESPONSE

- > Make technology accessible, convenient and safe
- > Use technology and data to improve customer experience
- > Increase automation and efficiencies

Key Indicators

Total number of CIMB Clicks accounts

**Malaysia\***

**3.3** million

**Indonesia**

**1.9** million

Total number of mobile app users

**Malaysia\***

**2.0** million

**Indonesia**

**2.6** million

\* active users only

WHAT DID WE DO?

**SYNERGISED TECHNOLOGY WITH HUMAN EXPERIENCE**

To achieve the inter-marriage of technology to support current human interfaces with customers and ensure a good customer experience, revisiting the process design is critical.

**In terms of process design, in 2019, certain identified critical customer journeys were redesigned end-to-end, leveraging artificial intelligence, robotics and other enablers.** For example, despatch of CIMB merchant terminals currently involves the creation of Merchant IDs/Terminal IDs that are generated manually. Moving forward, we will be using Robotic Process Automation (RPA) to intelligently automate efficient Terminal ID creation to achieve ‘Same Day / Next Day’ terminal delivery. This would significantly reduce customer wait-time, enabling swift payments.

**In keeping with the Digital Banking vision, we understand that a high-degree of personalisation can enrich the quality of banking interactions.** Our revamped digital banking app includes a dynamic carousel that holds personalised offers / engagement for customers, ensuring that a new set of relevant offers is presented to customers every time they log in to the app.

**We recognise that the banking sector is undergoing bionic transformation, and to future-proof CIMB Group, we are incorporating human-centred design into all that we do.** This necessitates that customer insights are used when designing products, and such products are rapidly prototyped and continuously tested before being rolled-out to customers. In 2019, based on the feedback received from customers during the testing phase of our new mobile app, we further improved the platform, making it more intuitive, intelligent and responsive to customers’ expectations.

## CHAMPIONED NEW DIGITAL SOLUTIONS AND SERVICES

### > Equipping Customers with Solutions They Need

In aspiring to be an intelligent, personalised, mobile-first bank of choice for our customers, **it has been our mandate to go beyond the transactional approach and create a lifestyle-centric experience.** Ultimately, we want to strengthen our position as the trusted financial advisor to our customers, enabled by personal financial management via our digital channels.

**We are increasingly departing from the traditional product push strategies to a needs-based approach for positioning our solutions and related information.**

For instance, based on pre-identified criteria such as demographics, lifecycle stage, and customers' interests, we design our outreach programmes that introduce specific products to customers, such as loans for holidays, weddings, or education. In 2019, existing CIMB customers were identified based on pre-defined criteria and were sent quick Personal Live Link offers for Cash Plus Loans with their information pre-filled to ensure relevant, smooth onboarding.

We also plan to introduce an online digital banking dashboard and proactive digital notifications through our Quasi Robo-Advisory. **The focus is on identifying customers, their transaction patterns and risk profiles to offer product and investment solutions to grow their wealth.** An example of this could be to advise customers to invest in fixed deposits or e-Gold based on the customers' cash flow forecast (i.e., availability of excess funds) together with the risk appetite of customers. The objective is to consultatively introduce the right CIMB products to the right CIMB customers to positively help improve their financial position and welfare.

### > Offering a Faster and More Efficient Digital Platform

We are continuously working to improve the stability and efficiency of our digital platforms to **create a seamless and delightful customer experience.** Online products and development of various digitally-enabled features for CIMB Clicks embody the spirit of Agile.

During the year, **we continued to focus on developing new features and tested them iteratively across the entire software development lifecycle. As a result, we rolled-out the revamped CIMB Clicks App in Malaysia** and introduced new features in phases to allow customers to gradually get familiar and comfortably tap the digital potential to improve their experience. Similar efforts are being conducted in CIMB Thailand where the CIMB Thai Digital Banking App (replacing CIMBT Clicks) was introduced in October 2019 and had garnered more than 34,600 users. **As at 31 December 2019, there was also a surge in customers' access to various features of the banking app for Malaysia and Indonesia by 7% and 18.7% respectively.**

### > Harnessing the Power of Big Data and Artificial Intelligence (AI)

In our endeavour to understand our customers and their evolving preferences and behaviours, we deploy big data and AI technologies. **Our efforts are to better understand our customers and build trust. With AI, we are able to diversify and expand our solutions - from proactive portfolio and debt management to customised offerings such as automated balance conversions for vulnerable and low-income customers.**

We have also been accelerating our efforts to find innovative ways to improve customers' accessibility to our branches and banking touchpoints. Data related to branch-to-branch distance and geo-spatial analytics help us to plan our current and future customer touchpoints.

Similarly, advanced analytics such as visual analytics, predictive analytics and location analytics are currently optimised to transform every single customer interaction, i.e., through ATMs, Cash Deposit Machine (CDM) and Over The Counter Transactions (OTC) into data insights to personalise branch look and feel based on individual customer demographics and needs. For example, in 2019, we increased the number of self-service kiosks in branches to cater to millennials.

Digital data and insights into online behaviour is also helpful to convey targeted information to customers. For instance, information on credit card spending behaviour in relation to community social work and environmental causes are presented to the business units for them to design and work on their strategy to promote the CIMB EcoSave Savings Account-i, which is an environmentally-friendly account with no paper statements, passbooks or mailers, where for every Malaysian Ringgit saved, the Bank contributes 0.2% towards environmental-focused projects and activities.



**CIMB Bank Philippines (PH) is the newest member of the CIMB Group. CIMB Bank PH is an all-digital, mobile-first bank that has onboarded close to 1,700,000 customers in its first year of establishment since December 2018.** We are targeting to have 3.5 million customers by the end of 2020.

CIMB Bank PH became the most-awarded digital bank in the country, securing eight awards including Global Finance's Best Digital Consumer Bank, Asian Banker's Best Digital Bank, and International Finance's Fastest Growing Digital Bank Award.

value creation

Key Enabler



**PRIVACY AND DATA SECURITY POLICY**

Reinforcing Data Protection, Security and Privacy of Our Customers

Our approach to data protection, privacy and security centres on the respect for our stakeholders, and the data they have disclosed and entrusted to us. Our collection, use, storage and any communication of such data considers the appropriate categorisation, risk assessment, and protection throughout the data management life cycle. Privacy and data protection laws set-out requirements for handling personal information. There are two main aspects that guide data privacy and data management:

- Use of personal information must be lawful and fair; and
- Monitoring of systems and processes to ensure that personal information held is secure and accurate.

CIMB's Data Management Policy sets out a structured approach to managing data and disseminating information within CIMB Group, both effectively and efficiently. The policy is developed in line with the principles and standards of:

- Bank Negara Malaysia's (BNM's) Data Management and MIS Framework Policy
- BNM's Managing Customer Information and Permit Disclosures Policy
- Personal Data Protection Act of Malaysia, and the corresponding Industry Code of Conduct

The Group's policy and governance framework, covering the broad principles and controls, is localised to allow for local regulatory variations, and is managed via:

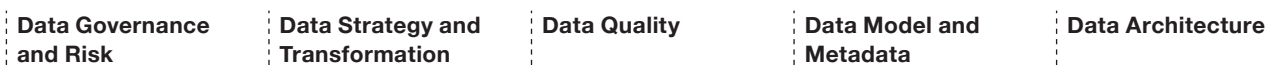
- Group and Country Data Governance Committees in each country, to ensure proper implementation and support of the strategic direction established
- Dedicated Data Domain Owners and Data Stewards at country level with clear roles and responsibilities, as well as KPIs, to oversee and resolve domain-specific matters
- Data Quality (DQ) Index and benchmarks, which are approved by the Group and Country Data Governance Committees, as a mechanism to measure performance and ensure that each country has a consistent approach in managing data issues/errors
- Training and awareness programmes, including online learning, training and workshops for control functions and units handling customer data

The Group communicates and publishes its data protection policy whereas the online security and privacy policies that govern CIMB's online banking are communicated on each country's banking portals.\*

- <https://www.cimbbank.com.my/en/personal/support/security-and-fraud/security-policy.html>
- <https://www.cimbbank.com.my/en/personal/support/privacy.html>
- <https://www.cimbclicks.in.th/securitypolicy.htm>
- <https://www.cimbbank.com.sg/en/personal/support/regulations-and-policies/privacy-policy.html>
- <https://www.cimbniaga.com/en/about-us/privacy.html>

**SET-UP THE GROUP DATA OFFICE**

In 2019, the Group Data Office was set-up with the mandate to build an effective and efficient data ecosystem within CIMB to drive better use and management of data across the organisation. The office was set-up to put in place effective governance needed for CIMB to leverage its data assets to stay ahead of regulatory changes and drive business growth. There will be five core pillars under the oversight of the Group Data Office:





## UPLIFTED DATA SECURITY AND PRIVACY

**Information Security and Business Continuity** require an integrated strategy governing discipline over people, process and technology. CIMB is committed to continuously improve access to our core services, while expanding the online proposition/offerings with personalised transactions catering for individual needs and preferences. Towards this, we continue to improve the stability and resiliency of our critical systems through a holistic technology refresh programme in Malaysia and across the region. This involves consolidating technology platforms, simplifying and future-proofing our technology and operations.

To strengthen and enhance the level of information security management, and in addition to adhering to Bank Negara Malaysia's Guidelines on Management of IT Environment, **CIMB Group has developed a security architecture that integrates the technology processes by referencing and following renowned and recognised international technology, process and management standards, as well as broader governance and prudential principles.**

In line with banking business growth and IT Infrastructure expansion, our technology design is constantly reviewed and improved to effectively mitigate both internal and external risks and threats. The improvement is evidenced by completion of projects to strengthen security control according to our IT Security Blueprint roadmap. We have also enhanced our privilege access management system with multi-factor authentication control to prevent unauthorised access. In addition, we have expanded our security intelligence sources for early warning of threats, which allows us to strengthen our control before the attacks occur. **Recognising that cyber security is a concern shared by organisations globally, controls are put in place to protect both our customers' and our business data from cyber threats. In response to this growing risk, we have invested significant resources** to protect the security, integrity and confidentiality of our information.

To this end, some of the major initiatives adopted/introduced include:

<b>Multi-layer defense across CIMB's entire network</b>	<b>Regular penetration testing of our technology platforms</b>	<b>Strong authentication or SecureTAC for internet banking transactions</b>	<b>Strengthened Security Operations Centre (SOC) on 24x7 basis</b>	<b>Enhanced cyber threat intelligence monitoring capabilities</b>
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As we continue to enhance these defenses, we engage with our customers and our employees to increase awareness on ways to protect themselves against the latest cyber threats.

As a responsible member of the business community, we actively participate in industry and government forums to find collective ways to tackle emerging threats, including the Financial Services Information Sharing and Analysis Centre (FSISAC) forum, as well as participation in law enforcement and regulatory task forces and action groups, to actively respond to incidents and facilitate intelligence sharing.

Group-wide data privacy policies and governance also allow us to achieve robust and consistent standards of compliance. We will continue to strengthen our digital security policies, processes, systems and organisational capability. **Our cyber security insurance policy is assessed and renewed annually. The Board of Directors are apprised periodically of the technology risks, technology-related events and overall performance of technology across the organisation.**



value creation



**FINANCIAL LITERACY, INCLUSION, AND WELL-BEING**

Malaysia has one of the highest financial inclusion rates in the world. However, there is an enormous potential for banks to help improve customers’ understanding of financial products and services for them to make better financial choices. This in turn will help lower our credit risk as well as to meet responsible lending standards.

**Financial tools and services enable disadvantaged communities to save, insure, or start a small business, helping them to rise out of poverty.** The unbanked are especially vulnerable to illegal and risky financial situations such as being a victim of unlicensed predatory lenders and losing-out on economic opportunities that are only possible with a formal and structured credit system.

**Financial knowledge will empower individuals and businesses to manage their finances better, improving their well-being and quality of life.** Similarly, financial inclusion will mean an opportunity to bank the underserved and disadvantaged communities and demographics, towards building a more resilient and financially secure population, while contributing to socio-economic development.

**OUR RESPONSE**

- > Nurture financially-smart communities, customers and employees
- > Nurture capability in financial planning for better allocation of investments to meet healthcare, education and retirement needs

**Key Indicators**

New financing to B40 communities  
**RM5,698 million**

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Number of SMEs trained  
**18,000**

- Number of underserved communities served (counselling, advisory, training)

**WHAT DID WE DO?**

**PROMOTED FINANCIAL LITERACY**

> **Be\$MART goes Digital**

After a successful 3-year run with our flagship financial literacy initiative, in 2019, we launched the Be\$MART mobile application. This is to ensure wider reach and coverage, especially to the increasing number of digitally-savvy and active youths across the region.

**The app allows users to effectively plan their finances, with interactive and practical features such as budget tracking and updating, recurring transactions, goal tracking, as well as scheduled notifications of monthly expenses and upcoming bills.**

The app complements our main initiative i.e., after successful completion of the 2-day workshops, students are not only able to apply their financial planning skills using the app, but can also share useful content and tips with other users.



Be\$MART Mobile App launch at Universiti Kebangsaan Malaysia on 25 October 2019.

**Our 3-year Record**

 **RM6.0 million INVESTMENT**

 **240 WORKSHOPS**

 **16,100 STUDENTS**

 **120 PARTNERSHIPS WITH HIGHER LEARNING INSTITUTIONS ACROSS MALAYSIA**

**Be\$MART Partnerships**

(as at end 2019)

Jabatan Pendidikan Politeknik dan Kolej Komuniti	Universiti Kebangsaan Malaysia	Universiti Malaya
Universiti Putra Malaysia	Universiti Teknologi MARA	International Islamic University Malaysia
Quest International University Perak	UCSI University	New Era University College

**> Financial Empowerment of Youth**

In promoting financial literacy and inclusion, CIMB Niaga has been championing several flagship initiatives such as Ayo Menabung dan Berbagi (AMDB) and Tour de Bank (TDB).

**The main objective of these events is to provide a good understanding of banking and related concepts to the community.**

Ayo Menabung dan Berbagi (AMDB)	Tour De Bank (TDB)
5,217 students	998 students
38 schools	23 schools
10 cities	5 cities

**Ayo Menabung dan Berbagi**

AMDB is a programme to increase the financial literacy of students from primary to high school/vocational level. The participants of the programme saw an improvement of 67% in their financial literacy, as captured in the post-programme survey. Since its inception nine years ago, the programme has successfully educated 43,238 students.

**Tour De Bank**

TDB aims to foster financial intelligence and a culture of saving money at a young age through exposure to the activities in the banking industry. Participants visited branch offices to witness various activities of tellers, customer service officers, ATMs and cash deposit machines. The participants saw an increase in awareness by 78%. Since its launch in 2015, a total of 5,298 students from 114 primary schools participated in TDB.

**Student Savings (SimPel)**

SimPel is a product launched by the OJK in keeping with its efforts on financial literacy and inclusion. The underlying objective is to encourage and instill a habit of savings among youth. CIMB Niaga promoted SimPel products in several areas throughout Indonesia, including remote areas of the country. A total of 11,885 SimPel accounts have been opened, with a total savings of IDR1.691 billion in 2019. This adds up to a total amount of 36,059 SimPel accounts, with a total savings of IDR7.011 billion since its inception.

value creation

**CATALYSED SME CUSTOMERS**

> **Inspiring Entrepreneurship through Pocket Talks and Business Tea Talks**

CIMB has committed to organising and participating in various kinds of customer engagement activities such as SME Pocket Talks and SME Business Tea Talks in order to support the national aspiration of nurturing entrepreneurs. **The complimentary talks feature key tips and advice on growing successful SMEs, covering topics such as financial literacy, maintaining a good credit profile and forex hedging, as well as growth opportunities driven by digital solutions, big data, e-commerce and communications.**

**In 2019, CIMB held over 700 sessions for SMEs and more than 18,000 SME owners benefited from such talks.**

**CIMB Islamic also initiated the discussion that led to the signing of a Memorandum of Understanding with the Malaysian External Trade Development Corporation (MATRADE) to enhance local exporters' capabilities in EES areas through a training series for SMEs.** Dubbed 'The SMEs Sustainable Exporters Programme', the initiative is in line with the Malaysian government's agenda to become a sustainable trading nation.

> **Promoting Digital Businesses through CIMB SHINE**

CIMB Foundation partnered with Retail & Enterprise Distribution (RED), CIMB Group Consumer Banking Malaysia, Malaysian Digital Economy Corporation (MDEC) and Cheng & Co, an accounting firm, to introduce an E-Commerce Literacy programme for Malaysian SMEs.

**The programme focuses on upskilling SMEs on the potential of digital platforms for attracting new-age digitally-savvy consumers and for accelerating their**

**business success. The idea is also to help these SMEs take their businesses online or deploy digital resources for consumer solutions.**

In 2019, which was our pilot year, we delivered seven seminars across Malaysia benefited more than 1,000 SMEs. Topics for the half-day seminar included:

<b>Basics of eCommerce for SMEs</b> (by MDEC)	<b>IR4.0 Cloud Accounting and Benefits for SMEs</b> (by Cheng & Co.)	<b>Secrets to a Successful SME Loan Application</b> (by RED)
--	---	---

Interested SMEs registered online for MDEC's eUsahawan training courses. These are jointly funded by MDEC and CIMB Foundation, with advisory services and knowledge transfer from Cheng & Co, especially to assist SMEs to update their accounting systems to be eCommerce-ready.

> **Supporting MSME Financing**

CIMB Niaga believes that MSME (Micro, Small and Medium-sized Enterprises) credit financing has a positive impact on job creation, poverty reduction and equitable development. CIMB Niaga provides MSME service loans.

Under the Micro Linkage scheme, CIMB Niaga distributes micro loans through Koperasi Unit Desa (Village Unit Cooperations), perkebunan inti plasma (plasma nucleus estates), Bank Pembangunan Daerah (Regional Development Banks) and Bank Perkreditan Rakyat (Rural Credit Banks) as well as various other types of financial institutions.

For instance, **microfinancing for women entrepreneurs through rural banks has been a segment of focus. As at December 2019, we financed a total 804 micro debtors, where 57.8% were women-run businesses.**



During the year, we also collaborated with INCEIF (International Centre for Education in Islamic Finance) to undertake research focusing on two main areas:

The development of upskilling programmes for SMEs to become more bankable – which includes sizing up the market and landscape, as well as identifying opportunities and enablers within the market.

Benchmarking of good practices and models for CIMB's small and medium-sized enterprises (SMEs) financing.

## MADE BANKING ACCESSIBLE AND INCLUSIVE

### > Enhancing Accessibility through Digitalisation

Digital platforms enable cashless transactions, account-to-account transfers and e-wallets, empowering customers to manage their finances and payments conveniently from any location. According to an industry report, the adoption of digital payments has reached the inflection point and is expected to cross USD1.0 trillion by 2025 (e.Conomy SEA 2019). This accounts for almost one in every two dollars spent in the region.

Recognising this potential, at CIMB, we are continuously exploring ways to expand our e-financial segment. **We partnered with Alibaba's Ant Financial Group to launch the Touch 'n Go e-wallet app, and as at 31 December 2019, we registered four million e-wallet users, a 5,000% increase in just 11 months.**

### > Empowering B40 Communities

**At CIMB, we believe that decent housing is a basic human right. We aim to support the Bottom 40% (B40) communities to own homes, helping them to improve their financial standing. In 2019, we joined four leading banks to offer low-interest financing for affordable housing.** This is part of Bank Negara's initiative to establish a RM1.0 billion fund to help low-income communities to buy homes.

We will continue to support the government and BNM on any future initiatives to help the deserving improve their socio-economic well-being, which will also benefit the Malaysian economy in the long-run.

### > Facilitating Financing for Affordable Housing

CIMB has been supporting PR1MA end-financing to facilitate ownership of homes valued at RM150,000 – RM300,000 among the low-income group since 2016. As at end 2019, the loan drawdown was RM174.57 million.

#### New Financing Extended to B40 Communities in FY2019 (Malaysia)

<b>RM898 million</b> Home Loans	<b>RM1,958 million</b> Amanah Saham Berhad
<b>RM2,204 million</b> Auto Loans	<b>RM639 million</b> Personal Financing

Position as at 31 December 2019

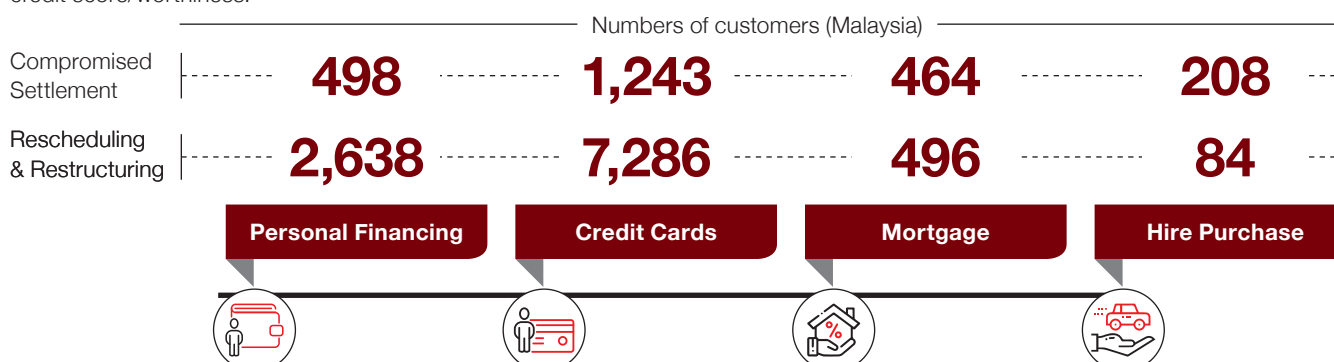
	Accounts (#)	Amount (RM'mil)
PR1MA	2,538	171.01
PR1MA Skim Pembiayaan Fleksibel (SPEF)	41	3.56
<b>TOTAL</b>	<b>2,579</b>	<b>174.57</b>

## SUPPORTED THE UNDERSERVED AND DISADVANTAGED

### > Financial Well-being of Customers

At CIMB, we understand our customers and the unforeseen circumstances which could render them financially vulnerable. **During the year, we have taken conscious efforts to identify our credit customers whose ability for loan repayment has been compromised due to reasons such as financial distress; unemployment; critical illnesses; disabilities; and death of a primary breadwinner.** The objective has been to reach-out to these afflicted customers with either Rescheduled or Restructured Loan arrangements or Compromised Settlements.

Last year, these options were offered to customers who subscribed to our credit cards, personal financing, mortgage and hire purchase products. The intent was to ease their financial burden, help them to reduce their risk of default, and maintain their credit score/worthiness.



# > CORPORATE SOCIAL RESPONSIBILITY



**Transformative CSR catalyses meaningful development.** For more than a decade, CIMB Foundation has been instrumental in championing causes which matter to the communities where we operate. From financial literacy to gender empowerment, and entrepreneurship to environmental stewardship, we continue to focus our efforts on identifying issues that impede socio-economic development of people who matter to us in all our markets. It is our mission to help communities prosper and positively contribute to shaping a better planet for future generations.

## HOW DO WE MAP CORPORATE SOCIAL RESPONSIBILITY?

### Material Topics



**Corporate Citizenship & Volunteerism**

### Key Considerations



- How do we instill new skills that can improve income potential, employability and competitiveness/competencies of employees, youth, women and SMEs?
- How do we impart knowledge that can improve health and productivity as well as performance of employees and community members?
- How do we provide a springboard for women, youth, SMEs, and seek meaningful participation of our stakeholders including employees, partners, suppliers, and customers in driving projects with socio-economic benefits?

### Sustainable Development Goals (SDGs)



**FORWARD 23**

Relevant Strategic Pivots



Sustainability



## CORPORATE CITIZENSHIP AND VOLUNTEERISM

Corporate citizenship is one of the many ways we provide opportunities for our internal and external stakeholders to demonstrate responsible behaviour with positive impact on society and the environment. It promotes a sense of belonging, accountability, and purposeful communications, which in turn motivate meaningful action and improve individual productivity and organisational performance. Promoting corporate citizenship also helps our people to embody the values and principles of advancing society that we have committed to in the course of our business.

### OUR RESPONSE

- > Encourage volunteerism with not just employees, but also partners, customers, suppliers and other stakeholders
- > Instil CSR practices and policies that contribute to EES impact as well as address the needs and expectations of stakeholders

### Key Indicators

Total regional CSR spend

**RM45.8 million**

Total volunteer hours (CIMB Foundation)

**6,580 hours**

Total number of beneficiaries (CIMB Foundation)

**40,000**

- Funds channelled towards high social and environmental impact programmes (%)

## WHAT DID WE DO?

### REALIGNED CORPORATE CITIZENSHIP WITH CIMB'S SUSTAINABILITY ROADMAP

#### > CIMB Foundation

CIMB Foundation was launched in 2007 as the Corporate Responsibility and philanthropic platform for CIMB Group. The Foundation is focused on developing sustainable communities across three pillars: Community Development, Sports and Education. With an initial seed fund of RM100 million, CIMB Foundation continues to drive change and today has become one of Asia's most credible corporate citizens.

In its 12th year of operations, the CIMB Foundation is established as a non-profit organisation limited by guarantee. Financial contributions to the Foundation are disbursed by CIMB Group for the sole purpose of implementing their corporate social responsibility initiatives and philanthropic activities.

The CEO of CIMB Foundation leads a multifunctional team to provide organisational support for the daily management of CSR-related matters. We have an established framework for implementing our CSR programmes across the Group. Our regional markets align their strategy to the Group, but have the flexibility to focus on issues that are of local importance. The Foundation is committed to the highest standards of governance, transparency and accountability.

It has sound financial management systems and controls to ensure that all expenditure is fully accounted for and audited on an annual basis. The Foundation is given overall guidance by the Board of Trustees. Community and/or partner agencies are engaged by the Foundation in the identification and implementation of projects.

#### Working Committee

Projects submitted to the Foundation are first evaluated against a pre-determined set of criteria. The evaluation is done by a Working Committee, who will then recommend projects that satisfy the criteria to the Foundation's Chief Executive Officer or the Board for approval.

#### Reporting

While the CIMB Board is responsible for our sustainability performance across the Group and releases an annual Sustainability Report for stakeholders' consumption, a separate CSR report is also made available on a quarterly basis to the Board of Trustees of CIMB Foundation.

#### Board of Trustees

The Board of Trustees ensures that funds are properly administered and disbursed according to the Foundation's vision, objectives and areas of focus. Board meetings are held at least once quarterly and more frequently if needed.



value creation

BOARD OF TRUSTEES PROFILE



**TAN SRI DATO' MD NOR MD YUSOF**  
Chairperson

- Nationality** | Malaysian
- Age** | 72
- Gender** | Male
- Date of Appointment** | 4 January 2016
- Length of Tenure** | 4 Years



**TENGGU DATO' SRI ZAFRUL  
TENGGU ABDUL AZIZ**  
Trustee

- Nationality** | Malaysian
- Age** | 46
- Gender** | Male
- Date of Appointment** | 5 July 2019
- Length of Tenure** | < 1 Year

**QUALIFICATION**

- Bachelor of Commerce, University of Otago, New Zealand
- Associate Chartered Accountant, New Zealand Society of Accountants

**AREAS OF EXPERTISE**

- Chartered Accountant

**MEMBERSHIP OF BOARD COMMITTEES**

- NIL

**DIRECTORSHIP IN OTHER COMPANIES**

**Listed**

- NIL

**Non-Listed**

- Chairman of Lembaga Tabung Haji
- Chairman of Pelaburan Hartanah Berhad

**RELEVANT EXPERIENCE**

Tan Sri Dato' Md Nor had spent a significant amount of his working career with CIMB Group as a Director and more notably as President and Chief Executive Officer of Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad).

Tan Sri Dato' Md Nor completed his term as Executive Chairman of the Securities Commission on 31 March 2006. Prior to that appointment, he was the Managing Director of Malaysian Airline System Berhad after serving a period as Adviser in the Ministry of Finance.

**QUALIFICATION**

- Fellow, Asian Institute of Chartered Bankers
- Master of Arts in Finance and Management, University of Exeter, United Kingdom
- Investment Management Certificate, Institute of Investment Management and Research, United Kingdom
- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom

**AREAS OF EXPERTISE**

- Accounting and Audit, Banking and Finance, Legal, Risk Management, Capital Market, Consumer Marketing, Human Resource, Corporate Leadership, Strategy Development and Implementation, Innovation and Transformation, Learning and Development

**DIRECTORSHIP/RELEVANT APPOINTMENTS**

**Listed Entities**

- Chief Executive Officer/Executive Director of CIMB Group Holdings Berhad
- President Commissioner of PT Bank CIMB Niaga Tbk

**Public Companies**

- Chief Executive Officer/Executive Director of CIMB Bank Berhad

**RELEVANT EXPERIENCE**

With over 23 years of experience in the financial services sector, specialising in Investment Banking and change management, Zafrul's last position was with Maybank Investment Bank Berhad and Maybank Kim Eng Holdings as Chief Executive Officer. He also held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities. He also experienced being an entrepreneur by setting up Tune Money Sdn Bhd, Asia's first "no-frills" online financial service provider.






Zafrul is currently a member of the APEC Business Advisory Council (ABAC), representing Malaysia in promoting intra-trade and collaboration within Asia Pacific. Further, as an advocate of Malaysia's socio-economic development, he currently sits on the Board of the National Sports Council of Malaysia, in addition to being a Trustee of the Perdana Leadership Foundation. He is also an Honorary Commander of the Navy Volunteer Reserve under the Royal Malaysian Navy.

## BOARD OF TRUSTEES PROFILE



**PUAN ROSNAH  
DATO' KAMARUL ZAMAN**

Trustee

-  **Nationality** | Malaysian
-  **Age** | 63
-  **Gender** | Female
-  **Date of Appointment** | 15 November 2007
-  **Length of Tenure** | 12 Years



**TAN SRI G K RAMA IYER**

Trustee

-  **Nationality** | Malaysian
-  **Age** | 87
-  **Gender** | Male
-  **Date of Appointment** | 7 September 2012
-  **Length of Tenure** | 7 Years

### QUALIFICATION

- Bachelor of Arts in Economics (Hons), University of Manchester

### AREAS OF EXPERTISE

- Management, Banking & Finance, Strategy, and Investment

### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of Board Risk Committee of CIMB Bank Berhad
- Chairperson of Board Investment Committee of CIMB Banking Group
- Member of Audit Committee of CIMB Banking Group

### DIRECTORSHIP IN OTHER COMPANIES

#### Listed

- NIL

#### Non-Listed

- Independent Director of CIMB Bank Berhad and CIMB Islamic Bank Berhad

### RELEVANT EXPERIENCE

Puan Rosnah began her career in banking as a Management Trainee with Bank of Commerce Bhd (now known as CIMB Bank Berhad) in 1979. Early in her career, she was seconded to J P Morgan in New York and attended their Commercial Bank Management Programme. Puan Rosnah has presented at various local and international seminars on banking and is well respected in banking circles.

She completed the Global Leadership Development Programme, initiated by the Government to develop leaders in the financial industry. Her last appointment at CIMB was as Senior Executive Vice President heading the Banking Unit, responsible for the strategic businesses of Retail Banking, Business Banking, Corporate Banking, Treasury and International Banking.

### QUALIFICATION

- Bachelor of Arts & Economics (Hons), University Malaya (Singapore)
- Masters in Public Administration, Harvard University
- Advanced Management Programme, Harvard Business School

### AREAS OF EXPERTISE

- Economics, Audit and Management

### MEMBERSHIP OF BOARD COMMITTEES

- NIL

### DIRECTORSHIP IN OTHER COMPANIES

#### Listed

- NIL

#### Non-Listed

- NIL

### RELEVANT EXPERIENCE

In his 30 years career in the civil service, Tan Sri Rama was the Secretary General of the Ministry of General Planning and Socio-Economic Research, the Ministry of Works and Utilities and the Ministry of Primary Industries.

He was the first Chairman of Malaysia Airlines System Berhad and a founder Director of Malaysian International Shipping Corporation Berhad. He is currently on the Board of YTR Harta Sdn Bhd and a Trustee of Gandhi Memorial Trust. Tan Sri Rama was a Director of CIMB Bank Berhad and its antecedents from 1987 to 2012.

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BOARD OF TRUSTEES PROFILE



**DATO' MOHD SHUKRI HUSSIN**  
Trustee

- Nationality** | Malaysian
- Age** | 65
- Gender** | Male
- Date of Appointment** | 15 November 2007
- Length of Tenure** | 12 Years



**DATUK DR. RICHARD LEETE**  
Trustee

- Nationality** | British
- Age** | 71
- Gender** | Male
- Date of Appointment** | 15 November 2007
- Length of Tenure** | 12 Years

**QUALIFICATION**

- Bachelor of Economics (Hons), University of Malaya
- Chartered Accountant, Institute of Chartered Accountants of England and Wales (ICAEW)

**AREAS OF EXPERTISE**

- Economics, Management, Banking & Finance, Strategy and Investment

**MEMBERSHIP OF BOARD COMMITTEES**

- NIL

**DIRECTORSHIP IN OTHER COMPANIES**

Listed

- NIL

Non-Listed

- Pelaburan Hartanah Berhad
- Sun Life Malaysia Assurance Berhad
- Urusharta Jamaah Sdn Bhd

**RELEVANT EXPERIENCE**

Dato' Mohd Shukri has a long and respected history at CIMB Group. He was its Chief Operating Officer from February 2003 to January 2006, after which he was appointed Executive Director until his retirement in December 2011.

He also served as Commissioner of PT Bank CIMB Niaga Tbk from May 2006 to December 2011 and as President Commissioner from May 2006 to December 2011.

**QUALIFICATION**

- Ph.D in Economics (Population Studies) from London School of Economics and Political Sciences, University of London
- Distinguished Fellow of Malaysia's Institute of Strategic and International Studies (ISIS)

**AREAS OF EXPERTISE**

- Social Development and Strategic Planning

**MEMBERSHIP OF BOARD COMMITTEES**

- NIL

**DIRECTORSHIP IN OTHER COMPANIES**

Listed

- NIL

Non-Listed

- NIL

**RELEVANT EXPERIENCE**

Datuk Dr. Richard currently serves as Manager of HRH Sultan Nazrin Shah's Economic History of Malaya Project. He was previously adviser to the Minister of Development Planning and Statistics at the Ministry of Development Planning and Statistics, Doha, Qatar.

He formerly served as the Resident Representative of the United Nations Development Programme (UNDP) for Malaysia, Brunei Darussalam and Singapore between October 2003 and March 2007, and concurrently served as the Resident Coordinator for the United Nations Operational Activities for Development in Malaysia.

Prior to his assignment in Malaysia, Datuk Dr. Richard was the Chief of the Population and Development Branch at United Nations Population Fund (UNFPA) Headquarters in New York, responsible for global policy on population and development inter-relations.

He was awarded the Darjah Kebesaran Panglima Jasa Negara (PJN) (Honorary) that carries the title Datuk.



In November 2017, CIMB Group pledged to spend up to 1% of the CIMB Group's pre-tax profit on CSR annually, for years 2018 – 2020. Further to this commitment, a total of RM42.2 million was deployed in 2018 to support flagship programmes such as Be\$MART, Foundation's financial literacy programme, the CIMB Junior Squash Development programme and to regionalise the CIMB Community Link programme, among others. In 2019, we contributed RM45.8 million to implement our flagship and pioneering CSR initiatives.

### 2019 REGIONAL SPEND







### CIMB FOUNDATION

12-Year Aggregate Impact (2007-2019)		2019 Impact	
<b>Inputs</b>		<b>Inputs</b>	
Cash Contributions	RM163.5 million	Cash Contributions	RM21.9 million
Time Inputs	36,284 hours	Time Inputs	6,580 hours
<b>Outputs</b>		<b>Outputs</b>	
Beneficiaries	797,413 people	Beneficiaries	40,000 people
CIMB Volunteers	7,673	CIMB Volunteers	1,170
Projects	1,225	Projects	68
Partners	385	Partners	47

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THE CHARTER

 <p><b>SUPPORT</b> the development and empowerment of communities.</p>	 <p><b>BUILD</b> meaningful relationships and strategic partnerships with communities and key stakeholders in achieving the Foundation's Vision.</p>	 <p><b>IDENTIFY</b> and implement quality projects within our key areas of focus, giving priority to those that are sustainable, build local capacity and have measurable and realistic outcomes.</p>	 <p><b>REALISE</b> CIMB Group's commitment to be a responsible corporate citizen, with active participation of its employees.</p>
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The Group continuously anticipates and delivers on its stakeholders' needs and aims at always creating value by looking beyond present circumstances and requirements to actively anticipate the future. As such, the Foundation's commitment to value-creation extends to a wider community.

The Foundation supports the Group's sustainability agenda by delivering various community development programmes and initiatives that address one or more of our material topics.

WHAT DOES CSR MEAN AT CIMB GROUP?

CIMB's commitment towards CSR is embodied in our Employee Value Proposition, and is very much intertwined into the fabric of who we are. With this commitment **we hope to empower even more communities and change even more lives through the Foundation's three pillars encompassing Education, Sports and Community Development.** This will certainly help realise our aspiration to build a sustainable future for our stakeholders, and to be an exemplary corporate citizen in ASEAN.

**In 2019, we aligned our CSR impact areas with relevant indicators of UN Sustainable Development Goals (SDGs), national priorities and organisational focus.** These also support the Group's policies and programmes, designed to manage our economic, environmental, and social impacts. We will continue to map and measure the outcomes of our CSR initiatives to meet the needs of our customers, suppliers, shareholders, employees, regulators and the government.

**Our ongoing exercise "CSR Reframed" is scheduled to be completed in 2020. Our objective through this strategic review is to fully align our CSR and Sustainability motives and contribute to creating value for society and catalyse its transition towards a more sustainable future.**

Meanwhile, for 2019, the Community Link Challenge under our Community Development pillar has been restructured to focus on SDGs supported by CIMB Group. The clusters have now been categorised under four SDGs.



CIMB FLEX4CSR

We seek to inspire CIMBians to participate and join hands in doing good for society. We believe that involvement in various community initiatives helps instill a sense of responsibility in our employees towards various social and environmental issues. It also reinforces their critical role in bringing about positive change through sustainable solutions.

With these in mind, in 2017, we introduced the CIMB Flex4CSR policy for all confirmed permanent employees who have completed at least two years of service with CIMB. As per the policy:

- CIMB Group employees can choose to take paid leave for 30 consecutive calendar days to support any CIMB Foundation project. Their employment tenure and benefits continue during this period; and
- CIMB employees can also claim a half-day leave for every ten hours spent volunteering for a cause.

In addition to the above two provisions, the CIMB Foundation's existing employee-driven CSR initiative, Community Link encourages staff from our branches to bid for funding for CSR

projects in their respective communities. All worthy causes are led by a Group Management Committee member, demonstrating leadership by example. The idea is also to promote camaraderie among CIMBians in addressing social issues and supporting disadvantaged and underprivileged communities.

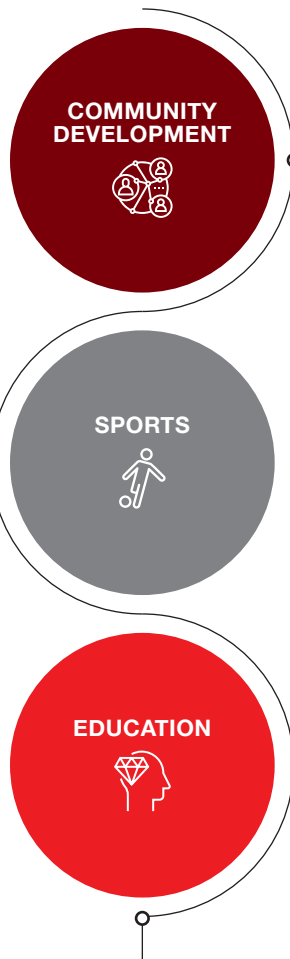


CIMB Foundation rewarded 30 of our most active volunteers with a fun-filled day at Plantzania Ninja Park in Rantau, Negeri Sembilan, with activities such as traditional games, herb planting, fishing, and a village tour.

**WHAT ARE OUR  
CSR FOCUS  
AREAS?**

**When designing and/or championing CSR programmes and initiatives, our focus is on the following pillars and objectives.**

- Provide platforms for development programmes as well as Paralympic sports such as pan-disability football, wheelchair basketball and wheelchair rugby
- Encourage character-building and soft skills development
- Promote inter-communal relations among youths through sports
- Increase self-esteem among disadvantaged, underserved and differently-abled athletes
- Nurture young Malaysian talents at the grassroots level to achieve excellence in sports by providing opportunities, financial support and development programmes
- Develop national athletes with a world-class attitude



**Internal:**

- Empower CIMB's departments and bank branches to be directly involved in soliciting and implementing CSR initiatives across the region
- Create a platform to propel CIMB employee participation in CSR initiatives nationwide by interacting and bonding with the local communities and addressing current issues faced by the community
- Elevate Branch Managers and Regional Directors to be community leaders and be aware of the social economic issues of the community

**External:**

- Empower communities to address current issues / worthy causes faced by the local community
- Improve quality of life through socio-economic training programmes
- Provide amenities and opportunities for disadvantaged and differently-abled people





- Provide opportunities for talented youths at national and regional levels through scholarships, youth events/programmes and school adoption programmes
- Increase financial literacy among pre-university and university students through our financial literacy programme to mitigate youth bankruptcy
- Promote inclusivity and inter-cultural understanding among Malaysian youth to improve national unity and diversity
- Support community-based educational learning programmes, especially the ones that provide access to knowledge, learning and quality education for students from underserved communities
- Improve performance rates in schools i.e., English language proficiency



**CATALYSED COMMUNITY DEVELOPMENT**

In 2019, the Community Link Challenge under our Community Development pillar has been restructured to focus on SDGs supported by CIMB Group. The clusters have now been categorised under four SDGs, as shown in the table below.

> **Focus Areas**

SDG	Description
	<p>Supports a healthier and more productive community through medical and healthy lifestyle programmes focusing on underserved communities</p> <ol style="list-style-type: none"> <li><b>Healthcare</b> Grants for community-based health screening, ‘Gift of Sight’ programmes and clean water projects</li> <li><b>Active Lifestyle</b> Grants for community-based health sessions, sports clinics or community sports competitions.</li> </ol>
	<p>Supports skills or vocational training for underserved communities to provide occupational skills training to increase productivity or employability, contributing to their financial independence</p> <ol style="list-style-type: none"> <li><b>Capacity Building</b> Target groups: At-risk youths, underserved women or single mothers, differently-abled communities</li> <li><b>Social Business</b> Grants for social organisations aspiring to set-up or expand their business models</li> </ol>
	<p>Provides resources to run programmes that address social, educational and economic inequalities in modern society</p> <ol style="list-style-type: none"> <li><b>Welfare</b> Grants to support welfare homes and community-based feeding programmes</li> <li><b>Education</b> Grants to bring technology-based education and English literacy programmes to rural and urban disadvantaged school children to ensure they keep up in their pursuit for education</li> </ol>
	<p>Supports programmes addressing climate change issues</p> <ol style="list-style-type: none"> <li><b>Environmental Initiatives</b> Environment rehabilitation projects i.e., tree-planting and clean-up activities</li> <li><b>Renewable Energy</b> Helping rural communities to reduce dependency on fossil fuels for electricity. Programmes supported include provision of solar-powered and micro-hydro technologies for electricity</li> </ol>

> **Community Link Challenge 2019 Judging Criteria**

<b>Impact of Project on Community</b>	• Tangible outcomes and long-term beneficial effects for the targeted community.
<b>Value of CIMB’s Financial Support</b>	• Tangible value of the grant is addressing community needs.
<b>Scaling-Up</b>	• Potential to expand project idea for benefit of community and CIMB Foundation.
<b>Innovation</b>	• Creative and original solutions in addressing community needs.
<b>Participation and Team Work</b>	• Participatory approach and active involvement of community and CIMB Staff.



> Key Community Link Programmes in 2019

(GRI 413-1)

**GOAL 3: GOOD HEALTH AND WELL-BEING**



**Gift of Sight**

CIMB Foundation embarked on a 'Gift of Sight' campaign, contributing RM483,000 to screen rural schools and rural communities.

The programme provided free eye glasses and cataract operations for the needy. **A total of 4,975 students received free eye glasses and 267 adults received aid for intraocular lens and cataract operations.**



**Raising Health Awareness and Creating Camaraderie among Senior Citizens**

CIMB Foundation via CIMB Bank Taman Melawati branch has collaborated on a year-long initiative with Persatuan Tai Chi Chuan Shenlong to conduct weekly Qi Gong sessions for 47 senior citizens in Rantau and Kuala Sawah, Negeri Sembilan.

Qi Gong is an ancient Chinese exercise and an alternative healing technique, focused on meditation, and controlled breathing and movements. It not only promotes good health, but creates a sense of camaraderie among senior citizens.



**Screening At-Risk Communities for Early Prevention and Protection**

In 2019, the CIMB-NKF (National Kidney Foundation) Health Screening bus covered **more than 200 sessions in 80 locations in Malaysia, conducting screening for 16,994 underserved people** for the early prevention of kidney disease.

In encouraging local communities to undergo health screening, the objective is also to raise awareness on common diseases that could hamper productivity and quality of life.

**Eye and Dental Care for the Communities**

A total of 69 CIMBians from CIMB Cambodia organised and participated in a health programme comprising of eye surgeries and dental care. More than 300 patients from local communities benefited from this initiative.

**GOAL 8: DECENT WORK AND ECONOMIC GROWTH**



**Upskilling Youth in Technology for Employment and Growth**

In partnership with Montfort Youth Centre, we invested in Sijil Kemahiran Malaysia – a technology upskilling programme for youth. Under the initiative, we provided a new hydraulic hoist, mechanical tools and multiple car engines with gearboxes, which allowed students to practice and learn about the latest motoring technologies.

In 2019, through CIMB Bank Jalan Bendahara Melaka, **40 youths from underserved families benefited** from this programme. **After graduation, 20 students were successfully employed** with the support of Montfort, which is known to nurture skilled youth, with good character and integrity.



**Empowering Youth with Resources for Learning and Growth**

CIMB Cambodia partnered with Passerelles Numériques Cambodia (PNC) to support IT skills development of the underprivileged youth from rural areas in Phnom Penh. With a track record of more than 15 years, PNC has been positively contributing to create a pipeline of digital talent for local businesses, including fintechs, tech start-ups, companies and banks.

**In 2019, we provided ten laptops, ten desktop personal computers and one LCD projector to the students at PNC.**

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GOAL 10: REDUCED INEQUALITIES

**Inspiring Entrepreneurship and Creating Income Opportunities for Differently-abled Youth**

During the year, we launched our second (of the targeted five) Food Bike at Wisma CIMB in Kerinchi.

Food Bike is a mobile food chain powered by motorcycle, and is a bespoke programme that empowers people with disabilities to become entrepreneurs. The idea is to empower differently-abled people with income opportunities towards better lives.

**In 2019, seven differently-abled youth were employed through the Food Bike programme, with earning potential of up to RM4,000 per month.**



**Project Dignity: Restoring Dignity of the Differently-abled**

CIMB Singapore embarked on a mission to support Project Dignity, a unique social enterprise that trains and employs people with disabilities, as well as intellectual and social challenges. The ultimate objective is to restore dignity to the differently-abled, by leveraging business tools to resolve the deep-rooted issue of unemployment faced by these marginalised groups.

As part of the initiative, CIMB offered a working space to Dignity Mama bookstore at our Raffles Place branch office. We also placed a bulk order of customised eco-friendly mooncake boxes for our clients and partners in celebration of the Mid Autumn Festival 2019, offering work and income opportunities to the project participants.



**Chinese New Year Celebrations at the Kirtarsh Handicapped and Disabled Children's Home Bukit Beruntung, Rawang, Selangor**

We celebrated Chinese New Year with 90 differently-abled children in Rawang. 41 CIMB staff from Rawang branch and HQ came out on a Sunday to volunteer for a clean-up and paint job at the home. The members gathered at the CNY feast, and tossed yee sang for good luck, health, and prosperity for all.

**Community Integration and Income Opportunities**

CIMB Singapore continued in its commitment to the Yellow Ribbon Fund (YRF). YRF is the first and only regional charity dedicated to funding, developing and implementing reintegration programmes for inmates and ex-offenders, and family support programmes to strengthen their family ties.

**CIMB Singapore has been supporting a total of 15 students under YRF CIMB STAR Bursary programme with one student withdrawing out of the programme in 2019. We have invested a total of SGD \$590,000 towards the programme since 2018.**

**Promoting Gender Development by Investing in IT Education**

CIMB Foundation via CIMB Bank Kuala Lipis branch provided IT infrastructure to Pertubuhan Kebajikan Anak-Anak Yatim Al-Ihsan Kuala Lipis, a girls' shelter in Pahang. The objective is to support the shelter's mission to create a conducive environment for the resident girls to learn IT skills and be able to compete in today's digital economy. This programme ensures equal access to education regardless of background. **In 2019, a total of 18 girls attended weekly sessions conducted by volunteers.**





## GOAL 13: CLIMATE ACTION

### Sustainable Farming

CIMB Islamic partnered with WWF-Malaysia to implement a three-year System of Rice Intensification (SRI) initiative in Ba'Kelalan and Long Semadoh, Sarawak. **With financial commitment of RM600,000 deployed over 2017-2019, the objective has been to raise awareness of the farming community on SRI which is not only environment-friendly, but also delivers a higher yield compared to conventional planting methods.** SRI is a proven technique that uses a lower quantity of rice seedlings and less water during the growth cycle. This initiative included funding of irrigation works and water supplies from uphill water sources directly to the paddy plots and restoration work for various river banks using natural methods that would increase vegetation on the river banks instead of using concrete and steel walls. **In 2019, the final year of the programme, 15 more farmers signed-up for this programme, with a total of 27 farmers having more than 30 paddy field plots for SRI rice.**



### Installing Solar Home Systems for Rural Communities

Our latest Community Link project provides the residents of Kampung Batu 19 in Karak access to electricity and clean drinking water.

**26 volunteers from the CIMB Group Internal Audit department worked hand-in-hand with the community to install home solar lights at nine Orang Asli homes and a solar-powered water filtration system for clean drinking water.** They also raised funds among themselves to purchase groceries for the residents.

The members of the low-income community can save up to RM350 monthly in fuel and drinking water costs.



### Bamboo Carbon Sequestration

With active support from KEHATI Foundation, CIMB Niaga continued to support and champion bamboo tree planting in recognition of its carbon storage potential and positive ecological impact.

**In November 2019, bamboo workshops were held to mark the start of the carbon sequestration measurement exercise, with a report to be produced by Q1 2020. Since the beginning of the programme in 2012, over 15,000 bamboo trees have been planted in five regions of Indonesia.**



### Creating Green Areas and Liveable Spaces for Communities

CIMB Cambodia, in keeping with its efforts to revive the local environment and ecosystems, regularly participates in large-scale tree-planting exercises. The initiative, to be sustained over three years from 2020-2023, will help increase green areas and create liveable spaces for the communities.

**In 2019, we planted 300 trees (timber and khakis) in Oudong High School. Themed "planting the trees for the generations to come", the exercise was supported by 117 staff members.**

### Staff Seedling Adoption

In our efforts to inspire environmental stewardship, and a reminder to our employees of our greater responsibility to shape a better planet for future generations, CIMB Singapore presented plant seedlings to all the employees. The initiative marked the 10th anniversary celebrations of CIMB Bank Singapore as well as reinforced CIMB's sustainability mission. The seedlings when fully grown can be harvested and the leaves can be consumed with salads and as side dishes.

value creation

> CIMB Progress Squad

In keeping with our commitment to mobilise our stakeholders for CSR participation, we launched the CIMB Progress Squad in 2019. The objective was to motivate Malaysians to come forward as change agents and contribute to various sustainability causes. **In other words, it is our motive to inspire collective action for the good of people and societies that matter to us. We share a strong belief that we can progress together into a sustainable future. As at 31 December 2019, we enlisted 62 Malaysians and 49 members from #teamCIMB as volunteers to support the following four programmes:**



**Youth Community Hub** - To support local communities to implement initiatives that will promote harmonious social relationships, well-being and welfare.



In 2019, we partnered with the People's Housing Project (PPR) Hicom, Shah Alam to refurbish their multi-purpose sports court, install book shelves and distribute board games. Providing a safe space to socialise will help to improve youths' safety and well-being in the neighbourhood. Having a community activity room and sports court can help build strong and safe social interactions, steering them away from low self-esteem, mental illness and social issues such as drug abuse and more. Through community-based activities, values such as teamwork and collaboration can be instilled among the youths.



**5,400**  
BENEFICIARIES



**32**  
VOLUNTEERS

Squad Leader: **Azizulhasni Awang** (National Cyclist)

**Azizulhasni Awang hard at work to install the net poles on the refurbished multipurpose court together with CIMB Progress Squad volunteers at PPR Hicom, Shah Alam to encourage positive social activities especially for the youths in the area.**



**Seeds of Entrepreneurship** - To empower communities with knowledge, entrepreneurial skills and seed-funds, providing decent work and income opportunities to improve socio-economic status.



Community-based entrepreneurship is important when it comes to realising the potential in rural communities. This can empower them to improve their standard of living and empowering them through selling their crops, goods and more.

In 2019, we organised a skills workshop for women from Kampung Orang Asli Tekir and equipped them with starter crops and infrastructure for setting-up poultry farming.



**650**  
BENEFICIARIES



**19**  
VOLUNTEERS

Squad Leader: **Gan Mei Yan** (TV and Radio Host)

**Gan Mei Yan handing over the gardening and farming tools to one of the residents in Kampung Orang Asli Tekir Mentera to kick start their entrepreneurial venture after the completion of planting the starter crops and building of poultry farming infrastructure by CIMB Progress Squad volunteers.**



**The School of Transformation** - To transform schools by investing in infrastructure that will enable affordable and quality education and facilities, especially for students from disadvantaged local communities.



Squad Leader: **Suresh Kumar** (Radio DeeJay)

Suresh Kumar and CIMB Progress Squad volunteers refurbishing SK Kapar's library with new window panes, freshly painted walls and new bookshelves for better study conditions for students.

Conditions of schools can have a huge impact on the well-being and academic performance of young students. Poor infrastructure can contribute to the dropout rate among students and decreased interest to study. This school transformation initiative helps students to learn in a conducive environment, garnering interest in joining the Kelas Pemulihan and improving the ratio of facilities to student.

In 2019, we refurbished the Kelas Pemulihan and library of Sekolah Kebangsaan Kapar to help create a more conducive environment for students.



**642**  
BENEFICIARIES



**27**  
VOLUNTEERS



**Clean Water & Light** - To provide necessities such as clean water and solar-powered lights to improve the quality of life of the community.



Squad Leader: **Yana Samsudin** (Actress)

Yana Samsudin and one of the residents of Kampung Orang Asli Bukit Telaga enjoying a glass of clean water after the successful installation of the solar-powered water filter by CIMB Progress Squad volunteers.

In Malaysia, approximately 12% or 152 Orang Asli settlements still do not have a permanent source of clean water. These settlements are dependent on rivers for their water source, which often leads to poor sanitation and health. With about 297,000 individuals, the Orang Asli communities make up the highest population living without electricity in Malaysia, also making it difficult for children to study, and limiting productivity in adults. This initiative can increase the sense of security and productivity for the villagers living in remote locations and access to clean water will improve their overall hygiene and health.

In 2019, we installed ten solar powered lights, one solar-powered water filter, and ten mosquito nets for families in Kampung Orang Asli Bukit Telaga, Pahang. In addition, we conducted a 'Health & Hygiene' workshop for 25 children, as well as distributed wash and food kits.



**50**  
BENEFICIARIES



**43**  
VOLUNTEERS

For more information on  
CIMB Progress Squad,  
please visit CIMB's website:



**CIMB Progress  
Squad**



<https://progresssquad.cimb.com/>



value creation

PROMOTED SPORTS FOR HEALTH, INCLUSION AND NATIONAL PRIDE




> Paralympic Sports

According to a published paper by the American Academy of Physical Medicines and Rehabilitation, “there is evidence of the power of sports to stimulate confidence, self-efficacy, and a self-perceived high quality of life for individuals with disabilities above and beyond the basic benefits to cardiometabolic fitness. Considered with other benefits such as promotion of health, disability rights, and social integration, sports has the power to transform the lives of those who participate and to further stimulate the expansion of opportunities available to the next generation of athletes with disabilities.”

**It is with this belief and conviction in the power and potential of sports that we had institutionalised the CIMB Pan-Disability Football Academy. In 2015, we introduced one of the first-ever structured football development programmes for the disabled in Malaysia. Through this Academy, we also continue to support wheelchair rugby and wheelchair basketball grassroots programmes.**

Our mission every year is to build a high-performance Malaysian National Blind Football team to participate in the Paralympics. In 2019, the academy had 380 (2018: 320) disabled footballers, split into nine disability groups: the blind B1 (visually impaired), B2/B3 (partially visually impaired), amputees, physically-challenged, cerebral palsy, cerebral palsy using frame, hearing-impaired, little people and autistic. Each training programme and the training aids used were tailored to the respective needs of the players.

Four-Year Track Record (2016 - 2019)

Year	 CIMB Pan-Disability Football Academy		 Wheelchair Rugby Development Programme		 Wheelchair Basketball Development Programme	
	Participants	Contribution (RM)	Participants	Contribution (RM)	Participants	Contribution (RM)
2019	380	250,000	90	100,000	85	100,000
2018	320	250,000	75	100,000	70	100,000
2017	200	200,000	60	50,000	60	50,000
2016	92	200,000	50	100,000	50	100,000



Three-on-Three Wheelchair Basketball

On 31 March 2019, the third 99 Malaysia Wheelchair Basketball League 2019 was held at Gelanggang Bola Keranjang Cheras, hosted in collaboration with the Beautiful Gate Foundation for the Disabled (BGF) and the Malaysian Wheelchair Basketball Federation (MWBF). Emerging champions of the match were the Mighty B, followed by the King and Tenggiling.

> Junior Sports Development Programmes



**CIMB Junior Football Development Programme**

The CIMB Junior Football Development Programme is one of our flagship initiatives introduced in 2006 with impact that can be tracked over more than a decade. Through this programme, we aim to make this popular sport accessible to children from lower-income families. We do this by providing sports apparel and professional equipment in addition to subsidised training fees. A special project team has been set-up to steer and develop a group of elite junior players, preparing them to qualify for Piala Belia.

**In 2019, we invested RM720,000 and focused our efforts on funding equipment, apparel, training and events, which enabled the club to lower its fees and provide apparel for free so that children from lower-income families are able to participate.** There are five academies in total, operating in five different states, serving communities in Kuala Lumpur, Melaka, Kelantan, Kedah and Sabah.

**To date, the programme has produced more than 120 valuable players, who are currently scouting to join the national team, state teams and professional clubs. From the football tournament held in 2019 alone, the players under the programme won 90 gold medals.**

To further encourage these talented sportspersons, the CIMB Foundation Cup 2019 (U16) which was held in UUM, Sintok Kedah, continued to support the agenda of nurturing quality talent for the national and state football teams by investing in research and technical coaching for capacity building.



**CIMB Junior Squash Development Programme**

In February, we launched the 14<sup>th</sup> CIMB Foundation National Junior Championship in Bukit Jalil. With 550 aspiring junior players in attendance, and support from Majlis Sukan Negara and SRAM, the initiative was a success for the 13<sup>th</sup> consecutive year.

Since the inception of the programme in 2006, through the CIMB Rising Stars National Junior Circuit and CIMB National Junior Circuit, we have been continuously scouting for and developing new talents. **To date, we have provided a platform to more than 3,000 young squash players across six age groups – from under 9 to 18 years.** We also take pride in being able to inspire high-performing athletes such as Sivasangari Subramaniam and Ng Eain Yow, globally ranked at #42 and #31 respectively.

**In 2019, we invested RM1.6 million for the following programmes:**

No.	Programmes
1	13 <sup>th</sup> Rising Stars Junior Circuit 2019
2	9 <sup>th</sup> CIMB National Junior Circuit 2019
3	National Junior Championships 2019
4	CIMB World Juniors Programme 2019
5	MoE-CIMB-SRM PLD Programme 2019
6	Overseas Incentives for Junior Champions 2019
7	External Physical Trainer
8	CIMB National Development Initiative 2019

value creation



**CIMB Junior Cycling Development Programme**

Our flagship CIMB Junior Cycling Development Programme provides both budding and experienced cyclists with exposure to a series of world tours. The idea is to prepare the riders for competitive cycling at international level.

**In 2019, a total of 2,000 students from 26 schools (primary and secondary divisions) participated in CIMB Junior Cycling School Clinics.** During these clinics, senior riders share their knowledge and experience on their journey as a professional rider. Some of the fundamental topics covered among others are, basics of cycling activity on rollers; bike balancing through a slow race; one-hand bike handling; the anatomy of a road bike; and hand signals in slalom circuits.

**Some of the key highlights of 2019 are as below:**

CIMB Foundation invested a total amount of RM3.0 million in 2019. The event, witnessed by approximately 12,000 spectators, recorded a total amount of 528 hours of action with the participation of 7,200 riders. The #PathofChampions (POC) made a milestone achievement after they made a podium in every race in Europe and Australia. **A total of 16 riders competed at the #PathOfChampions - Europe and Australia and secured their positions among the top ten globally.**



A total of eight riders were nominated for POC Europe tour, and another eight riders for POC Australia to participate in the high performance race.



POC Europe
Muhammad Faisal Izuddin bin Ahmad Jjoy
Mior Muhammad Hazwan bin Hamzah
Chan Jian Le
Hairul Helmi bin M. Rizal
Muhammad Faris Irfan bin Suhaimi
Muhammad Firdaus bin Surana
Muhammad Azrul bin Sharuddin
Muhammad Afiq Iskandar bin Hasyim



POC Australia
Nurul Izzah Izzati
Kharunnisa Alleeya
Muhammad Justin Felix Nigel
Abdul Azim bin Aliyas
Muhammad Firdaus bin Sharum
Muhammad Iskandar Medina
Muhammad Iqbal Daniel
Muhammad Firdaus Surana

## PROMOTED EDUCATION FOR SOCIO-ECONOMIC INTEGRATION AND WELL-BEING

### > CIMB MOZEK: Creating a Cultural Learning Experience

CIMB Mozek is a “holiday camp”, designed to bring together students from diverse socio-economic, cultural, geographic, religious and ethnic backgrounds. It is an opportunity for the youth to step out of the comfort zones of their schools and make new friends in a nurturing and learning environment. **The camp aims to cultivate tolerance, respect and cooperation towards strengthening inter-cultural understanding and promoting unity in diversity.**

During the five-day camp, students live and work together to explore various facets of culture and identity; develop a combination of soft and technical skills through a range of team challenges; and demonstrate their spirit of cooperation and leadership while working on shared projects. The camp encourages students to reflect on their experiences, discuss how they are getting along and figure out how they might do things differently or better.

**In 2019, a total of 180 students from 19 schools in Penang and Kedah participated in two CIMB Mozek camps.**

Our track record since 2017:



There was an increase in knowledge of diversity and different cultures by 50% and 32% respectively based on a self-evaluation survey conducted before and after the camp.

### > Taylor's-CIMB Islamic Entrepreneurship Programme

The programme was first launched in 2017 in partnership with Taylor's Education Group and CIMB Islamic. The programme targets young potential entrepreneurs from the PPR community or the B40 strata of the society.

The programme has created multiple streams to include, “Program Keusahawanan Universiti”, “Program Keusahawanan Marketplace”, and “Program Keusahawanan Digital”. These parallel initiatives help entrepreneurs to gain knowledge, improve their skill sets and establish business linkages and opportunities for growing their businesses.

**Under ‘Program Keusahawanan 2.0’, with a total allocation of RM515,090 in 2018, the programme enlisted 126 entrepreneurs, of which 107 have received the grants from CIMB Islamic to initiate their entrepreneurial/ business ideas, a ten-fold increase from 2017 when only ten graduates had received grants.**

**In 2019, under the ‘Program Keusahawanan 3.0’, we allocated RM2.0 million, shaping more than 500 entrepreneurs and small business owners, from over 21 PPR areas in Klang Valley and Selangor, and expanded coverage to include single parents, persons with disabilities and refugees.** We also broadened our partnership i.e., with public universities and Lembaga Zakat and Baitulmal to benefit the poor.

### > CIMB IIUM Entrepreneurship Programme i-Taajir

CIMB Islamic collaborated with International Islamic University Malaysia to pilot a microfinancing programme during the year. The idea has been to deploy solutions such as Islamic Microfinance using Zero Interest Financing (ZIF), Murabaha Sale, and Profit and Loss Sharing (PLS) Principles to help aspiring small entrepreneurs to enhance their livelihood and positively contribute to the welfare and well-being of their families and local communities.

The participants are required to attend an interview, training and presentation to qualify for the grant. **To date, a total of 27 of 39 qualified entrepreneurs have been offered grants.**

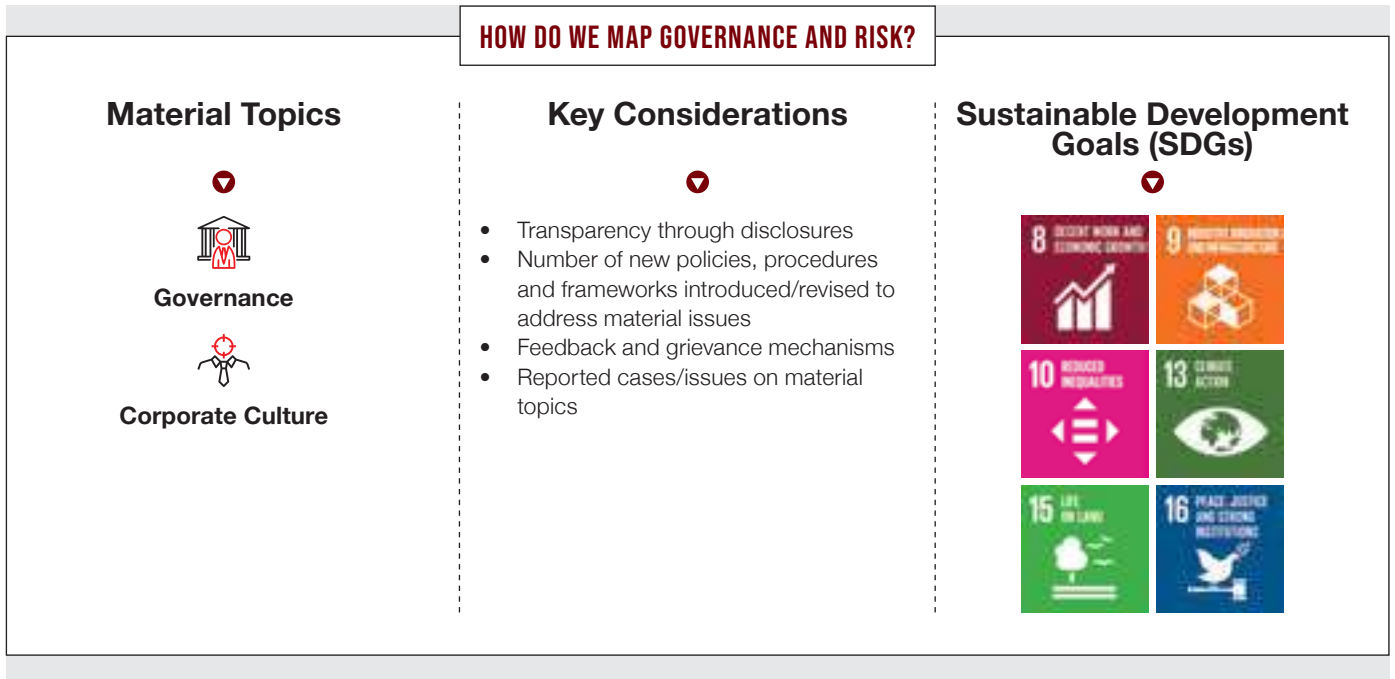
### > UiTM-CIMB Islamic Entrepreneurship Programme

This collaboration of CIMB with Universiti Teknologi MARA (UiTM) benefited the FELDA community of Lurah Bilut, Pahang - the nation's first FELDA settlement. This programme aims to develop entrepreneurial skills to empower individuals to manage their businesses better. **Under the UiTM-CIMB Islamic Entrepreneurship Programme, upon completion in early 2020, the beneficiaries will be provided with seed fund of up to RM12,000 each (for up to 50 qualified candidates), as an initial investment to build a strong foundation for their businesses.**

# > GOVERNANCE & RISK (GRI 102-18)



**It is our responsibility to uphold a high standard of corporate governance.** Effective corporate governance is pivotal to preserving the banking ecosystem and the economy as a whole.



## GOVERNANCE

**Corporate governance ensures accountability in decision-making in the interest of the company and its stakeholders. As corporate implosions stemming from weak governance have made headlines in the last decade, heightened attention has been drawn to corporate governance (Deloitte). Consumers, regulators, and public watchdogs are holding corporations accountable for their actions.**

Corporate governance also ensures that we are meeting expectations and carrying out our mandate for sustainability, while also mitigating risks in the business. It is intended to future-proof and put in place controls that limit the organisation's risk exposure, which also ensure commercial sustainability. Appropriate policies and practices reinforce a healthy culture of integrity and transparency throughout the organisation. **Strong corporate governance is the foundation to positioning CIMB Group as a trusted and credible institution.**

### OUR RESPONSE

- > Establish best practice governance principles for driving the sustainability agenda
- > Ensure policies are robust, inclusive and effective in implementation
- > Strengthen internal controls, external compliance, monitoring, measurement and reporting



## Key Indicators

Governance-related scores on Dow Jones Sustainability Index Corporate Assessment (2019)		<ul style="list-style-type: none"> <li>• Privacy Protection</li> <li>• Information Security/ Cybersecurity &amp; System Availability</li> <li>• Corporate Governance</li> <li>• Tax Strategy</li> </ul>	<p><b>6/6</b> Highly material issues supported by policy commitments</p> <hr/> <p><b>5/8</b> Important material topics supported by policies and programmes</p>	<p>Active Board members in non-profit social/ environmental organisations</p> <p><b>33%</b></p> <hr/> <p>Female representation on the Board</p> <p><b>11%</b></p> <hr/> <p>Female representation in Key Management</p> <p><b>25%</b></p> <hr/> <ul style="list-style-type: none"> <li>• Communication and training on anti-corruption policies and procedures</li> </ul>
Risk & Crisis Management	<b>83/100</b>			
Anti-crime Policy & Measures	<b>69/100</b>			
Codes of Business Conduct	<b>63/100</b>			

## WHAT DID WE DO?

### COMMITTED TO THE PRINCIPLES OF GOOD GOVERNANCE

The correlation between Board composition and Board performance has been long established. The fundamental processes that govern the Board's role and decision-making are critical to the organisation's performance. From strategic interventions to directional oversight, from removing biases and redundancies to maintaining a degree of transparency and integrity - all these go a long way to reinforcing the Board's effectiveness.

At CIMB, we are cognisant of the absolute need to ensure:

- Independent Directors on the Board establish a neutral position on matters of conflict and vested interests of related parties. In addition, **Independent Directors also play a role in not just value creation, but also value preservation, always acting in the best interests of multiple stakeholders.** As at 31 December 2019, the CIMB Board had six Independent Directors, i.e., nearly 67% of the total Board composition.
- Diversity of knowledge, experience and skills to take a dynamic approach to business and growth, with multiple perspectives for checks and balances. **As at 31 December 2019, based on competency mapping of our Board members, in addition to banking and finance, the Board has extensive experience in driving Leadership and Strategy, and 33% of our Board members are actively involved with various non-profit social and environmental organisations.** Such diversity in interests and roles is important given CIMB's purpose of advancing both customers and society.
- Balanced gender representation on the Board towards building resilience, creativity and innovation. This will be achieved with higher levels of engagement and a more inclusive approach to individual and organisational performance. As at 31 December 2019, gender representation on the Board dipped to 11% due to the exit of one of our female Board members. However, **we are continuously identifying opportunities to groom high potential Board-ready women, and also build a talent pipeline from the industry. We continue to aspire to reach our target of 30% female representation on Board by 2020.**



value creation

> **Internal Controls to Safeguard Against Financial Crime** (GRI 205-2)

CIMB Group is committed to enforcing an effective internal control system for anti-money laundering / counter financing of terrorism (AML/CFT) in compliance with all related laws, regulations, guidelines and industry-leading practices. Proceeds from financial crime and unlawful activities pose a continuous threat to the financial system. **The Group’s global policy is to comply with and apply relevant AML/CFT practices in all markets and jurisdictions in which it operates and to comply with both the specific provisions and the spirit of all relevant laws and regulations,** including but not limited to:

- Governance and supervision, with oversight from the Board and senior management
- Culture, awareness and continued development
- Policy, procedures and systems (including regulatory data sources) to:
  - o Assess, measure, communicate and facilitate the mitigation risk of AML/CFT;
  - o Conduct customer due diligence, screening and subsequent management of relationships via on-going due diligence;
  - o Monitor transaction behaviour/trends and apply countermeasures; and
  - o Facilitate disclosures, reporting and cooperation with law enforcement authorities.
- Compliance to international sanctions and enforcement orders by the United Nations, the Government of Malaysia, the home government regulators of CIMB Group’s foreign institutions, as well as sanctions and restrictions applicable to international transactions.

CIMB Group’s AML/CFT, financial transparency and related sanctions policies and related information are summarised and published on CIMB portal\*, as well as, within CIMB Group Annual Report 2019 Statement on Risk Management and Internal Control.

**Our employees undergo continuous mandatory training, with customer-related and control personnel completing annual training via e-learning, targeted training, and external professional and regulatory seminars. The training enables our employees to interact and communicate with our customers, counterparties and relevant stakeholders on the Group’s policy and considerations in relation to their transactions.**

The Group’s internal controls, various systems and information sources are subject to annual internal audits, as well as periodic thematic, risk or specific assessments as the need or threat arises. The enhancements arising from such assessments range from changes to detection scenarios and thresholds, as well as revisions to customer due diligence criteria.

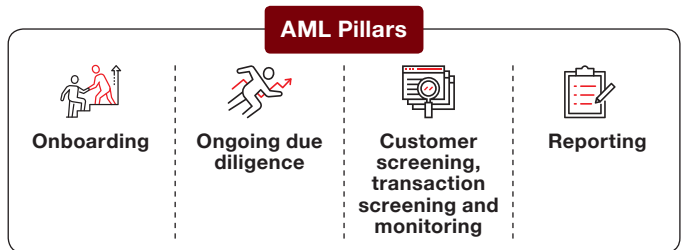
\* <https://www.cimb.com/en/who-we-are/regulatory-information.html>

> **AML Transformation Programme**

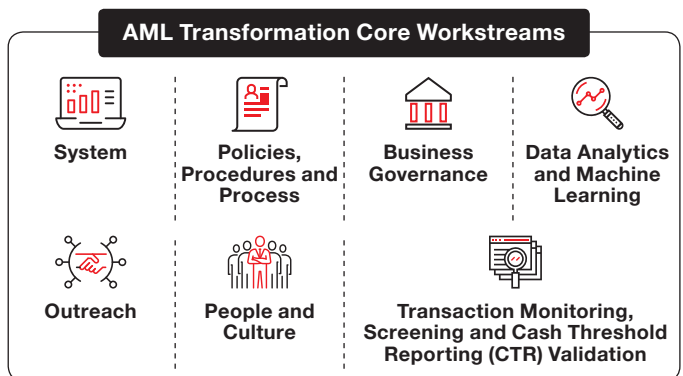
CIMB has established the AML Transformation Programme to resolve recurring AML related breaches that were previously highlighted by the regulator. The initial remediation programme was submitted to BNM on 4 September 2018, while the enhanced AML Transformation Programme was subsequently submitted to BNM on 31 July 2019.

**The main objectives of the Programme are to improve financial crime prevention in the areas of AML/CFT, as well as to reduce the number of AML breaches by better monitoring via data analysis, technology and automation. The Programme also aimed to enhance AML awareness and culture across all levels.**

The scope of the programme covers Malaysia’s three banking entities (i.e., CIMB Bank Berhad, CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad), and both individual and non-individual customers. The initiative enhances the following AML pillars:



**Under the Programme, 33 initiatives were identified under the following seven core work streams, where eight out of the 33 initiatives have been completed to date.**



To ensure proper oversight of the Programme implementation, the AML Transformation Steering Committee (ATSC) was established to oversee the Programme. The progress of the Programme is tabled and discussed at the ATSC on a monthly basis, prior to updating the Group Risk and Compliance Committee (GRCC) and Board Risk and Compliance Committee (BRCC).

In addition to providing overall direction and deliberation on the issues impacting the timeline of the Programme, the ATSC is also responsible to provide oversight and advice on the Programme implementation. The project targets, timelines, scope, budget, resourcing and completion are deliberated and approved by the ATSC.

## Key Enablers



### GROUP REPUTATION RISK POLICY

Addressing Risk Arising from Negative Perceptions

The CIMB Group Reputation Risk Policy was adopted in 2015, and provides clear accountabilities for reputation risk management and a consistent approach to the current risk management process. The Board sets the Group's risk appetite for reputation risk through the standard Risk Appetite Statement process coordinated by Group Risk. Oversight of ongoing management of reputational risks lies with the Group Operational Risk Committee. By adopting more robust policies and procedures, we approach risk with a holistic view, and move deeper into integrating financial and non-financial risk assessments. Our focus encompasses wide-ranging issues including managing negative mainstream media materials, customer experience, and social media. We strive to simplify complexity in processes and continue to measure how these issues impact us.

### GROUP OPERATIONAL RISK MANAGEMENT POLICY

Managing Risk as a Result of Inefficient or Failed Processes, People and Systems or from External Events

The policy establishes a clear approach to its management of operational risk. It spells out how the risk must be managed and controlled, in order to meet regulatory requirements, drive consistency and a common taxonomy across the Group. The level of authority for the approval of risk acceptance varies according to the risk rating. Oversight of ongoing management of operational risks lies with the Group Operational Risk Committee. We aim to continue to strengthen and enhance our response and management capabilities.

### GROUP ANTI MONEY LAUNDERING / COUNTER FINANCING OF TERRORISM (AML/CFT) POLICY

Actively Counter Money Laundering / Terrorist Financing

We have established a comprehensive policy to support regional and international efforts to counter money laundering and terrorist financing through our compliance with the FATF 40 Recommendations. **The Group is committed to preventing money laundering and terrorism financing as we recognise our role as a leading financing institution and subsequently our obligation to combine efforts with the government, international organisations and other financial services organisations to close off financial channels to those seeking to exploit them.**

### ANTI-BRIBERY AND ANTI-CORRUPTION

Promoting Ethical Conduct  
(GRI 102-16)

**We are committed to conducting our business free from any form of bribery or corruption. We adopt a zero-tolerance approach to any acts of bribery or corruption perpetrated by employees, suppliers and others with whom we do business or who act on our behalf. All local anti-bribery and anti-corruption legislations are adhered to by CIMBians.**

**We expect our employees to be vigilant about wrongdoing, malpractice or irregularities in the workplace. All employees must report any such instances to the management immediately. As a Group, we always deal with such matters confidentially and protect the identity of the complainant.**

We have identified different types of bribery and corrupt practices that could potentially impact our business across the value chain of banking. These include related party transactions; favourable and discriminatory procurement practices; money laundering; cash or in-kind favours; nepotism; non-compliance related issues such as non-dishonouring of invalid cheques, bribes for loan approvals; unsolicited funds and misappropriation; and government tendering and projects, among others.

### CIMB's Donation Policy

CIMB only makes charitable donations that are appropriate, legal and ethical under laws and practices. In order to ensure appropriate governance over this policy, no donation is offered without the prior approval of Heads of Divisions/Departments/Subsidiaries/Overseas Branches or the Group Marketing and Communications Division in accordance with the Group's Delegated Authority.

### CIMB's No Gift Policy

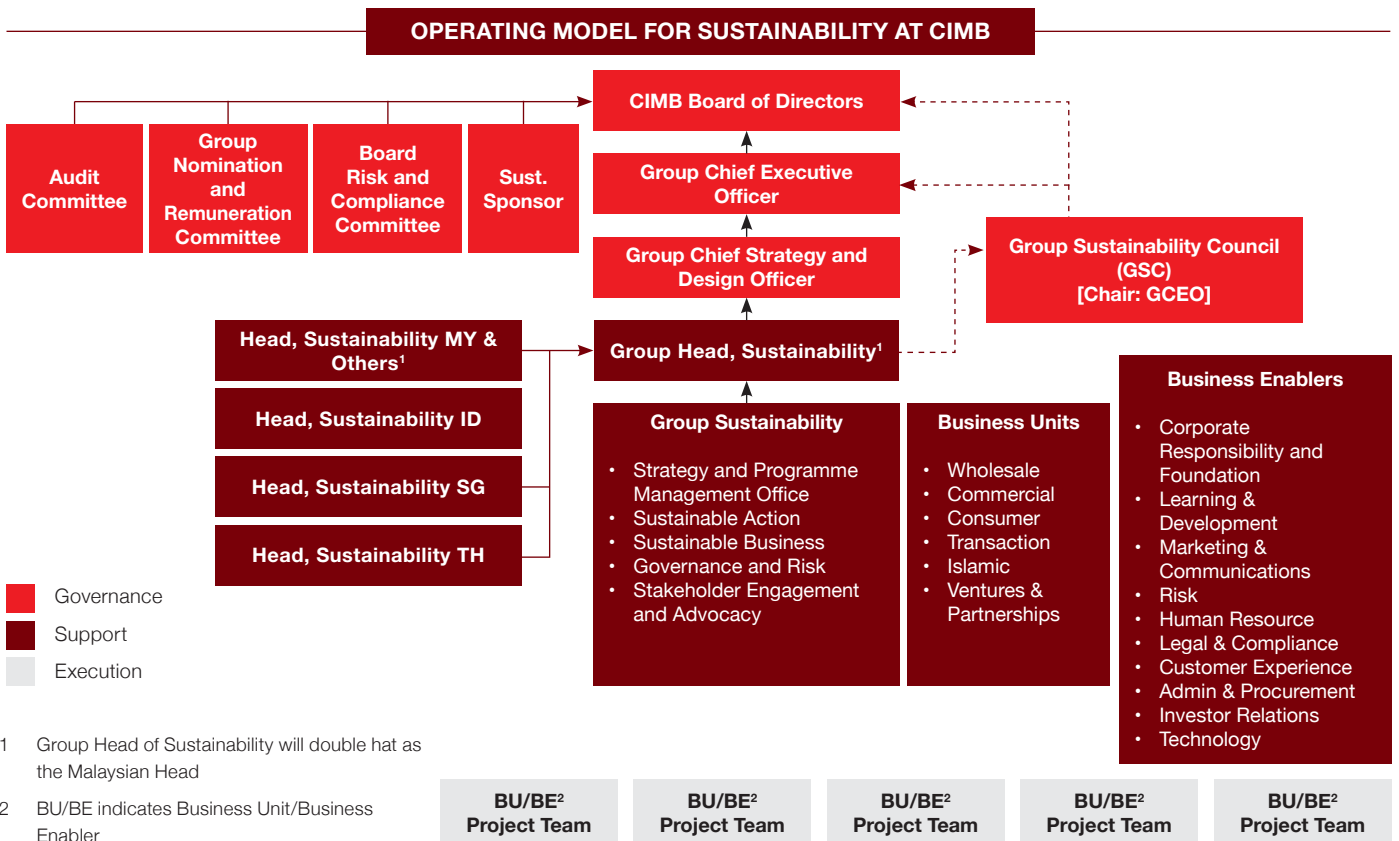
The 'No Gift Policy' applies to all employees, who are restrained from exchanging gifts with current or potential customers, vendors, agents or business partners. This is to prevent any conflicts of interest, or appearance of such in our business dealings. Gifts provided by customers will either be returned or donated to beneficiaries of CIMB Foundation.

CIMB Niaga issued an official memo to all customers reinforcing the policy commitments. In the spirit of transparency, customers were reminded that giving or receiving gifts, commissions and or bribes in any form to the Commissioners, Directors and employees of CIMB Niaga are considered serious violations. Customers were also encouraged to use the various whistleblowing channels, including the website for bringing any such violations to the attention of CIMB Management for appropriate action.

value creation

IMPLEMENTED THE SUSTAINABILITY OPERATING MODEL

We elevated the sustainability agenda to the Group-level, to cover all businesses in our key operating markets. In 2018, the Group Sustainability department and Group Sustainability Council were institutionalised to implement the Sustainability Operating Model.



Below is the progress made across two years on sustainability-related governance and risks:

2018	2019
<ul style="list-style-type: none"> <li>Institutionalised the role of a Sustainability Sponsor/Advisor on the CIMB Board of Directors</li> <li>Included sustainability experience as one of the key considerations for the nomination of Directors, mainly to build sustainability competence on the Board</li> <li>Formed the Group Sustainability Council (GSC), chaired by the Group CEO</li> <li>Institutionalised a Sustainability Department at Group level (Group Sustainability or GS) in Malaysia</li> <li>Formed the Sustainability Champions Group to raise the awareness of CIMBians on sustainability issues and solutions, creating a culture of responsibility</li> <li>Introduced a Sustainability Operating Model and Risk Management Framework</li> <li>Improved relevant policies for the Group, to support the Sustainability framework and strategy</li> </ul>	<ul style="list-style-type: none"> <li>Conducted a training session for the Boards of all key entities on environmental laws and sustainable finance</li> <li>Introduced sustainability KPIs for GCEO and selected top management</li> <li>Strengthened sustainability team capacity with increased headcount to seven for GS in Malaysia, and three in Indonesia.</li> <li>Enlisted regional Sustainability Champions to improve understanding on sustainability issues and developments in ASEAN</li> <li>Rolled-out and operationalised the Group Sustainability Policy and Group Sustainable Financing Policy in Malaysia. Indonesia, our second largest market, have also adopted the Sustainability Policy</li> <li>Started independent external assurance of selected sustainability performance indicators</li> </ul>

The Sustainability Operating Model consists of three key layers:

1

**GOVERNANCE**

Chaired by the Group Chief Executive Officer, the Group Sustainability Council (GSC) is represented by 18 senior members and permanent invitees from key business and functional units within CIMB Group, across all key geographies. The GSC's key responsibilities are as follows:

- Formulate and drive CIMB Group's sustainability vision and strategies
- Oversee the sustainability risk profile of the Group's business activities and ensure the implementation of appropriate policies, procedures, and controls
- Champion the embedment of sustainability principles into CIMB's DNA and culture
- Provide strategic guidance on the development and implementation of group-wide sustainability key performance frameworks

The GSC also provides strategic oversight of sustainability reporting, both internally and externally. The GSC directly reports to the Group Chief Executive Officer, with oversight from the CIMB Board of Directors. In 2019, the GSC convened eight times.

2

**SUPPORT**

The Group Sustainability department takes the lead role in managing the Sustainability Roadmap. Key functions are listed below:

- **Strategy and Programme Management Office**  
The strategy and programme management office team manages and drives the development and implementation of CIMB Group's overall sustainability framework, strategy and roadmap across all our operating markets. The team also provides the secretariat function for the GSC, and is responsible for the overall programme governance and reporting to the Transformation Council under Forward23.
- **Sustainable Action**  
The key focus of this pillar is to embed sustainability practices in our operations and processes Group-wide. Our key priorities include managing our direct environmental footprint, identifying climate risks and opportunities, taking measures to improve diversity, inclusion and well-being, as well as working towards implementing a sustainable supply chain.
- **Sustainable Business**  
This pillar centres around how the Group generates profits in a responsible manner, creating net positive impact through our products and services. As part of this, the team is tasked with the development and implementation of the Group's Sustainable Financing Policy and development of our Positive Impact Products and Services framework, which defines what the Group considers as responsible banking products and services.

- **Governance and Risk**  
The development and implementation of the Group's Sustainability Policy is under the purview of the Governance and Risk pillar. Aside from the policy, other initiatives include the set-up of the sustainability function regionally; incorporation of sustainability within Board and management committees (where applicable); strengthening of business ethics; and embedding sustainability into CIMB's DNA through culture transformation and institutionalisation of targets and KPIs.
- **Stakeholder Engagement and Advocacy**  
This pillar relates to our engagement with key internal and external stakeholders to promote the sustainability agenda across ASEAN. Our key priorities include our efforts in raising awareness on sustainability within CIMB, encouraging employee participation in sustainability initiatives, as well as collaborating with our external stakeholders in sustainability. Through various platforms and channels such as The Cooler Earth Sustainability Summit and Joint Committee on Climate Change, we seek to work closely with clients, investors, regulators, supranational and industry bodies as well as our peers to enhance and advocate for sustainable development.

The Group Sustainability department also collaborates closely with various internal functions and countries across the group to deliver sustainability objectives. Key partners include CIMB Foundation and Corporate Responsibility, Customer Experience, Islamic Banking, Wholesale Banking, Commercial Banking, Consumer Banking, Marketing and Communications, Human Resources, Group Risk, Group Compliance, Administration and Procurement, and Investor Relations, among others.

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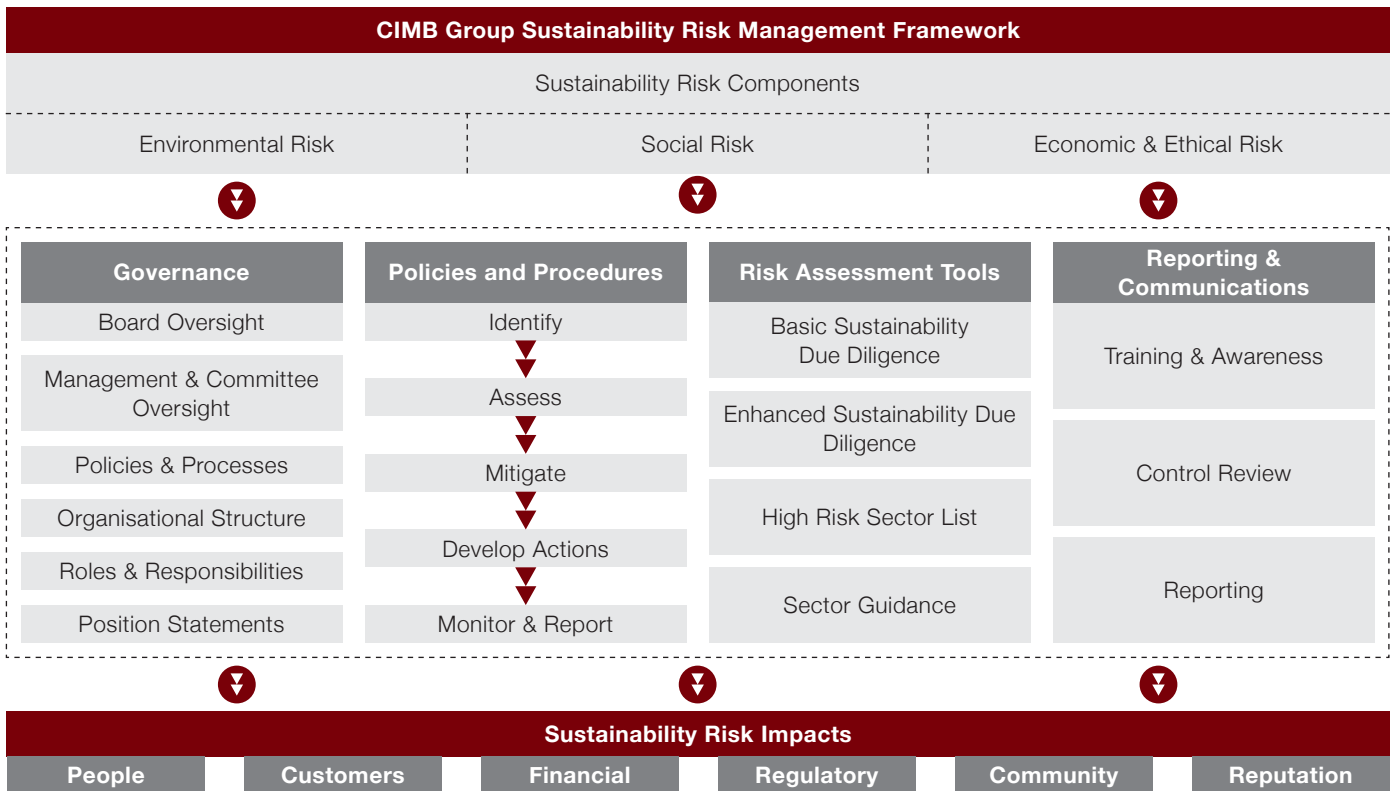
3  
**EXECUTION**

Multidisciplinary project teams from various Business Units and Business Enablers are pulled together to lead and execute sustainability projects with finite life-spans. This is done with direction and support from the Group Sustainability Council and Group Sustainability department.

- The Sustainability Champions Group comprises of 189 individuals (up from 75 in 2018) who strongly believe that sustainability is the way forward and are invested in pursuing this cause for the organisation and its stakeholders. The group is a change agent network, where new developments in sustainability, key issues and ideas are shared and discussed.
- The Sustainable Finance Working Group (SFWG) comprises of members from Wholesale and Commercial Banking as well as Group Risk. The Working Group collaborates with Group Sustainability to provide input on the implementation of sustainability risk assessment and due diligence as part of the Group Sustainable Financing Policy. In 2019, the SFWG convened on a bi-monthly basis in reviewing and rolling-out the Group Sustainable Financing Policy (GSFP) and its related procedures.

**ROLLED-OUT SUSTAINABILITY RISK MANAGEMENT FRAMEWORK**

We held orientation sessions to onboard Risk Officers, Risk Coordinators etc. on our Sustainability Risk Management Framework that was developed in 2018 and operationalised in 2019.



### The Sustainability Risk Management Framework:

- identifies and assesses the various sustainability risk components, to include environmental, social, economic and ethical risks;
- defines the appropriate governance, which is supported by appropriate policies and procedures;
- puts in place risk assessment tools to improve the understanding of and preparedness against existing and emerging sustainability risks;
- ensures due diligence and assessment of sustainability risk impacts; and
- cultivates a risk management culture through the three-lines of defense, as well through the relevant controls and measurements for efficient/credible reporting.

### IMPROVED POLICY SUPPORT TO ACCELERATE SUSTAINABILITY PERFORMANCE

In addition to mapping specific policies to various material topics, we also started reviewing our processes to identify gaps towards effective implementation. **The two main policies (Group Sustainability Policy and Group Sustainable Financing Policy) guide the Group's orientation and performance to sustainability.**



### > Group Sustainability Policy

The Group Sustainability Policy, approved in December 2018, was rolled-out in Malaysia and Indonesia. The policy outlines the Group's approach to sustainability (including its risk management), which is guided by the following five key principles:

- Ensure that the management of our internal operations and employees is consistent with our policies and position on various sustainability risks
- Take appropriate measures to assess and manage sustainability risks of our business relations and their activities
- Adopt an inclusive approach to our business relations and strive to positively influence their own sustainability performance and commitment
- Engage actively and openly with our stakeholders, including suppliers, on proactive management of sustainability risks and identification of opportunities for sustainable growth
- Exercise due care and diligence to evaluate, adopt and advocate proactive measures to minimise and in the long-run prevent environmental harm, as well as promote social equity

In addition to the five sustainability principles, the Group is guided by the UNEP FI Principles for Responsible Banking and UN Global Compact Principles to promote responsible performance in a manner consistent with the size, scale, and complexity of our business and risk profile.

**In 2019, the policy was implemented across multiple business units and enablers to assess CIMB's business relations**, which include investees, CSR programme partners/grantees, suppliers, vendors and outsourcing partners, joint-venture or tie-up partners, and clients with whom the Group engages, or provides products or services.

**Since the policy was rolled-out, eight high risk cases in Malaysia were escalated to the Group Sustainability team for Enhanced Sustainability Due Diligence. Out of those cases, seven were recommended and one was not recommended by Group Sustainability to proceed with the on-boarding of the business relation.**

Please refer to details of the Group Sustainable Financing Policy on 63-65.



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CORPORATE CULTURE

The fate of any transformation effort depends on whether and how leaders engage their culture: the self-sustaining patterns of behaving, feeling, thinking and believing that determine how things are done in an organisation (The Critical Few, Jon Katzenbach). Lasting and sustainable change can be achieved when the critical elements are identified: people’s emotional connection to what they do; actions that allow the organisation to succeed if replicated at greater scale and the people who have a high degree of social connectedness.

Shared workplace values and the behaviours driven by these values collectively help guide companies towards a common purpose and achieve goals. The world’s top companies are characterised by their positive and unifying cultures as much as their products and services. A positive corporate culture attracts top talent and inspires them to deliver the company promise to the best of their abilities. The culture of the organisation plays a significant role in determining levels of motivation, aspiration, and performance.

**OUR RESPONSE**

- > Enhance employee-management relationships through open and productive dialogues and platforms

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- > Bridge gaps in understanding and apply corporate values at work in unison

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- > Realign processes that run counter to corporate values

Key Indicators

ABC Change Agents

**135**

**Business Sponsors**

**1,750**

**Informal Leaders**

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- CIMB Values

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- 3 Critical Behaviours

**WHAT DID WE DO?**

**PROMOTED #TEAMCIBM AND CIBM VALUES**  
(GRI 102-16)

We see culture-building in CIMB as an ongoing journey and this journey started in 2015 with the introduction of the A Better CIMB (ABC) anchored on 3 Critical Behaviours:



**A BETTER CIBM**

Go the extra mile to delight customers

Respect each other, engage openly and work together

Recognise each other’s efforts and always back each other up

**To deepen our employees’ understanding of the 3 Critical Behaviours and embed them into the fabric of our employees’ daily lives at work, we conducted a 3 Critical Behaviours bite-sized campaign, which included the following steps:**

- Breaking down the three behaviours to six
- Agreeing on and defining the meaning behind each behaviour
- Explaining them to employees consistently via multiple online and offline channels including via the network of ABC Change Agents made up of 135 Business Sponsors (BSPs) and 1,750 Informal Leaders (ILs) from across the region
- Conducting 61 engagement activities in Malaysia to better acquaint employees and recognise those who demonstrated the behaviours
- Showcasing role models nominated by their peers for demonstrating the behaviours

Cross-functional campaigns were also conducted for some of the behaviours which was the case with Customer Experience to further strengthen understanding.

## OUR VALUES



### CUSTOMER OBSESSED

We are here for our customers, to ensure they're happy and satisfied.



### HIGH PERFORMANCE

We always strive to go above and beyond in everything we do.



### INTEGRITY

We're always honest, responsible and accountable in everything we do. Be vigilant, be alert, be thorough.



### DIVERSITY AND INCLUSION

We believe everyone has something to contribute, regardless of race, gender or opinions.



### AGILITY

We must respond quickly to change and be problem solvers.

**In 2019, we initiated the next phase of culture-building with a refresh of our values. We see our shared values as a positive force that shapes the culture of #TeamCIMB, informing the way we work with our various stakeholders to achieve a shared purpose. It creates a sense of belonging and affiliation, instils pride and helps in decision-making.**

The refresh was timely and in tandem with the shift in societal values from 'competition-driven businesses' to 'purpose-driven networked organisations and people'. We saw a need for increased and meaningful connections as well as more appetite for building partnerships and co-creation.

Against this backdrop, we conceived **C.H.I.D.A** for a Group-wide roll-out in 2020.

**Our purpose of 'Advancing Customers and Society' rests on our corporate values, which define our culture and motivate action towards building #TeamCIMB, A Better CIMB. We continue to highlight success stories, especially those with the most active ABC networks.**

#### Consumer Credit Operations (CCO)

We noted **zero failed audits** for this department that has more than 3,000 people across the region. CCO worked to make the 3 Critical Behaviours a way of life, with regular formal and informal engagements as well as a recognition programme to reward those who demonstrated the critical behaviours.

#### Group Operations

Following a restructuring exercise, Group Operations turned into a standalone function to consolidate all operational activities across the Group. One major change was the centralisation of the reconciliation team which had 50 employees. In 2019, they were tasked to drive the centralisation of the reconciliation process across Group Operations and reduce manual activities. The work was complex and the challenges included team members who were used to different leadership styles.

The management prioritised 'bridging trust' issues, helping team members adjust to new working styles. The leaders engaged openly with their team members, encouraged a culture of transparency, engaged continuously, and set aside time for fun team activities and coaching. Employees were also given opportunities to upskill/reskill via job rotations and training.

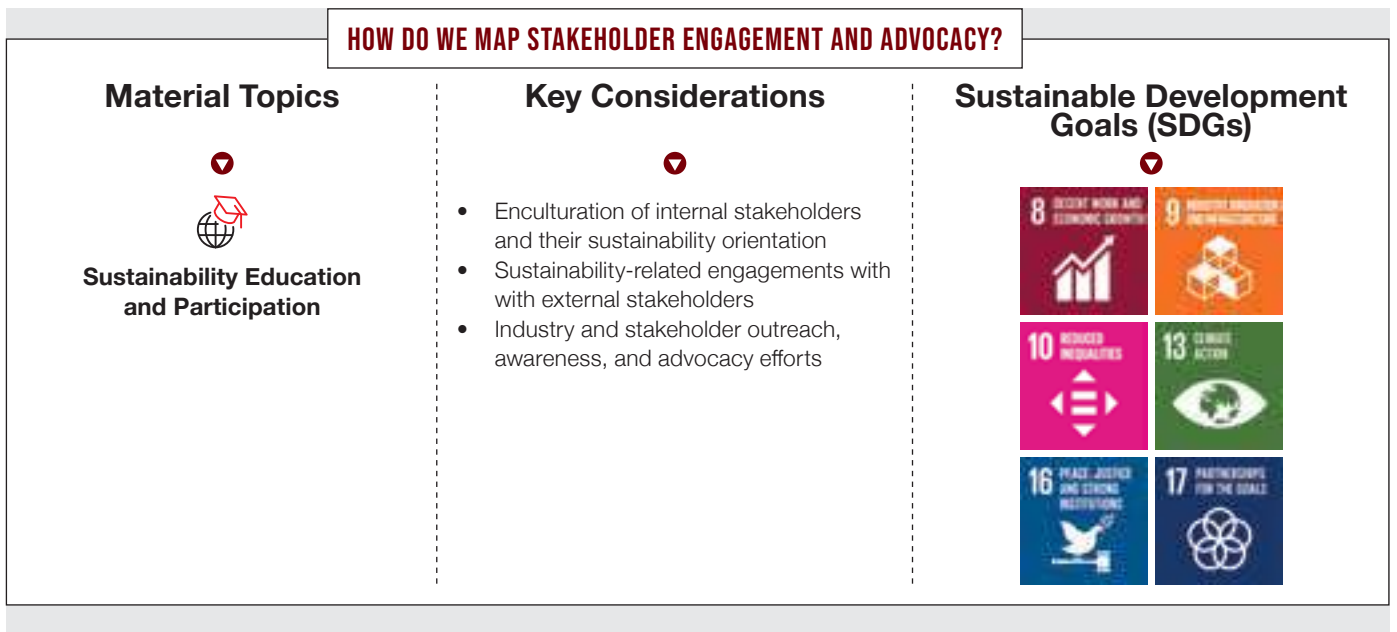
**By end 2019, the team saw a 47% reduction in outstanding reconciliation items, implemented SOPs and have now embarked on building an automated reconciliation process.**

# > STAKEHOLDER ENGAGEMENT AND ADVOCACY



**Systematic engagement is fundamental to understanding stakeholders' needs, while advocacy creates consensus and an ecosystem of support and change.** While it is critical to analyse, understand and respond to the evolving expectations, needs, and issues of the priority stakeholders, it is equally important to reach-out to our employees, peers, clients, policymakers, regulators, as well as the government to advocate principles and programmes that will positively contribute to greater impact. The primary objective however for all engagement should be to not just raise awareness, but to mobilise support for enabling meaningful actions towards sustainable development.

At CIMB, over the past one year, we have invested our resources and time to first raise our level of engagement with internal stakeholders across the Group, mainly to orientate our employees in different functions on sustainability, sustainable finance, and sustainable development. We also extended our engagement efforts to include important stakeholders outside the organisation, initiating dialogue and deliberations with suppliers, clients, regulators, industry associations, government officials and business leaders on catalysing growth with responsibility towards our environment as well as our people.



## SUSTAINABILITY EDUCATION AND PARTICIPATION

**Sustainability requires buy-in from all stakeholders for it to become a reality. Sustainability is an exercise in cultural transformation that comes with the necessary mindset shift of our partners and people. Sustainability education and participation are important to move us progressively from awareness to internalisation and action.**

With our commitment to positively manage and deliver economic, environmental and social (EES) impacts, it is extremely critical for our network of stakeholders, including employees, partners, suppliers, media, among others to understand and appreciate the importance of sustainable banking practices for creating a better future. **As markets mature, stakeholders will be under pressure to not just 'know' but to also 'do' in terms of concrete action, enabling organisations to contribute to a sustainable planet and society.** It is important that we continuously inspire and motivate them to collaborate with us to deliver our sustainability roadmap, and to advance sustainable development as a whole.

### OUR RESPONSE

> Inspire greater buy-in and participation among various stakeholders to influence sustainable behaviour and practices

#### Key Indicators

Number of employees trained/briefed on sustainability issues

**2,268**

CIMB Sustainability Champions

**189**

Industry peers and financial institutions engaged on sustainability

**22**

National and international working groups where CIMB is represented

**7**

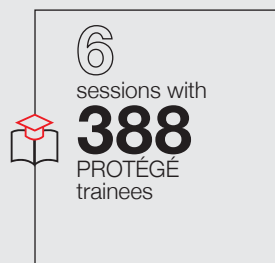
## WHAT DID WE DO?

### STRENGTHENED INTERNAL CAPABILITY ON SUSTAINABILITY



#### > Sustainability Awareness

In 2019, Group Sustainability conducted 39 awareness briefing sessions on sustainability for more than 1,680 employees and Protégé graduates. These interactive sessions cover what sustainability means to CIMB and how they can be part of the action.



In addition to the above, a group of 189 Sustainability Champions from across CIMB Group, which was formed in 2018, actively share ideas and discuss sustainability issues that are close to their daily lives in a personal and professional context. **The group proved to be both effective and efficient in orientating CIMBians on sustainability, global trends and challenges, local developments, and CIMB's own sustainability programmes and initiatives.** For instance, Baida Jane Hercus from Free Tree Society was invited share her insights on 'Climate Reality: The Largest Global Threat to Our Economy, the Science, Impact and Solutions' with our Sustainability Champions group.



#### > CIMB ACTS

'Advancing CIMBians Towards Sustainability' or ACTS is a programme that empowers CIMBians to champion simple and impactful sustainability initiatives, or what we call Missions. The objective is also to raise awareness, inspire behavioural change and mobilise support in driving the sustainability agenda at our workplace and beyond. **In the long run, the aspiration for these champions is to participate in advocacy efforts of the industry and in their own circles of influence.** The CIMB ACTS Programme Team assumes the role of coaches, facilitators, and supporters of ACTS Missions to ensure the initiatives are impactful and executed successfully. Most Missions have pre-agreed impact metrics, which are tracked to ascertain Mission success.

Starting in Malaysia and Indonesia, a total of 11 Mission ideas were submitted, of which three Missions, involving e-waste collection and reduction of single-use plastic were successfully completed. For more information about the Missions, refer to page 30 of this report.



#### > Sustainable Finance Capacity Building

In our efforts to raise awareness and build technical capacity in various areas of sustainability and sustainable finance, **we conducted 38 training sessions to 975 employees in Malaysia and Indonesia. These included role-based training sessions for 560 risk officers and relationship managers in Malaysia.** Targeted at Corporate and Commercial Banking, our modules covered application of the Group Sustainability Policy and the Group Sustainable Financing Policy; local, regional and international case studies; sector guides; as well as their role in helping clients to understand, identify and manage their social and environmental risks.

In addition, we continued to engage our Board of Directors and employees through other sustainability-related training sessions including:

- Regional training for Board of Directors on social and environmental risks and opportunities as well as legal risks arising from environmental issues
- Renewable energy workshop for risk managers and risk officers conducted by the Sustainable Energy Development Authority (SEDA)
- Sustainable finance workshops covering examples of innovative financing mechanisms and related laws and regulations on green financing
- Sustainable finance workshop by WWF and RAM on managing climate risks and opportunities based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- UNEP FI online courses on environmental and social risk assessment and TCFD
- Briefing sessions with relationship managers on new sector guides under the Group Sustainable Financing Policy

In 2020, we will be launching sustainability training for all employees via e-learning and conducting workshops for the Board of Directors, senior management and employees.



Southern region role-based training for risk officers and Commercial Banking relationship managers.

#### Stakeholders Engaged



CIMB Board of Directors and Employees from various business units and functions

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INAUGURATED THE COOLER EARTH SUSTAINABILITY SUMMIT



In collaboration with our knowledge partners, WWF and Impacto, **The Cooler Earth Sustainability Summit** was held from 1-2 October 2019 at Kuala Lumpur Convention Centre. The summit is CIMB’s platform to inspire business leaders, financiers, investors, policy- and decision- makers to change the paradigm of business and finance, and our way of life.

With more than 1,200 participants from various industries, including civil society, sustainability practitioners and experts, policy-makers and government, the summit was a success. **We have accomplished our main intent, which was to bring together industry stalwarts, thought leaders, shapers and movers to dialogue for definitive action on sustainability.**

554 business organisations, 35 representatives from regulatory authorities, including 148 government officials, joined us to deliberate on some of the sustainability adoption and implementation challenges faced by businesses. Rich insights and potential opportunities for partnership and long-term value creation emerged from the conversations. **One key outcome was the institutionalisation of an action network of CEOs from key industries which will take shape in 2020. The network will endeavour to influence policy, mobilise support, inspire action, and deliver positive impact across the board.** The objective is to create an ecosystem where organisations accelerate as responsible businesses and as a force for greater good for the planet and its people.

A key area where we received positive feedback was in providing a meaningful and high-profile action-oriented platform for the less-known and visible actors of the industry. These players can be instrumental in facilitating knowledge, skills, and a cooperative regime that will help build a larger pool of sustainable businesses.

**Under our CIMB Foundation umbrella, we committed to explore partnerships with environmental and social NGOs for implementation of high-impact conservation and community projects.** An NGO Luncheon was organised in a speed-dating format in the presence of leading local and regional foundations and funders during the summit. A total of 12 NGOs championing various social and environmental causes pitched their impact proposals to six foundations and funders, resulting in preliminary expression of interest for eight potential funding relationships to support selected environmental and social causes.

About **325** sustainability practitioners across **15** major industries attended our masterclasses during the summit:

- Understanding, Navigating and Adopting the Right Standards and Benchmarks
- Building a Business Case and Planning Your Sustainability Journey
- Embarking on Sustainable Finance
- Sustainability Tools and Resources for Environmental and Social Risk Management
- Operationalising Sustainability: From the What to the How

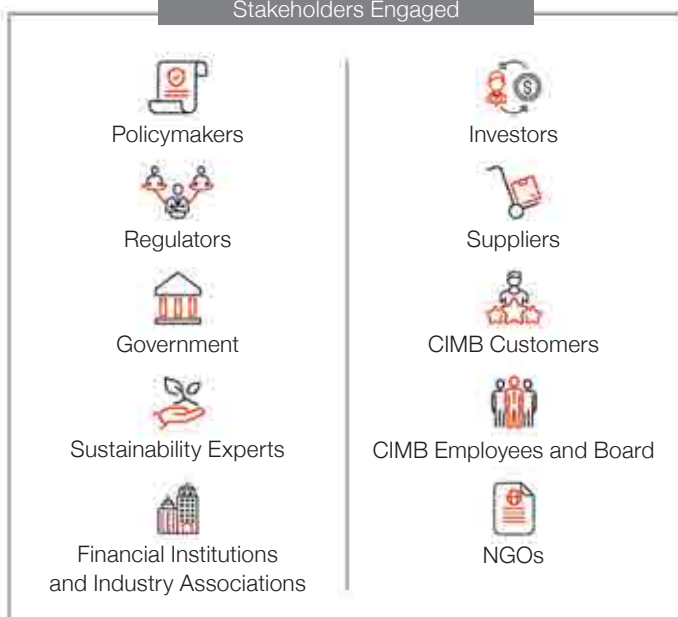


We are now exploring the possibility of institutionalising The Cooler Earth Sustainability Summit as an annual event, committed to continue the dialogue for action. Write to us at [sustainabilityevents@cimb.com](mailto:sustainabilityevents@cimb.com) if you are one of the willing partners who would like to join us in our mission to make businesses a force for good.

**Guests of The Cooler Earth Sustainability Summit pledging their support to their chosen SDG**



Stakeholders Engaged



For more information on The Cooler Earth Sustainability Summit, visit these links;

Website



<https://coolerearth.cimb.com/>

Video



<https://youtu.be/mBavZ3Numtg>



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CHAMPIONED INDUSTRY AWARENESS






> Driving Awareness and Inspiring Action

While CIMB has embarked on its sustainability mission, we seek opportunities to engage with market players, including our clients, industry associations, regulators, influencers, watchdog groups, and civil society, among others.

**The main objective of these engagements is to share local, regional and global perspectives on the business case for sustainability. In the process, we also shared various challenges that we had to overcome in embedding sustainability as part of our mid-term and long-term business strategies. The idea is to facilitate meaningful dialogue and inspire sustainability action and leadership, helping the industry evolve, and leaving no one behind.**

In 2019, we organised and participated in various platforms targeting diverse groups of stakeholders across Malaysia, Indonesia, Singapore, Thailand, Cambodia and Vietnam.

During our engagements, some of the critical areas that we highlighted and deliberated in the discussions included the following:








 <p><b>Principles for Responsible Banking</b></p> <p><i>Banking for the Future</i></p>	 <p><b>Value-based Intermediation</b></p> <p><i>Islamic Banking and Sustainability</i></p>	 <p><b>Sustainable Finance and Solutions</b></p> <p><i>Readiness, Preparedness, Competitiveness</i></p>	 <p><b>Task Force on Climate-related Financial Disclosures</b></p> <p><i>Climate Emergency: Risks and Opportunities</i></p>	 <p><b>Energy Crisis and the Future of Energy</b></p> <p><i>Renewable Energy Solutions</i></p>	 <p><b>Trade and Standards for Sustainability</b></p> <p><i>Market Access and Business Advantage for SMEs</i></p>	 <p><b>CIMB's Sustainability Roadmap 2023</b></p> <p><i>Business Case, Challenges, Opportunities, Strategies &amp; Approaches, Programmes &amp; Initiatives</i></p>
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**CIMB participated in the "Shine a Light on Sustainability and Rock The Goals", Malaysia's biggest United Nations concert organised by the Sunway Education Group.** The event was attended by over a thousand young people from all across the Klang Valley and aimed at raising awareness on the 17 SDGs whilst providing a platform for young musicians to celebrate their skills. CIMB was an exhibitor at the event, raising awareness on how everyone can contribute to the goals.

Dato' Hamidah Naziadin, CEO, CIMB Foundation presenting her SDG pledge at the Shine a Light on Sustainability & Rock The Goals 2019 Concert.

Some of the stakeholders engaged in 2019 are as follows:

Industry Bodies 	Banks 	NGOs 
ASEAN Bankers Association (ABA)	Affin Bank	Bukit Bintang Foundation
Asia Sustainable Finance Initiative (ASFI)	Agrobank	CDP
Association of Banks in Malaysia (ABM)	Alliance Bank	Centre for Social Research and Women Development (CSRWD)
Indonesia Sustainable Finance Association (IKBI)	AmBank	Circular Economy Club
The Association of Banks in Cambodia (ABC)	Bank Islam	Enterprise Asia
The Association of Islamic Banking Institutions Malaysia (AIBIM)	Bank Muamalat	Environmental Management & Research Association of Malaysia (ENSEARCH)
Lead Institutions 	Citibank	Environmental Protection Society Malaysia (EPSM)
Asia Pacific Loan Market Association (APLMA)	DBS Bank	Free Tree Society
International Finance Corporation (IFC)	DNB ASA	Impact Hub City Kuala Lumpur
United Nations Environment Programme Finance Initiative (UNEP FI)	Hong Leong Bank	International Federation of Red Cross and Red Crescent Societies (IFRC)
World Bank	HSBC	Kudat Turtle Conservation Society (KTCS)
Government and Regulators 	KFH	Lang Tengah Turtle Watch (LLTW)
Bank Negara Malaysia (BNM)	Maybank	Malaysian Youth Delegation (MYD)
Bursa Malaysia Berhad	MBSB Bank	Rimba Research
Malaysia External Trade Development Corporation (MATRADE)	MUFG Bank	Social Innovation Movement
Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC)	OCBC Bank	Taman Tugu Project
Ministry of International Trade & Investment (MITI)	Public Bank	Third World Network (TWN)
Securities Commission of Malaysia (SC)	RHB	Tropical Rainforest Conservation and Research Centre (TRCRC)
Sustainable Energy Development Authority Malaysia (SEDA)	Société Générale	UN Global Compact Network
Institutional Investors 	Standard Chartered	Wadah Percerdasan Umat Malaysia (WADAH)
BMO Global Asset Management	UOB	Waste Management Association of Malaysia (WMAM)
Employees Provident Fund (EPF)	Corporations 	Women of Will
Khazanah Nasional Berhad	Caring Pharmacy	World Wide Fund for Nature (WWF)
Kommunal Landspensjonskasse (KLP)	Digi Telecommunications	Yayasan Hasanah
Kumpulan Wang Persaraan (Diperbadankan) (KWAP)	Dutch Lady	
Norges Bank Investment Management	EcoWorld	
Permodalan Nasional Berhad (PNB)	Google	
Sumitomo Mitsui	IJM	
	Petronas	
	PwC	
	Ricoh	
	Sarawak Energy Berhad	
	Sime Darby Berhad	
	Star Media	
	Sunway Education Group	
	Unilever	

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In 2019, CIMB led and/or participated in more than 20 strategic deliberations and discussions across ASEAN on the Principles for Responsible Banking, Sustainable Investments and Finance, and CIMB’s sustainability journey. Some of the key platforms and forums are featured below:



- > CIMB hosted a **Responsible Banking and Networking Session** to raise awareness on sustainability and to encourage other financial institutions in Malaysia to appreciate and subscribe to the Principles for Responsible Banking. Organised in partnership with **UNEP FI** and **WWF**, the event received support from local banking associations, with more than 70 participants, including leading banks such as Maybank, Public Bank, RHB and AmBank among others.
  - > CIMB Islamic, in partnership with the RFI Foundation (a think tank for responsible finance), hosted a **roundtable with Malaysian institutional investors** to discuss ways to engage the banking industry, which needs to appreciate the impact of environmental and social risks on financial institutions' bottom lines. Among others, representatives from **World Bank, PNB, EPF, KWAP** and **Khazanah** were present to discuss the unique challenges and opportunities that asset owners and financial institutions have in approaching sustainable investment and lending.
  - > CIMB presented an insightful presentation as part of the **Panel on 'Sustainability and Finance in Transition towards a Low-Carbon Economy'**. The panel discussion was part of **Sarawak Energy's** inaugural Sustainability and Renewable Energy Forum, which also witnessed the historic launch of the Renewable Energy Certificate.
- 
- > CIMB delivered an awareness session at the **Consultation Workshop on Principles for Responsible Banking**, organised by **State Bank of Vietnam** and **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**. During the session, we shared insights and our motivation for integrating sustainability into our core strategy.
  - > CIMB participated in a **High-level Roundtable** organised by **RFI Foundation** and **Global Islamic Economy Summit** (the world's largest and most comprehensive forum dedicated to the Islamic economy). Hosted by **Bank Negara Malaysia**, the roundtable brought together Islamic finance practitioners and key stakeholders to deliberate on the convergence between responsible and sustainable finance and Islamic finance, and on improving their economic, social and environmental impact.
  - > CIMB, representing the private sector, actively participated in a **Roundtable Discussion on Sustainable and Responsible Business and Investment (SRBI)** in Malaysia. Ahead of APEC 2020 in Malaysia, the discussion was facilitated by the **Ministry of International Trade and Investment (MITI), the Malaysian APEC Study Centre (MASC), and Institute of Malaysian and International Studies (IKMAS)**. The Roundtable was primarily a platform to solicit views and ideas from various stakeholders, including regulators, businesses, civil society organisations and SMEs on the implementation of sustainable and responsible business and investment in Malaysia and APEC economies.
  - > CIMB shared its sustainability journey at a mini **Knowledge Sharing Session** organised by **PETRONAS** - Malaysia's fully integrated oil and gas company. The event was attended by Heads of downstream subsidiaries such as PETRONAS Chemicals, PETRONAS Dagangan, and invitees from PETRONAS Upstream fraternity such as PETRONAS Carigali.
  - > CIMB delivered a **Presentation on "Finance for a Better Tomorrow – CIMB's Sustainability Journey and How the Banking Industry can Play a Part in Financing Change"** at the Sustainable Brands Conference 2019.

> CIMB shared a presentation on “**The Importance of Sustainability – Risks and Opportunities to Businesses**”, at the sustainability-themed annual dinner of the Young Presidents Organisation (YPO). CIMB also offered sponsorship for this event, attended by 30 YPO members from Malaysia.

> CIMB participated in the **Sustainable Finance Workshop** convened by the **Bank of Thailand** and facilitated by the **WWF** South East Asia Sustainable Finance team. The conference addressed wide-ranging issues such as international regulatory developments and investor expectations on sustainable banking.

### SHARING KNOWLEDGE AND EXPERIENCE THROUGH MEMBERSHIPS






CIMB Group continued to actively participate in various initiatives led by industry associations, financial industry bodies and apex institutions. **The key objective is to share best practices, transfer knowledge and technical skills, and collaborate with peers to deliberate on common challenges and future solutions.** Beyond contributory/professional fees, we proactively champion specific issues, facilitate meaningful dialogue and influence industry action.

#### Among other active contributions during the year, CIMB participated in the Malaysian Green Financing Taskforce (MGFT).

The Securities Commission was appointed by MESTECC to form the MGFT, mainly to devise a game plan for mobilising private sector support as well as funds for green projects. CIMB nominated two of its senior management members to represent the Association of Islamic Banking Institutions Malaysia (AIBIM) and the Malaysian Investment Banking Association (MIBA) on the taskforce.

**CIMB Islamic partnered with RFI Foundation, as its member, to develop three insightful publications mainly to drive industry awareness and adoption and sustainability.** These include CIMB Group and CIMB Islamic Sustainability Case Study published on RFI’s website\*, CIMB Islamic Sustainability Article published in the Refinitiv-RFI Foundation report, released during the RFI Summit 2019 in Abu Dhabi.

#### > Membership Organisations (GRI 102-13)

 MALAYSIA (Group)	 INDONESIA	 SINGAPORE	 THAILAND	 CAMBODIA
APEC Business Advisory Council (ABAC)	Asosiasi Emiten Indonesia (AEI)	ACI Singapore – The Financial Markets Association	Association of International Banks (AIB)	Association of Banks in Cambodia (ABC)
Asian Institute of Chartered Bankers (AICB)	Asosiasi Pengusaha Indonesia (APINDO)	Association of Banks in Singapore (ABS)	Board of Trade of Thailand	Cambodian Sustainable Finance Initiative (CSFI)
Association of Banks in Malaysia (ABM)	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	Association of Energy and Commodities of Singapore	Securities and Exchange Commission (SEC)	Malaysian Business Council of Cambodia (MBCC)
Association of Islamic Banking Institutions Malaysia (AIBIM)	Kamar Dagang Indonesia (KADIN)	Institute of Banking & Finance (IBF)	Stock Exchange of Thailand (SET)	
Global Investors for Sustainable Development (GISD) Alliance	Kustodian Sentral Efek Indonesia (KSEI)		Thai Bankers' Association (TBA)	
Islamic Financial Services Board (IFSB)	Lembaga Alternatif Penyelesaian Sengketa Perbankan Indonesia (LAPSPI)		Thai Chamber of Commerce	
Malaysian Investment Banking Association (MIBA)	Perhimpunan Bank Umum Nasional (PERBANAS)		Thai Listed Companies Association (TLCA)	
RFI Foundation				
United Nations Environment Programme Finance Initiative				

\* [http://www.rfi-foundation.org/main/membership#statement\\_of\\_intent](http://www.rfi-foundation.org/main/membership#statement_of_intent)

value creation

**COMMITTED TO GLOBAL & LOCAL PARTNERSHIPS FOR IMPACT**

> **Bank Negara Malaysia’s Value-based Intermediation (VBI)**

BNM defines VBI as an intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with shareholders’ sustainable returns and long-term interests. CIMB Islamic became one of the key founding members of Bank Negara Malaysia (BNM)’s Community of Practitioners (CoP) for VBI in 2017. **We support VBI’s emphasis on the minimisation and prevention of negative impact arising from the banking industry’s practices, conduct and offerings.**

Throughout the subsequent two years, **we worked to develop VBI together with the central bank to contextualise and drive sustainability within Islamic financial institutions in Malaysia.** In November 2019, BNM concluded their public consultation for VBI and released the Value-based Intermediation Financing and Investment Impact Assessment Framework – Guidance Document. This guidance document is aimed at facilitating the implementation of an impact-based risk management system for assessing financing and investment activities.

> **Bank Negara Malaysia’s VBI Sectoral Guidance Working Groups**

We are also part of BNM’s VBI Sectoral Guidance Working sub-group for Energy Efficiency (EE) and are a key contributor to the development of the EE sectoral guidance document. Other working sub-groups are also in the process of developing sectoral guidance for the Palm Oil and Renewable Energy sectors, where we are in the process of providing feedback. The purpose of these documents is to provide guidance to financial institutions on implementing impact-based assessments in these sectors.

> **Bank Negara Malaysia’s Joint Committee on Climate Change**

We play an active role in BNM’s Joint Committee on Climate Change (JC3). The JC3 is intended to pursue collective actions for building climate resilience within the Malaysian financial sector. The JC3 is guided by the following three mandates:

- Capacity building through knowledge, sharing of expertise and best practices
- Identification of issues and challenges faced by the financial sector in managing the transition towards a low-carbon economy
- Facilitating collaboration between stakeholders

**CIMB is actively involved in all the four sub-committees of JC3:**

- Risk Management
- Governance & Disclosure
- Product & Innovation
- Engagement & Capacity Building

Inputs and insights gathered through JC3 will be considered when shaping sustainability policies and guidance by Bank Negara Malaysia and Securities Commission Malaysia.

> **United Nations Environment Programme Finance Initiative (UNEP FI)**

We are a founding member and the first ASEAN signatory to the UNEP FI Principles for Responsible Banking (PRB). Part of our commitment is to also mobilise and influence our networks, including clients, industry bodies, peers, regulators and policy makers to understand the PRB and their application in banking. **During the year, we partnered with UNEP FI to deliver a number of high-impact initiatives and industry engagement activities.**

Aside from being a member of the PRB Core Group, CIMB is also an active member of the Collective Commitment for Climate Action, and the TCFD Pilot (Phase 2) working groups.

> **Global Investors for Sustainable Development Alliance**

On 16 October 2019, **CIMB Group CEO, Tengku Zafrul Aziz was officially recognised by the UN as one of 30 influential leaders from the corporate world to be invited to join the Global Investors for Sustainable Development (GISD) Alliance.** Convened by Secretary-General António Guterres, and co-chaired by Oliver Bäte, CEO of Allianz, and Leila Fourie, CEO of the Johannesburg Stock Exchange, the global leaders will work together over the next two years to free up trillions of dollars from the private sector to finance SDGs.

The GISD Alliance aims to use their expertise, influence and business acumen to stimulate long-term investment in development, and accelerate progress towards achieving the SDGs. In the next two years, the alliance will focus on the following:

- Deliver solutions to unlock long-term finance and investment in sustainable development both at company and system-wide levels
- Mobilise additional resources for countries and sectors most in need
- Find ways to increase the positive impact of business activities
- Align business practices with the 2030 Agenda for Sustainable Development





### Global Investors for Sustainable Development (GISD) Alliance

The GISD Alliance is a group of high-powered business leaders from all over the world who have responded to the Secretary-General's invitation to come together to provide decisive leadership in mobilising resources for sustainable development.

- The Alliance is comprised of 30 recognised leaders of major financial institutions and corporations spanning all regions of the world.
- The Alliance will work on aligning business operations, finance and investment with the 2030 Agenda for Sustainable Development.
- The cross-sector grouping of the Alliance reflects the fact that the supply of finance and investment by a diverse range of players is ultimately interconnected. For example, there has been an expanding role of financial actors in corporate decision-making and ownership, as well as an increase in financial activities of non-financial corporations.

The business leaders in GISD recognise the inherent value of taking a long-term approach to investment decisions and that this can be best achieved if competing businesses come together to address the impediments. They also accept that the continued success of their businesses is inseparable from the underlying economic, environmental, social and governance conditions that support a well-functioning global economy. The Alliance has a two-year timeline – from October 2019 to October 2021. A Strategy Group appointed by the CEOs will facilitate solutions relating to:

- increasing the available supply of long-term investment for sustainable development;
- realising SDG investment opportunities in developing countries; and
- enhancing the impact of private investment on sustainable development.

GISD's work will be supported by United Nations system partners (the Department of Economic and Social Affairs, UNCTAD, Global Compact, Principles for Responsible Investment, UNEP FI, UNDP, UNCDF and the Regional Commissions) and others like the World Bank Group.

*Source: GISD Booklet published by the Swedish International Development Cooperation Agency*



Our Head of Sustainability, Luanne Sieh, delivered an awareness session at the Consultation Workshop on Principles for Responsible Banking, organised by State Bank of Vietnam and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.



# performance data

## CUSTOMERS

### ACCESS TO FINANCIAL SERVICES

#### > Number of Branches, Self Service Terminals and Customers

	Malaysia <sup>1</sup>		Indonesia <sup>2</sup>		Singapore <sup>3</sup>		Thailand <sup>4</sup>		Cambodia <sup>5</sup>		Philippines <sup>1</sup>	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Number of Branches	259	234	430	376	2	2	85	69	13	14		1
Number of Self Service Terminals												
Automated Teller Machines (ATM)	1,933	1,824	4,500	4,500	6	6	123	98	31	37	Established on 3 <sup>rd</sup> Dec 2018	-
Cash Deposit Machines (CDM) and Others	1,486	1,426	1,115	1,098	-	-			20	21		2
Number of Customers (Consumer) (million)	8.1	8.2	5.0	4.7	0.3	0.3	0.6	0.5	0.03	0.04		

1. Branches (excluding Bureau de Change, Trade Service Centres and Trade Desks)
2. Branches (excluding Micro, cash counters and payment points, Payment & Cash Centres, Mobile Cash Vans, Trade Service Centres)
3. Branches (excluding Private Banking and Trade Service Centres)
4. Branches (excluding FX Booths, Private Banking and Trade Service Centres). ATM includes passbook update & cash deposit
5. Branches (excluding Trade Service Centres)

#### > Number of Digital Banking Users

Number of Users (Million)	Malaysia <sup>1</sup>		Indonesia	
	2018	2019	2018	2019
CIMB Clicks	3.2	3.3	1.7	1.9
Mobile App	1.9	2.0	2.2	2.6

1. Number of active users

### CUSTOMER EXPERIENCE

#### > Net Promoter Score

	2018	2019
Net Promoter Score ranking in Malaysia, Indonesia, Singapore, Thailand (MIST) - General Retail Banking	Top 35%	Top 48%*

\*This data was assured by KPMG. Please refer to Assurance Statement on pg 146 - 148

1. Refer to page 59 of this report for further details on our Net Promoter Score performance
2. The Indicator is calculated based on a weighted average of the NPS ranking in MIST countries, based on operating income in General Retail Banking

## EMPLOYEES

### EMPLOYMENT

#### > Number of Employees, by Country

Country	2017	2018	2019
Malaysia	16,699	16,743	15,820
Indonesia	14,168	13,358	13,281
Thailand	4,443	4,133	4,042
Singapore	1,609	1,234	1,282
Cambodia	311	347	405
Vietnam	87	152	149
Others	280	137	286
<b>Total</b>	<b>37,597</b>	<b>36,104</b>	<b>35,265</b>

#### > Number of Employees, by Job Category

Job Category	2017		2018		2019		Total
	Male	Female	Male	Female	Male	Female	
Non-Management	4,455 (47.4%)	4,941 (52.6%)	3,601 (46.0%)	4,278 (54.0%)	3,049 (44.5%)	3,798 (55.5%)	6,847
Junior Management	9,234 (41.1%)	13,245 (58.9%)	9,072 (40.0%)	13,417 (60.0%)	9,245 (40.9%)	13,334 (59.1%)	22,579
Middle Management	2,231 (52.0%)	2,056 (48.0%)	2,203 (52.0%)	2,043 (48.0%)	2,200 (50.9%)	2,120 (49.1%)	4,320
Senior Management	872 (58.2%)	625 (41.8%)	791 (56.0%)	624 (44.0%)	809 (56.1%)	633 (43.9%)	1,442
Key Management	56 (73.7%)	20 (26.3%)	57 (76.0%)	18 (24.0%)	58 (75.3%)	19 (24.7%)	77
<b>Total</b>	<b>16,848</b>	<b>20,887</b>	<b>15,724</b>	<b>20,380</b>	<b>15,361</b>	<b>19,904</b>	<b>35,265</b>

### NEW HIRES

(GRI 401-1)

#### > Rate of New Employee Hires (Malaysia, Indonesia, Singapore, Thailand and Others)

Rate of New Employee Hires	2018	2019
Overall	16.9%	17.6%
Male	8.0%	8.8%
Female	8.8%	8.9%

performance data

> Number and Rate of New Employee Hires, by Age Group (Malaysia, Indonesia, Singapore, Thailand and Others)

Age Group	2016	2017	2018	2019
Ages <30	3,848	3,208	3,432 (9.5%)	3,527 (9.8%)
Ages 30-50	1,995	2,158	2,590 (7.2%)	2,759 (7.6%)
Ages >50	68	77	70 (0.2%)	89 (0.2%)

EMPLOYEE TURNOVER

(GRI 401-1)

> Rate of Employee Turnover, by Country

Country	2016	2017	2018	2019
Malaysia	14.9%	12.4%	9.0%	8.9%
Indonesia	20.1%	22.9%	10.2%	10.4%
Singapore	18.7%	23.2%	23.2%	19.6%
Thailand	18.8%	17.1%	16.4%	15.7%
Others	30.8%	26.3%	15.8%	15.3%

> Number of Employee Turnover, by Gender (Malaysia, Indonesia, Singapore, Thailand and Others)

Number of Employee Turnover	2016	2017	2018	2019
Total	7,097	6,785	5,719	3,066
Male	3,689	3,623	2,886	1,402
Female	3,408	3,162	2,833	1,664

> Number of Employee Turnover, by Age Group (Malaysia, Indonesia, Singapore, Thailand and Others)

Age Group	2016	2017	2018	2019
Ages <30	2,969	2,716	2,211	1,096
Ages 30-50	3,529	3,630	3,032	1,530
Ages >50	599	436	476	440

PERSON WITH DISABILITIES (PWD) WORKFORCE

	2016	2017	2018	2019
Hired Workforce	10 <sup>1</sup>	14 <sup>1</sup>	14 <sup>1</sup>	49 <sup>2</sup>

1. Malaysia only

2. Malaysia, Indonesia and Thailand. There were no PWD in Singapore

## TRAINING

(GRI 404-1)

### > Training Hours and Investment (Malaysia, Indonesia, Singapore, Thailand and Cambodia)

	2017	2018	2019
Training Hours (million hours)	1.8	2.4	3.0

### > Average Training Hours, by Job Category (Malaysia, Indonesia, Singapore, Thailand and Cambodia)

Job Category	2017	2018	2019	2017	2018	2019
	Male			Female		
Non-Management	44.7	22.0	42.0	32.3	34.4	61.0
Junior Management	59.8	39.0	79.0	61.9	40.3	77.0
Middle Management	58.4	43.4	69.0	56.8	46.2	68.0
Senior Management	53.1	49.3	52.0	52.2	52.6	55.0
Key Management	52.6	27.9	44.0	46.3	29.0	40.0

### > Average Training Hours, by Gender (Malaysia, Indonesia, Singapore, Thailand and Cambodia)

	2018		2019	
	Male	Female	Male	Female
Average Training Hours	36.3	40.0	68.7	72.3

### > Employees Trained/Briefed (Excluding e-learning) on Sustainability Issues\*

Country	2019
Malaysia	1,736
Indonesia	447
Singapore	85
<b>Total</b>	<b>2,268</b>

Includes both awareness and capability building sessions on sustainability for employees

\* This data was assured by KPMG. Please refer to Assurance Statement on pg 146 - 148

### > Ratio of Remuneration Between Male and Female Employees

Job Category	2017	2018	2019 <sup>1</sup>
Non-Management	1.10	1.00	1.11
Junior Management	0.97	0.98	1.02
Middle Management	0.94	0.93	0.93
Senior Management	0.90	0.89	0.89
Key Management	1.03	0.94	0.80

1. Data is based on basic salaries only as at December 2019 payroll

2. Data is based on Malaysian staff, employed in Malaysian entities (excludes iCIMB, TnG)

3. Men average indexed to 1; and women average taken as proportion to Men's average

performance data

> Compulsory E-learning (Malaysia)

(GRI 206-2)

Course Title	Compliance Frequency	Percentage of Staff Completed	
		2018	2019
Anti-Money Laundering / Counter Financing of Terrorism (AMLA/CFT)	Annual	99.5	99.1
Financial Services Act / Islamic Financial Services Act (FSA/IFSA)	Half-yearly	97.4	97.9
Business Continuity Management (BCM)	Every 2 years	99.4	–
Introduction to Customer Experience (CX)	One-off	99.9	99.9
Introduction to Competition Act 2010	Every 2 years	–	96.2
Data Protection	Annual	99.4	98.6
Information Security Awareness	Annual	99.1	98.4
Shariah Governance Framework	One-off	99.8	99.9
Risk Appetite Principles	One-off	99.9	99.9
Operational Risk Management	One-off	119	99.8

HEALTH, SAFETY AND WELL-BEING

> Occupational Safety and Health Indicators (Malaysia)

Indicators	2015	2016	2017	2018	2019
Accident with fatality	0	0	0	0	0
Accident with lost work days	2	2	2	2	2
Accident without lost work days	3	0	0	2	0
Total number of accidents <sup>1</sup>	5	2	2	4	2
Total work days lost <sup>2</sup>	8	42	75	4	10
Fatality rate	0	0	0	0	0
Number of safety and health training sessions	26	26	12	15	18
Number of employees trained on safety and health	396	402	426	370	430*

1. Injuries include minor (first-aid) injuries

2. Lost day is calculated from the first day of sick leave

\* This data was assured by KPMG. Please refer to Assurance Statement on pg 146 – 148

> Enriching Employee Policies / Work-Life Benefits and Their Take-Up Rates (Malaysia)

Initiatives	2017	2018	2019
Staff Rejuvenation Programme	131	104	83
Medical Leave without Medical Certificate	N/A	3,630	2,332
Financial Assistance for Staff with Special Needs Children	N/A	125	135
Financial Support for Single Parents	34	5	29
0% Housing Loan	122	90	293
Special Allowances	N/A	1,372	885
Flex4All	84	222	309
Reduced Work Week	2	4	5
Flex4CSR	1	2	2
Extended Maternity Leave	N/A	N/A	133
Paternity Leave	42	120	90
Flex4Moms	N/A	40	35
Child Care Subsidy	N/A	4,174	3,845

N/A: Not applicable as benefit was not available, or introduced late in the year.

## SUPPLIERS

### SUPPLIERS INDICATORS

#### > Number of Suppliers and Spend

Malaysia	2017	2018	2019
Total number of suppliers	4,189	655	819
Local suppliers	354 (74%)	477 (73%)	723 (88%)*
Foreign suppliers	127 (26%)	178 (27%)	96 (12%)
Total spend (RM)	Not available	1.2 billion	0.9 billion

Indonesia	2017	2018	2019
Total number of suppliers	421	425	435
Local suppliers	395 (94%)	400 (94%)	420 (97%)
Foreign suppliers	26 (6%)	25 (6%)	15 (3%)

\*This data was assured by KPMG. Please refer to Assurance Statement on pg 146 – 148

## COMMUNITY

### CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTION

#### > Contribution, by Country (RM'000)

Country	2017	2018	2019
Malaysia	10,462	38,171	38,228
Indonesia	2,667	2,289	4,748
Singapore	7	1,074	1,677
Thailand	571	698	1,055
Others	–	50	138
<b>Total</b>	<b>13,707</b>	<b>42,282</b>	<b>45,846</b>

#### > Contribution breakdown (RM'000)

Entity	2017	2018	2019
CIMB Foundation	7,592	21,629	21,902
Non-CIMB Foundation <sup>1</sup>	2,870	16,542	16,326
Regional <sup>2</sup>	3,245	4,111	7,618
<b>Total</b>	<b>13,707</b>	<b>42,282</b>	<b>45,846</b>

1. Contributions by entities in Malaysia that exclude CIMB Foundation.

2. Includes all countries outside of Malaysia



performance data

> Total Contribution by Programme (RM'000)

Programme	2017	2018	2019
Community Development	3,088	16,059	11,146
Sports	1,702	6,585	6,568
Education	4,601	10,142	11,093
Natural Disaster & General Donations/Others	4,316	9,496	17,039
<b>Total</b>	<b>13,707</b>	<b>42,282</b>	<b>45,846</b>

EMPLOYEE VOLUNTEERISM

> CIMB Foundation (Malaysia)

	2017	2018	2019
Total Employee Volunteers	3,769	2,734	1,170
Total Volunteer Hours	18,168	8,192	6,580
Average Volunteer Hours/Employee	4.8	3.0	5.6
Flex4CSR Take-Up Rate	1	2	2

ENVIRONMENT

GREENHOUSE GAS (GHG) EMISSIONS

> Organisational Boundary for 2019 (baseline)

We have set 2019 as the baseline year for Malaysia, Indonesia, Singapore and Thailand, and our methodology takes into account the following GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and hydrofluorocarbons (HFCs). Where relevant, CH<sub>4</sub> and HFCs were converted into CO<sub>2</sub> 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% emissions only from our operations where we have direct operational control.

For 2019, we have included Direct (Scope 1) GHG emissions and Energy Indirect (Scope 2) GHG emissions for Malaysia, Indonesia, Singapore and Thailand. For Other Indirect (Scope 3) GHG emissions, only emissions from purchased water was taken into account in the 2019 baseline calculation.

Properties Within the Operational Boundary for 2018 and 2019

Country	2018	2019
<b>Malaysia</b>	<ul style="list-style-type: none"> <li>• Menara Bumiputra Commerce</li> <li>• Menara CIMB</li> <li>• Menara Southern Bank</li> <li>• Akademi CIMB Putra</li> <li>• Menara UAB-CIMB</li> <li>• Bangunan CIMB</li> <li>• Wisma CIMB</li> <li>• 259 branches in Peninsular, Sabah, Sarawak and Labuan</li> </ul>	<ul style="list-style-type: none"> <li>• Menara Bumiputra Commerce</li> <li>• Menara CIMB</li> <li>• Menara Southern Bank</li> <li>• Akademi CIMB Putra</li> <li>• Menara UAB-CIMB</li> <li>• Bangunan CIMB</li> <li>• Wisma CIMB</li> <li>• 234 branches in Peninsular, Sabah, Sarawak and Labuan</li> </ul>
<b>Indonesia</b>	<ul style="list-style-type: none"> <li>• 121 buildings and branches</li> </ul>	<ul style="list-style-type: none"> <li>• 376 branches (covering 90% of overall operations in Indonesia)</li> </ul>
<b>Singapore</b>	<ul style="list-style-type: none"> <li>• Singapore Land Tower</li> </ul>	<ul style="list-style-type: none"> <li>• Singapore Land Tower</li> <li>• Park Hotel Orchard</li> <li>• Changi @ Plaza 8</li> </ul>
<b>Thailand</b>	<ul style="list-style-type: none"> <li>• CIMB Thai Langsuan Building</li> <li>• 5<sup>th</sup> &amp; 6<sup>th</sup> Floor ThaiSri</li> <li>• 21<sup>st</sup>, 26<sup>th</sup> &amp; 27<sup>th</sup> Floor Phyathai</li> <li>• 7<sup>th</sup> Floor Century Plaza</li> <li>• CIMB Thai DR site Suksawat Gen set 1 and 2</li> <li>• 74 Branches</li> </ul>	<ul style="list-style-type: none"> <li>• CIMB Thai Langsuan Building</li> <li>• 5<sup>th</sup> &amp; 6<sup>th</sup> Floor ThaiSri</li> <li>• 21<sup>st</sup>, 26<sup>th</sup> &amp; 27<sup>th</sup> Floor Phyathai</li> <li>• 7<sup>th</sup> Floor Century Plaza</li> <li>• CIMB Thai DR site Suksawat Gen set 1 and 2</li> <li>• 69 branches</li> </ul>

> **Total Energy Consumption (MWh)**

(GRI 302-1)

Type of Energy Consumption	2018	2019
Purchased Electricity	97,922.4	108,010.6 <sup>2</sup>
Fuel Consumption - Gen set	111.5	1,437.5 <sup>3</sup>
Fuel Consumption - Transportation <sup>1</sup>	4,391.3	16,482.1 <sup>4</sup>
<b>Total</b>	<b>102,425.1</b>	<b>125,930.3</b>

1. This covered diesel and petrol used in company-owned vehicles.

2. The increase was due to inclusion of additional buildings in Singapore and Indonesia into the boundary.

3. The increase was due to inclusion of gen sets in Indonesia, in addition to Malaysia, Singapore and Thailand originally.

4. The increase was due to expanded scope to cover GHG emissions generated from vehicles in Indonesia, alongside Malaysia, Singapore and Thailand originally.

> **Total GHG Emissions (tCO<sub>2</sub>e)**

Scope	2018	2019
Direct (Scope 1) GHG emissions	1,050.3	4,434.4 <sup>1</sup>
Energy Indirect (Scope 2) GHG emissions	65,712.2 <sup>2</sup>	73,377.5 <sup>3</sup>
Other Indirect (Scope 3) emissions	7.1	173.7 <sup>4</sup>
<b>Total</b>	<b>66,769.6</b>	<b>77,985.6</b>

**Note:**

1. There was an overall increase in Energy Direct (Scope 1) GHG emissions in 2019 due to inclusion of Indonesia and Singapore buildings into the boundary as well as inclusion of refrigerants (R22) used in Malaysia.

2. Restatement of data reported in CIMB Group Sustainability Report 2018 (page 65 – 66): The emissions for Energy Indirect (Scope 2) GHG emissions for 2018 was revised to improve data accuracy.

3. There was an overall increase in Energy Indirect (Scope 2) GHG emissions due to inclusion of additional buildings in Indonesia and Singapore. Meanwhile, the GHG of Thailand reduced due to closure of some branches.

4. This increase was due to expanded scope to cover GHG emissions from purchased water in Malaysia and Thailand as well as additional buildings in Singapore.

performance data

> **Direct (Scope 1) GHG Emissions by Emission Sources (tCO<sub>2</sub>e)**  
(GRI 305-1)

Country	Genset emission		Transportation emission		Refrigerant emission		Total direct emission	
	2018	2019	2018	2019	2018	2019	2018	2019
Malaysia	23.9	22.4	117.0	144.4	Data not available	14.4	140.9	181.2
Indonesia	Data not available	333.6	Data not available	3,043.2	Data not available	Data not available	Data not available	3,376.7
Singapore	Data not applicable	Data not applicable	16.7	14.2	Data not available	Data not available	16.7	14.2
Thailand	6.0	5.4	866.7	855.7	Data not available	Data not available	892.7	861.1
<b>Total</b>	<b>29.9</b>	<b>361.3</b>	<b>1020.4</b>	<b>4,057.6</b>	<b>Data not available</b>	<b>14.4</b>	<b>1,050.3</b>	<b>4,433.2</b>

**Sources of emission factors:**

Petrol and diesel:

- Malaysia, Singapore and Thailand: Default emission factors for Direct (Scope 1) GHG emissions from diesel and motor gasoline consumption are taken from IPCC Guidelines for National Greenhouse Gas Inventories (2006) and 2019 Refinement to the 2006 IPCC Guidelines for National Gas Inventories.
- Indonesia: Emission factor was adapted from Ministry of Environment and Forestry (2012).

Refrigerants:

- Default emission factor based on World Business Council for Sustainable Development, tool to calculate HFC and PFC Emissions and default assumptions from IPCC Good Practice Guidelines.

> **Energy Indirect (Scope 2) GHG Emissions**  
(GRI 305-2)

Country	Electricity purchased (MWh)		Purchased electricity emissions (tCO <sub>2</sub> e)	
	2018	2019	2018	2019
Malaysia	78,890.6	70,770.9 <sup>1</sup>	54,521.8	46,715.7
Indonesia	4,702.4	24,346.9 <sup>2</sup>	4,124.0	20,402.7
Singapore	762.5	1,910.8 <sup>2</sup>	323.6	801.0
Thailand	13,566.8 <sup>3</sup>	10,982.1	6,742.7	5,458.1
<b>Total</b>	<b>97,922.4</b>	<b>108,010.6</b>	<b>65,712.2</b>	<b>73,377.5</b>

1. The reduction in electricity consumption for Malaysia was due to the closure of Menara Bumiputera Commerce, a main HQ building, and consolidation of operations into more space and energy efficient and configuration.

2. The increase in electricity consumption for Indonesia and Singapore was due to inclusion of additional buildings to the boundary.

3. Restatement of data reported in CIMB Group Sustainability Report 2018 (page 65 – 66): The amount of electricity consumption and emissions for Energy Indirect (Scope 2) GHG emissions for Thailand for 2018 were revised to improve data accuracy.

**Sources of emission factors:**

- Malaysia: Default emission factors for Energy Indirect (Scope 2) GHG emission from electricity consumption are taken from GreenTech Malaysia, 2017 CDM Electricity Baseline for Malaysia.
- Indonesia: Emission factor was taken from the Ministry of Mineral Resources Economy (2016) method.
- Singapore: Default emission factor was taken from Singapore Energy Statistics 2017.
- Thailand: Default emission factor was taken from Energy Policy and Planning Office published Energy Statistics.

> **Other Indirect (Scope 3) GHG Emissions - Water Consumption and Emissions from Purchased Water, by Country**  
(GRI 305-3)

Country	Water consumption (m <sup>3</sup> )		Purchased water emissions (tCO <sub>2</sub> e)	
	2018	2019	2018	2019
Malaysia	Data not available	365,595.0	Data not available	124.3
Indonesia <sup>1</sup>	Excluded	Excluded	Excluded	Excluded
Singapore	20,818.9	49,342.9	7.1	16.8 <sup>2</sup>
Thailand	Data not available	96,059.9	Data not available	32.7
<b>Total</b>	<b>20,818.9</b>	<b>510,997.8</b>	<b>7.1</b>	<b>173.7</b>

1 Indonesia was excluded from the boundary of Other Indirect (Scope 3) GHG emissions

2 This increase was due to inclusion of additional buildings in Singapore

**Sources of emission factors:**

- Default emission factor based on Defra/DECC 2011 GHG Conversion Factors for Company Reporting (Annex 9, Table 9a)

# GRI content index

CIMB's sustainability reporting has been prepared in accordance with GRI Standards: Core Option. Our aim has been to provide a reasonable and true representation of our economic, environmental and social contributions, in keeping with the UN Sustainable Development Goals/Agenda. All references are to be found within this report (CIMB Group Sustainability Report 2019) unless stated otherwise.

ORGANISATIONAL PROFILE			
GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-1	Name of the organisation	CIMB Group Holdings Berhad	–
102-2	Activities, brands, products, and services	<b>GROUP PROFILE, PAGE 4 - 5</b>	–
102-3	Location of headquarters	Kuala Lumpur, Malaysia	–
102-4	Location of operations	<b>GROUP PROFILE, PAGE 5</b>	–
102-5	Ownership and legal form	CIMB Bank Berhad	–
102-6	Markets served	<b>GROUP PROFILE, PAGE 5</b> CIMB serves over 15 million customers in key markets of ASEAN, China & Hong Kong, India, Korea, U.S and U.K.	–
102-7	Scale of the organisation	<b>GROUP PROFILE, PAGE 5</b>	–
102-8	Information on employees and other workers	<b>GROUP PROFILE, PAGE 4</b> <b>PERFORMANCE DATA, PAGE 117</b> Information on employees were derived from our internal database.	–
102-9	Supply chain	<b>SUSTAINABLE SUPPLY CHAIN, PAGE 36</b>	–
102-10	Significant changes to the organisation and its supply chain	<b>ABOUT CIMB SUSTAINABILITY REPORT 2019, PAGE 6</b> <b>PERFORMANCE DATA, PAGE 119</b>	–
102-11	Precautionary principle or approach	CIMB has identified certain industries exposed to relatively higher ESG risk against other sectors, for which Sector Guides were developed. These are in addition to the Exclusion List which prohibits business relationships with clients directly linked (with evidence) with certain prohibited activities.  The Group's approach to Sustainability (including its risk management) is guided by five key principles, one of which is our precautionary principle, which is to exercise due care and diligence to evaluate, adopt and advocate proactive measures to minimise and in the long run prevent environmental harm, as well as promote social equity.	–
102-12	External initiatives	<b>STAKEHOLDER ENGAGEMENT &amp; ADVOCACY, PAGE 108 - 115</b>	–
102-13	Membership of associations	<b>STAKEHOLDER ENGAGEMENT &amp; ADVOCACY, PAGE 113</b> Our contributions go beyond the applicable annual fee commitments, to include sharing industry insights; participating in roundtable discussions and sectoral studies; and demonstrating our leadership by sharing best practices.	–

<b>STRATEGY</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-14	Statement from senior decision-maker	<b>SUSTAINABILITY PROGRESS REPORT BY GROUP CEO, PAGE 12 - 15</b>	–

<b>ETHICS AND INTEGRITY</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-16	Values, principles, standards, and norms of behaviour	<b>TALENT ATTRACTION, GROWTH &amp; RETENTION, PAGE 47 CUSTOMER EXPERIENCE, PAGE 58 GOVERNANCE, PAGE 99</b>	–

<b>GOVERNANCE</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-18	Governance structure	<b>GOVERNANCE &amp; RISK, PAGE 100</b>	–

<b>STAKEHOLDER ENGAGEMENT</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-40	List of stakeholder groups	<b>ABOUT CIMB SUSTAINABILITY REPORT 2019, PAGE 8 - 9</b>	–
102-41	Collective bargaining agreements	<b>HEALTH, SAFETY &amp; WELL-BEING, PAGE 45</b>	–
102-42	Identifying and selecting stakeholders	<b>ABOUT CIMB SUSTAINABILITY REPORT 2019, PAGE 7 - 9</b>	–
102-43	Approach to stakeholder engagement	<b>ABOUT CIMB SUSTAINABILITY REPORT 2019, PAGE 8 - 9</b>	–
102-44	Key topics and concerns raised	<b>ABOUT CIMB SUSTAINABILITY REPORT 2019, PAGE 8 - 9</b>	–

<b>REPORTING PRACTICE</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-45	Entities included in the consolidated financial statements	<b>ANNUAL REPORT (FINANCIAL STATEMENTS)</b> CIMB Foundation and CIMB Group Entities: No entities were not covered by the report.	–



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<b>REPORTING PRACTICE (CONTINUED)</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
102-46	Defining report content and topic boundaries	<p>The scope of this report is limited to key strategies, initiatives and programmes that have been implemented mainly in our biggest market Malaysia, in addition to Indonesia, Singapore, Thailand and other markets, where applicable.</p> <p>In developing this report, we have taken into account the principles of:</p> <ul style="list-style-type: none"> <li>• Stakeholder Inclusiveness (page 7 - 9);</li> <li>• Materiality (page 10);</li> <li>• Sustainability Context in the description of each material topic; and</li> <li>• Completeness, by reporting our highly material and important material topics.</li> </ul>	–
102-47	List of material topics	<b>ABOUT CIMB SUSTAINABILITY REPORT, PAGE 10</b>	–
102-48	Restatements of information	<p><b>PERFORMANCE DATA, PAGE 124</b></p> <p>The emissions for Energy Indirect (Scope 2) GHG Emission for 2018 was revised to improve data accuracy. The restated amount was 11% higher than the reported emissions in 2018.</p>	–
102-49	Changes in reporting	<p><b>PERFORMANCE DATA, PAGE 116</b></p> <p>Changes to number of branches in Malaysia, Indonesia, Thailand and Cambodia.</p>	–
102-50	Reporting period	<p><b>ABOUT CIMB SUSTAINABILITY REPORT, PAGE 6</b></p> <p>The CIMB Sustainability Report 2019 includes information for the period 1 January 2019 to 31 December 2019, unless specified otherwise.</p>	–
102-51	Date of most recent report	CIMB Sustainability Report 2018 was published in March 2019.	–
102-52	Reporting cycle	Annual	–
102-53	Contact point for questions regarding the report	sustainability@cimb.com	–
102-54	Claims of reporting in accordance with the GRI Standards	<p><b>ABOUT CIMB SUSTAINABILITY REPORT, PAGE 6</b></p> <p>This report has been prepared in accordance with the GRI Standards: Core option. Our Sustainability Report refers to information disclosed in several corporate documents, mainly our Annual Report 2019.</p>	–
102-55	GRI content index	<b>PAGE 124 - 134</b>	–
102-56	External assurance	<p><b>EXTERNAL ASSURANCE STATEMENT, PAGE 146 - 148</b></p> <p>Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG. For the scope of work and observations, please refer to the full assurance statement.</p>	–

TOPIC-SPECIFIC DISCLOSURES			
GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: CLIMATE CHANGE</b>			
103-1	Explanation of the material topic and its Boundary	<b>CLIMATE CHANGE, PAGE 26</b> Topic Boundary: Entities in CIMB and customers impacted by CIMB's climate change commitment	–
103-2	The management approach and its components	<b>CLIMATE CHANGE, PAGE 26 - 30</b>	–
103-3	Evaluation of the management approach	<b>CLIMATE CHANGE, PAGE 29</b>	–
302-1	Energy Consumption within Organisation	<b>PERFORMANCE DATA, PAGE 123</b>	–
305-1	Direct (Scope 1) GHG emissions	<b>PERFORMANCE DATA, PAGE 122 - 124</b> 4,433.2 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore and Thailand)	–
305-2	Energy indirect (Scope 2) GHG emissions	<b>PERFORMANCE DATA, PAGE 122 - 124</b> 73,377.5 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore and Thailand)	–
305-3	Other indirect (Scope 3) GHG emissions	<b>PERFORMANCE DATA, PAGE 123, 125</b> 173.7 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore and Thailand)	–
<b>MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN</b>			
103-1	Explanation of the material topic and its Boundary	<b>SUSTAINABLE SUPPLY CHAIN, PAGE 34</b> Topic Boundary: Entities in CIMB including suppliers impacted by CIMB's operations	–
103-2	The management approach and its components	<b>SUSTAINABLE SUPPLY CHAIN, PAGE 35 - 36</b>	–
103-3	Evaluation of the management approach	<b>SUSTAINABLE SUPPLY CHAIN, PAGE 36</b>	–
308-1	New suppliers that were screened using environmental criteria	All new suppliers are required to make a voluntary Sustainable Procurement Declaration including environmental requirements on environmental protection.	–
414-1	New suppliers that were screened using social criteria	All new suppliers are required to make a voluntary Sustainable Procurement Declaration including social requirements on labour practices and human rights, equality and diversity, health and safety and employee well-being and development.	–
<b>MATERIAL TOPIC: DIVERSITY AND INCLUSION</b>			
103-1	Explanation of the material topic and its Boundary	<b>DIVERSITY &amp; INCLUSION, PAGE 37</b> Topic Boundary: Entities in the organisation and employees impacted from CIMB's activities	–
103-2	The management approach and its components	<b>DIVERSITY &amp; INCLUSION, PAGE 37 - 38</b>	–

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<b>REPORTING PRACTICE (CONTINUED)</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
103-3	Evaluation of the management approach	<b>DIVERSITY &amp; INCLUSION, PAGE 37</b>	–
405-1	Diversity of governance bodies and employees	<b>DIVERSITY &amp; INCLUSION, PAGE 38</b> As at 31 December 2019: <ul style="list-style-type: none"> <li>• 11% of the Board positions were held by women.</li> <li>• 44% of the Board members between 30 - 50 years old</li> <li>• 56% of the Board members are above 50 years old</li> </ul>	–
405-2	Ratio of basic salary and remuneration between male & female employees	<b>DIVERSITY &amp; INCLUSION, PAGE 38</b> Significant locations of operations include Malaysia, with our largest employee and customer base. <b>PERFORMANCE DATA, PAGE 119</b>	–
<b>MATERIAL TOPIC: HEALTH, SAFETY AND WELL-BEING</b>			
103-1	Explanation of the material topic and its Boundary	<b>HEALTH, SAFETY AND WELL-BEING, PAGE 40</b> Topic Boundary: Entities in the organisation, employees and other stakeholders impacted from CIMB's operations	–
103-2	The management approach and its components	<b>HEALTH, SAFETY AND WELL-BEING, PAGE 40 - 45</b>	–
103-3	Evaluation of the management approach	<b>HEALTH, SAFETY AND WELL-BEING, PAGE 41 - 42</b>	–
403-2 (2016)	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<b>HEALTH, SAFETY AND WELL-BEING, PAGE 40</b> <b>PERFORMANCE DATA, PAGE 120</b> During the year, zero cases of accidents with fatality and occupational diseases were reported	Data is only available for Malaysia.
<b>MATERIAL TOPIC: TALENT ATTRACTION, GROWTH AND RETENTION</b>			
103-1	Explanation of the material topic and its Boundary	<b>TALENT ATTRACTION, GROWTH AND RETENTION, PAGE 46</b> Topic Boundary: Entities in CIMB including employees impacted by CIMB's activities	–
103-2	The management approach and its components	<b>TALENT ATTRACTION, GROWTH AND RETENTION, PAGE 46 - 52</b>	–
103-3	Evaluation of the management approach	<b>TALENT ATTRACTION, GROWTH AND RETENTION, PAGE 47</b>	–
401-1	New employee hires and employee turnover	<b>PERFORMANCE DATA, PAGE 117 - 118</b>	–

**TOPIC-SPECIFIC DISCLOSURES (CONTINUED)**

<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
401-2	Benefits provided to full time employees	<b>HEALTH, SAFETY AND WELL-BEING, PAGE 43 - 45</b> <b>PERFORMANCE DATA, PAGE 120</b>	–
404-1	Average hours of training per year per employee	<b>TALENT ATTRACTION, GROWTH &amp; RETENTION, PAGE 50 - 51</b> <b>PERFORMANCE DATA, PAGE 119</b>	–
404-2	Programmes for upgrading employee skills and transition assistance programs	<b>TALENT ATTRACTION, GROWTH &amp; RETENTION, PAGE 48, 52</b> During the year, we organised two pre-retirement workshops to help 105 employees' transition from working life to retirement.  In 2019, more than 11,389 participants attended 3D Academy programmes, that delivered 78,219 training hours.	–

**MATERIAL TOPIC: NURTURING GROWTH**

103-1	Explanation of the material topic and its Boundary	<b>NURTURING GROWTH, PAGE 53</b> Topic Boundary: Entities in the organisation and employees impacted from CIMB's activities	–
103-2	The management approach and its components	<b>NURTURING GROWTH, PAGE 53 - 56</b>	–
103-3	Evaluation of the management approach	<b>NURTURING GROWTH, PAGE 56</b>	–
Non GRI disclosure	Number of graduates recruited under The Complete Banker programme	<b>NURTURING GROWTH, PAGE 53</b>	–

**MATERIAL TOPIC: CUSTOMER EXPERIENCE**

103-1	Explanation of the material topic and its Boundary	<b>CUSTOMER EXPERIENCE, PAGE 58</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's operations	–
103-2	The management approach and its components	<b>CUSTOMER EXPERIENCE, PAGE 58 - 62</b>	–
103-3	Evaluation of the management approach	<b>CUSTOMER EXPERIENCE, PAGE 59</b>	–
Non GRI disclosure	Net Promoter Score	<b>PERFORMANCE DATA, PAGE 116</b>	–

**MATERIAL TOPIC: SUSTAINABLE FINANCE**

103-1	Explanation of the material topic and its Boundary	<b>SUSTAINABLE FINANCE, PAGE 63</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's sustainable financing policy	–
103-2	The management approach and its components	<b>SUSTAINABLE FINANCE, PAGE 63 - 69</b>	–

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<b>TOPIC-SPECIFIC DISCLOSURES (CONTINUED)</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
103-3	Evaluation of the management approach	As part of the Group Sustainable Financing Policy (GSFP), we are required to carry out self-control testing every 6 months to review samples of facilities and ensure compliance to the policy. In addition, The Board will periodically review the adequacy and effectiveness of the GSFP.	–
G4-FS10*	Number of companies engaged on environmental or social issues	The Group Sustainable Financing Policy was rolled-out in Malaysia during the year. In 2019, we conducted 44 Enhanced Sustainability Due Diligence screenings on clients involved in high sustainability risk sectors with 11 recommended with action plans. We engaged with these 11 clients with regards to the action plans.	–
<b>MATERIAL TOPIC: TECHNOLOGY</b>			
103-1	Explanation of the material topic and its Boundary	<b>TECHNOLOGY, PAGE 70</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's operations	–
103-2	The management approach and its components	<b>TECHNOLOGY, PAGE 70 - 73</b>	–
103-3	Evaluation of the management approach	<b>TECHNOLOGY, PAGE 73</b>	–
Non GRI disclosure	Number of digital banking users	<b>PERFORMANCE DATA, PAGE 116</b>	–
<b>MATERIAL TOPIC: FINANCIAL LITERACY, INCLUSION AND WELL-BEING</b>			
103-1	Explanation of the material topic and its Boundary	<b>FINANCIAL LITERACY, INCLUSION AND WELL-BEING, PAGE 74</b> Topic Boundary: Entities in the organisation as well as customers and communities impacted from CIMB's operations	–
103-2	The management approach and its components	<b>FINANCIAL LITERACY, INCLUSION AND WELL-BEING, PAGE 74 - 77</b>	–
103-3	Evaluation of the management approach	–	Not applicable
Non GRI disclosure	Amount of financing to disadvantaged customers	<b>FINANCIAL LITERACY, INCLUSION AND WELL-BEING, PAGE 74</b>	–
<b>MATERIAL TOPIC: CORPORATE CITIZENSHIP AND VOLUNTEERISM</b>			
103-1	Explanation of the material topic and its Boundary	<b>CORPORATE CITIZENSHIP AND VOLUNTEERISM, PAGE 79</b> Topic Boundary: Entities in the organisation as well as communities impacted from CIMB's operations	–
103-2	The management approach and its components	<b>CORPORATE CITIZENSHIP AND VOLUNTEERISM, PAGE 79 - 95</b>	–
103-3	Evaluation of the management approach	<b>CORPORATE CITIZENSHIP AND VOLUNTEERISM, PAGE 79</b>	–

\* G4 Sector Supplement: Financial Services

<b>TOPIC-SPECIFIC DISCLOSURES (CONTINUED)</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
203-1	Indirect Economic Impact	Our Impact in 2019: We contributed RM45.8 million towards Community Development, Sports, Education and Natural Disaster & General Donations/Others.	Reporting requirements other than a (iv) are not applicable to CIMB.
413-1	Operations with local community engagement, impact assessment and development programs	<b>CORPORATE CITIZENSHIP AND VOLUNTEERISM, PAGE 87 - 95</b>	–
<b>MATERIAL TOPIC: GOVERNANCE</b>			
103-1	Explanation of the material topic and its Boundary	<b>GOVERNANCE, PAGE 96</b> Topic Boundary: Entities in CIMB impacted by CIMB's operations	–
103-2	The management approach and its components	<b>GOVERNANCE, PAGE 97 - 103</b>	–
103-3	Evaluation of the management approach	<b>GOVERNANCE, PAGE 97</b>	–
205-2	Communication and training on anti-corruption policies and procedures	<b>GOVERNANCE, PAGE 98</b> <b>PERFORMANCE DATA, PAGE 120</b> The e-learning training programmes covering areas of governance, risk, AML and FSA/IFSA are mandatory for all permanent staff based in Malaysia. All our suppliers are notified electronically to conform to our Vendor Code of Conduct, which outlines our zero-tolerance approach to any and all acts of bribery or corruption.	Data is only available for Malaysia
415-1	Political contributions	<b>SUSTAINABLE FINANCE, PAGE 64</b> We do not engage in transactions that directly support political campaigns.	–
<b>MATERIAL TOPIC: CORPORATE CULTURE</b>			
103-1	Explanation of the material topic and its Boundary	<b>CORPORATE CULTURE, PAGE 104</b> Topic Boundary: Entities in CIMB impacted by CIMB's operations	–
103-2	The management approach and its components	<b>CORPORATE CULTURE, PAGE 104 - 105</b>	–
103-3	Evaluation of the management approach	–	Not applicable
Non GRI disclosure	Number of ABC Change Agents	<b>CORPORATE CULTURE, PAGE 104</b>	–



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<b>TOPIC-SPECIFIC DISCLOSURES (CONTINUED)</b>			
<b>GRI Standards</b>	<b>Brief Description of the Disclosures</b>	<b>Brief Information on Key Disclosures, References and Page Numbers</b>	<b>Omission</b>
<b>MATERIAL TOPIC: SUSTAINABILITY EDUCATION AND PARTICIPATION</b>			
103-1	Explanation of the material topic and its Boundary	<b>SUSTAINABILITY EDUCATION &amp; PARTICIPATION, PAGE 106</b> Topic Boundary: Entities in CIMB and key stakeholders impacted by CIMB's activities	–
103-2	The management approach and its components	<b>SUSTAINABILITY EDUCATION &amp; PARTICIPATION, PAGE 106 - 115</b>	–
103-3	Evaluation of the management approach	–	Not applicable
Non GRI disclosure	Number of employees briefed and trained on sustainability	Total number of employees briefed and trained on sustainability issues in Malaysia, Indonesia and Singapore 2,268.	–



**CIMB PRINCIPLES FOR RESPONSIBLE BANKING (PRB) REPORTING AND SELF-ASSESSMENT**

In line with our commitments as a Signatory of the Principles for Responsible Banking, CIMB has endeavoured to deliver our first reporting and self-assessment on our implementation of the Principles.

**Note:** All references provided below are to be found in the CIMB Group Sustainability Report 2019, unless stated otherwise.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p><b>Principle 1: Alignment</b> 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 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>CIMB Group is a leading ASEAN universal bank and one of the region's foremost corporate advisors. We are also a world leader in Islamic finance.</p> <p>The Group is headquartered in Kuala Lumpur, Malaysia, and offers Consumer banking, Commercial banking, Investment banking, Islamic banking and Asset Management products and services. Our biggest business footprint is in ASEAN, as evidenced by our position as the second and fifth largest banking group by assets in Malaysia and ASEAN (i.e., Indonesia, Singapore, Thailand and Cambodia) respectively. As at the end of 2019, the Group had around 35,000 employees and more than 15 million retail and institutional customers from 15 countries including Malaysia, Indonesia, Thailand, Singapore, Cambodia, Laos, Brunei, Vietnam, Myanmar, the Philippines, China &amp; Hong Kong, the United Kingdom, India, Korea as well as the United States of America.</p>	<p><i>CIMB Group Profile, Page 4</i></p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Sustainability is one of the five most important strategic levers of our Forward23 strategy, next to people, customer experience, technology, and ventures and partnerships.</p> <p>To this end, in 2019 we revised our purpose statement to advance our customers and society. We refocused customers to be at the centre of our business, utilising technology as a positive disruptor. In line with this, we advocate sustainable practices for ourselves as an organisation and towards our customers.</p> <p>In 2019, the Group also identified 7 SDGs that it would prioritise (i.e. Goals 8, 9, 10, 12, 13, 15 and 16).</p> <p>We also used the UN SDGs, Sustainably Index, Material Issues and National Goals – in develop the sustainability Programme Targets, which will guide our achievements for the next 5 years based on 4 factors which are Material Topics to CIMB and its stakeholders, our own impact, clients impact and national priorities.</p>	<p><i>Forward23 Strategy, Page 3</i></p>

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<p><b>Principle 2: Impact and Target Setting</b>                      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>		
<p>2.1 Impact Analysis:                      Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <b>Scope:</b> The bank's core business areas, products/ services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business / its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <b>Context &amp; Relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <b>Scale and intensity / salience of impact:</b> In identifying its areas of most significant impact, the bank has considered the scale and intensity / salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.                       (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p>	<p>Through CIMB's core businesses (i.e., Consumer Banking, Commercial Banking, Wholesale Banking, Transaction Banking, Ventures &amp; Partnerships, and Islamic Banking), we are working with a diverse set of clients and industries across ASEAN. These include, but are not limited to agriculture, real estate &amp; construction, manufacturing, technology, financial institutions, power and infrastructure.</p> <p>In 2018, we undertook a comprehensive stakeholder engagement (e.g., focus groups, interviews, online survey) and materiality assessment to identify and prioritise sustainability topics material to our business and stakeholders. For our major markets (Malaysia, Indonesia, Singapore, Thailand and Cambodia), an additional screening of the regulatory environment, government policies, and investor opinion on sustainability and sustainable finance was also conducted to inform the materiality assessment. A list of six highly material issues and eight important topics were identified.</p> <p>Our focus areas, goals and targets are set taking into consideration the following: material topics, our ability to impact outcomes, our influence through the customers, clients and activities that we finance, national priorities, UN SDGs, sustainability indices, and our baseline and internal execution capabilities. Based on the above, the SDG goals where we have the most significant potential positive and negative impacts have been identified as follows:</p> <ul style="list-style-type: none"> <li>- Goal 8: Decent work and economic growth</li> <li>- Goal 9: Industry, Innovation and Infrastructure</li> <li>- Goal 10: Reduced Inequality</li> <li>- Goal 12: Responsible Consumption and Production</li> <li>- Goal 13: Climate Action</li> <li>- Goal 15: Life on Land</li> <li>- Goal 16: Peace, Justice and Strong Institutions</li> </ul> <p>The Positive Impact Products &amp; Services (PIPS) Framework was developed in 2019, which sets out specific focus areas / economic activities to which CIMB is best positioned to create significant positive impacts. The list of focus areas / economic activities were derived having taken into consideration current economic, environmental and social challenges facing the society, policies and commitments made by the government, investors and companies, as they provide a good indication of where the opportunities are for CIMB, particularly in Malaysia, our largest country of operation.</p>	<p><i>CIMB at a Glance, Page 4</i></p> <p><i>Material Matters by Key Areas of our Sustainability Roadmap and their Impact (Economic, Environmental, Social &amp; Governance), Page 21</i></p> <p><i>Factors Considered To Prioritise SDGs, Page 22</i></p> <p><i>Five Factors Underpinning Sustainability Targets, Page 24</i></p> <p><i>Introduced Positive Impact Financing, Page 65</i></p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p>Sustainable finance was identified as highly material issue which led to us developing the Group Sustainability Policy (GSP) and Group Sustainable Financing Policy (GSFP). To deliver net positive impact, we take cognisance of the need to mitigate sustainability risks through our lending and business activities. As part of the development of the Group Sustainability Policy and Group Sustainable Financing Policy, assessments were conducted to determine the negative impacts (and their magnitude) arising from our lending and day-to-day operations as well as our exposure to sustainability risk as a result of those negative impacts. Based on the exposure, we have institutionalised stronger controls including – sustainability due diligence process, higher authority levels for approval, and sector-specific guidance documents for our business units and enablers.</p> <p>All the steps taken above have given us a good start in terms of understanding our impacts. We are committed to improving our impact identification process over time by streamlining and improving our approach (e.g., through the use of the Portfolio Impact Identification Tool provided by UNEP FI, and stakeholder engagement) and expanding our assessment coverage to include all operating countries and business activities.</p>	<p><i>Group Sustainable Financing Policy, Page 63</i></p> <p><i>Introduced Positive Impact Financing, Page 65</i></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p><b>The bank has conducted analysis in regard to the relevant stakeholders and impact analysis on its areas of positive and negative impact. We will refine and strengthen our analysis of our ultimate operational impacts over the next 12 months.</b></p>		
<p><b>2.2 Target Setting</b></p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p>	<p>Sustainability is one of the strategic pivots of our Forward23 strategy. Our aspiration over the next four years is to become a visible 'shaper' of sustainability practices in the ASEAN community. On a strategic level, we are targeting to emerge as one of the top three most sustainable banking groups in ASEAN by 2023. Using the Dow Jones Sustainability Index as a measure of progress, we target to be in the 75th percentile of global banks. In 2018 our baseline year (based on 2017 assessment), we stood at the 19th percentile of global banks.</p> <p>We joined 33 global banks to pledge Collective Commitment to Climate Action, which will see us accelerate and scale-up our efforts and contributions to align our lending with the objectives of the Paris Agreement on Climate. Our three commitments here are to:</p> <ul style="list-style-type: none"> <li>Focus our efforts where we have or can have the most significant impact, i.e., initially focus on the most carbon intensive and climate-vulnerable sectors within our portfolios.</li> <li>Work together with other banks, clients, governments and policymakers to support each other in developing capabilities and the necessary methodologies to measure climate impact, align with global and local climate goals, and help transition to a low-carbon, climate-resilient economy.</li> <li>Assume public accountability for our climate impact and progress on these commitments.</li> </ul>	<p><i>Sustainability Scorecard, Page 23</i></p> <p><i>Collective Commitment to Climate Action, Page 28</i></p>

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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG / climate change / society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>In consultation with the Group Sustainability Council (GSS), which comprises of senior members of management and chaired by the Group CEO, we have determined our preliminary indicators of measuring impact based on the five pillars of the CIMB Sustainability Roadmap 2023. A comprehensive target-setting exercise is currently in progress along with impact identification, data collection and baselining. This exercise would take into consideration our commitments in line with the UN SDGs, national goals, key sustainability indices, highly material issues, current baselines and internal capacity.</p>	<p><i>Sustainability Scorecard, Page 23</i></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p><b>The bank has set and published one high-level target based on the DJSI, and has a preliminary scorecard of indicators, for which baselines are being determined in order for targets to be set.</b></p>		
<p><b>2.3 Plans for Target Implementation and Monitoring</b>                      Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Our Sustainability Roadmap 2023 contains programmatic approaches to achieve our sustainability goals, bucketed according to five pillars. These actions have kicked off since 2019, to implement and move forward with embedding sustainability within our bank in parallel with awareness-raising, advocacy, internal capacity building and change management.</p> <p>The GSC has well-defined responsibilities for driving progress on various sustainability KPIs. Our Sustainability Sponsor on the CIMB Board on the other hand along with the Board members provide the right leadership and direction for consistent progress on our Sustainability Roadmap 2023. The structure is part of our Sustainability Operating Model where we have laid down key support functions for Governance, Support and Execution of our sustainability strategy.</p>	<p><i>Sustainability Principles and Strategy, Page 23</i></p> <p><i>Governance and Risk, Page 96</i></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p><b>The bank has defined high-level actions in line with our sustainability strategy. Over the next 12 months, we will define further our actions, milestones and key performance indicators based on the full impact identification and target-setting process.</b></p>		

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p><b>2.4 Progress on Implementing Targets</b> For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Guided by our preliminary indicators, we are already moving towards improving aspects of our business by focusing on highly material issues impacting our operations and those in our supply chain.</p> <p>We have already begun to progress on significant actions including managing our own direct carbon footprint by measuring our Scope 1 and 2 emissions, working with stakeholders to deliver on climate adaptation strategy, reducing overall energy usage, driving internal awareness and capacity building, increasing advocacy for sustainable practices among our clients, increasing our exposure to and coverage of sustainable products and services, and increasing customer experience scores.</p> <p>We report key performance data in line with our key indicators. This would also form a basis towards target-setting in 2020. Based on our headline indicator of DJSI ranking, we have progressed from 19th percentile in 2018 to 51st percentile in 2019.</p>	<p><i>Sustainability Scorecard, Page 23</i></p> <p><i>Energy Reduction, Page 29</i></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.</p>		
<p><b>The bank has fulfilled the requirements regarding progress on implementing targets by carrying out tangible actions in 2019.</b></p>		
<p><b>Principle 3: Clients and Customers</b> We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Our Sustainability Roadmap 2023 is supported by two main policies (Group Sustainability Policy and Group Sustainable Financing Policy) that guide the Group's orientation to Sustainability as well as its performance. Sustainability principles are embedded in 13 critical policies (covering risk, customer experience, procurement, human resources, corporate responsibility, and facilities management) and are approved by the Board.</p> <p>There are also other governance elements such as the Group Sustainability Risk Management Framework, High Sustainability Risk Sector List and Procedures for the implementation of the GSP and GSFP, which are approved by the Group Sustainability Council.</p> <p>For certain high-risk sectors, we have developed Sector Guides which state our requirements, prohibitions, and sustainability initiatives that we encourage customers to adopt. We have Sector Guides in place for the palm oil, forestry, oil &amp; gas, and construction and real estate sectors currently, and plan to develop more in 2020. These together help determine the scale and intensity of both impact and our mitigation efforts.</p>	<p><i>Group Sustainability Policy, Page 103</i></p> <p><i>Group Sustainable Financing Policy, Page 63</i></p> <p><i>Group Sustainability Risk Management Framework, Page 102</i></p> <p><i>Group Sustainable Financing Policy, Page 63</i></p>



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	<p>In dealing with our retail customers, we are guided by our Treating Customers Fairly Policy, where we recognise the need to elevate our standards of customer experience. We do this by practising needs-based selling, ensuring transparency, giving suitable advice, being flexible and providing customers with peace of mind.</p>	<p><i>Committed to Treating Customers Fairly, Page 62</i></p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Initiated in 2019, and progressing in 2020 and beyond, we are actively collaborating with our clients (including those from high risk sectors) to build their capacity and capabilities on assessing, monitoring, and managing their E&amp;S impacts / sustainability performance. This includes organising workshops, equipping clients and customers with tools and templates, sharing best practices and above all, getting them to commit to sustainability action plans for tangible improvement in their performance. As part of this push we have embarked an active screening of high-sustainability risk clients, under which 44 clients were screened in 2019. We agreed on time-bound E&amp;S action plans with 11 clients, which will be track on an annual basis.</p> <p>Our focus on customers and clients revolves around providing best-in-class products and services tied to sustainability impacts. Examples of these include the EcoSave Islamic savings account where 0.2% of average balances are diverted to environmental protection projects. We have also launched the CIMB SDG Bond in 2019 where all funds would be diverted to impactful activities, in line with our priority UN SDGs. We also promote financing for SMEs that encourage the switch to renewable energy, as retail customers to electric and hybrid vehicles, and are developing new Sustainability Linked Loans which tie a borrower's interest rate to their sustainability performance.</p>	<p><i>Group Sustainable Financing Policy, Page 63</i></p> <p><i>CIMB SDG Bond Framework, Page 66</i></p> <p><i>EcoSave Savings Account-i, Page 69</i></p> <p><i>Sustainability-Linked Loans, Page 67</i></p> <p><i>SME Renewable Energy Financing, Page 68</i></p>
<p><b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed / results achieved.</p>	<p>During the year, in all our key markets, we have engaged with key regulatory bodies, policy makers, NGOs and civil society, government, and institutional investors mainly to raise awareness on PRB and CIMB Group's sustainability aspirations and roadmap. Stakeholders are identified based on our level of our dependence and the influence they may have on our business continuity and success.</p> <p>Our stakeholder engagement process includes periodic focus group meetings, one-on-one interviews, online surveys, and email communications where we receive feedback and gain insights into material issues that stakeholders are concerned about. Customer experience was cited as among the highest priority issues for stakeholders, followed by sustainable finance, technology, governance, nurturing growth, and talent attraction and retention.</p>	<p><i>Stakeholder Engagement &amp; Advocacy, Page 106 - 115</i></p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
	<p>Among the major achievements of 2019 was the inaugural The Cooler Earth Sustainability Summit which brought together more than 1,200 business leaders, investors, policy-makers, sustainability practitioners, civil society and NGOs to provide insights and build partnerships towards sustainable outcomes. One key outcome was the institutionalisation of an action network of CEOs from key industries which will take shape in 2020.</p> <p>In recognising the efforts of partnerships towards sustainability, CIMB Islamic was a founding member of Bank Negara Malaysia (BNM)'s Value-based Intermediation (VBI) guidance development with the intention to minimise and prevent negative impacts arising from banking practices. We are also part of BNM's Sectoral Guidance Working Group and Joint Committee on Climate Change (JC3) as well as participating in the UNEP FI's Principles for Responsible Banking programme.</p> <p>Among the key industry platforms and forums CIMB was present in includes delivering an awareness session at the Consultation Workshop on Principles for Responsible Banking organised by the State Bank of Vietnam, a Responsible Banking and Networking Session with WWF and UNEP FI, and the Roundtable Discussion on Sustainable and Responsible Business and Investment in Malaysia, in addition to industry body engagements in Singapore, Indonesia, Thailand and Cambodia.</p> <p>Internally, we have launched the Advancing CIMBians Towards Sustainability (ACTS) programme that encourages passionate employees within all parts of the Group to suggest missions, propose sustainability projects, and receive funding to deliver on their sustainability goals with support from Group Sustainability.</p>	<p><i>The Cooler Earth Sustainability Summit, Page 108</i></p> <p><i>Partnerships for Impact, Page 114</i></p> <p><i>Industry Awareness, Page 110</i></p> <p><i>Advancing CIMBians Towards Sustainability, Page 30</i></p>

**Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>The GSC assumes primary responsibility for guiding, monitoring, and managing our sustainability agenda. The Group Sustainability Risk Management Framework further enables us to implement our strategies effectively and efficiently. Policies and procedures have been put in place to manage significant positive and negative impacts and support our sustainability strategy implementation along with PRB Principles, mainly through the implementation of the Group Sustainability Policy and Group Sustainable Financing Policy. Impacts identified through our due diligence process are escalated to the Group Executive Credit Committee, chaired by the GCEO, that makes the final approval on high sustainability risk financing, in consideration of environmental and social risk assessment conducted by Group Sustainability. Sustainability KPIs are now part of our GCEO and selected senior management KPIs, while we have enlisted regional Sustainability Champions to drive the sustainability agenda across our regional footprint. In 2019, we have sought independent external assurance of our sustainability performance, the results of which are detailed in our Group Sustainability Report 2019.</p>	<p><i>Governance and Risk, Page 96</i></p> <p><i>Group Sustainability Risk Management Framework, Page 102</i></p>
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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
	<p>The GSC key responsibilities are to formulate and drive Group Sustainability; vision and strategies, oversee the Sustainability risk profile of the Group's business activities and to ensure the implementation of appropriate policies, procedures, and controls, champion the embedment of sustainability principles into CIMB's DNA and culture, and provide strategic guidance on the development and implementation of group-wides Sustainability key performance frameworks.</p> <p>The Group Sustainability department takes the lead role in managing the Sustainability Roadmap. The Group Sustainability department also collaborates closely with various functions across the group regionally to deliver sustainability objectives. Key partners include CIMB Foundation and Corporate Responsibility, Wholesale Banking, Commercial Banking, Consumer Banking, Marketing and Communications, Human Resources, Risk and Compliance, Administration and Multidisciplinary project teams from various Business Units and Business Enablers are pulled together to lead and execute sustainability projects with finite project lifespans.</p> <p>The Sustainable Finance Working Group (SFWG) comprises of members from our Business Pillars – Wholesale and Commercial Banking as well as Group Risk. The Working Group provides input on the implementation and embedment of sustainability risk assessment and due diligence of the Group Sustainable Financing Policy. The Sustainability Champions Group comprises of 189 individuals (up from 75 in 2018) who strongly believe that sustainability is the way forward and are invested in pursuing this cause for the organisation and its stakeholders. The group creates a change agent network, where new developments in sustainability, key issues and ideas are shared and discussed.</p>	<p><i>Sustainability Operating Model, Page 100</i></p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>In 2019, a series of training and capacity-building exercises were carried out for personnel throughout the organisation, from client relationship managers responsible for sustainable financing decisions, credit risk managers, departments dealing with third-party vendors, to the senior management and the Board. In 2019, we held multiple training sessions covering employees dealing with corporate and commercial clients on CIMB's sustainability policies and strategy, and capacity building sessions on sustainability for other units.</p> <p>In 2020, we are embarking on an internal assurance process to ensure all sustainability policies and procedures are adhered to at the applicable business units. In the natural course of business, we have allowed a period of adjustment in the implementation of the new policies, which are a diversion from business-as-usual practices, where we understand that the change management process may lead to gaps in implementation. Through our internal assurance mechanism and learnings from initial implementation, we are engaging internally with business unit leads, governance and risk teams to improve future oversight and increase controls to limit cases of non-compliance to policy.</p>	<p><i>Sustainability Education &amp; Participation, Page 107</i></p> <p><i>Governance and Risk, Page 96</i></p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p>5.3 <b>Governance Structure for Implementation of the Principles</b></p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>The sustainability agenda was embedded at the Group level and selected as a top five priority of CIMB's Forward23 strategy, our five-year strategic blueprint. The Sustainability Sponsor, along with the rest of the Group's Board members and the Group Sustainability Council provide oversight and direction to ensure consistent progress towards implementing our Sustainability Roadmap and the Principles for Responsible Banking.</p> <p>As part of the Forward23 governance, the Sustainability Programme and its Programme Management Office have been set up to manage and drive the development and implementation of the Group's overall sustainability framework, strategy and roadmap across all our operating markets. The Transformation Council (TC), made up of the Chief Executive Officer, Chief Operating Officer, Chief Risk Officer, Chief People Officer, and Chief Strategy Officer, give the overall direction and have oversight of the progress on the Group's Sustainability Roadmap.</p> <p>Periodic progress updates must be provided to the TC, at least twice a year. Quarterly updates are also provided to the Board under the Forward23 governance framework. The GSC operates as a steering committee for the Sustainability Programme under Forward23, providing the overall direction and guidance to programme team. The GSC also establishes the scope and objectives of the programme whilst ensuring alignment with business dynamics, and approves the project charters created under the sustainability roadmap, which has milestones and success metrics. Projects that need to undergo change requests which affect the project delivery and benefits must also consult and seek approval from the GSC.</p>	<p><i>Governance and Risk, Page 96</i></p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p><b>The bank has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</b></p>		

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Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
<p><b>Principle 6: Transparency &amp; Accountability</b>                      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 <b>Progress on Implementing the Principles for Responsible Banking</b>                      Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>CIMB signed on as a founding member of the PRB in September 2019. This progress report comes six months after becoming a signatory to the PRB, in which time we have sought to increase our alignment with the Principles by strengthening our target setting processes, influence on clients and promoting sustainable practices, engaging with customers and stakeholders on material sustainability issues, and improving our governance on sustainability within the Bank. Reference is made to our sustainability indicators in our five sustainability pillars, where we signal our intention to progress on various aspects. These include sustainable action, where we are looking to reduce GHG emissions, increase female representation on the Board, among others. Sustainable business where we continue to encourage clients to adopt sustainable practices through our lending policies, and sustainable products, and improve the customer experience across the Group, among others. Corporate Responsibility, Governance &amp; Risk, and Stakeholder Engagement and Advocacy are other areas where we have shown progress in line with the PRB.</p> <p>We have reviewed and taken into account gaps and issues of concern in assessments of our bank conducted by international and regional organisations, including the DJSI, MSCI EES Index and research reports, FTSE Russell EES ratings, and WWF's Sustainable Banking Assessment (SUSBA) framework. Our sustainability reporting continues to be guided according to the GRI Standards and externally assured. We have sought to use these references to strengthen our implementation of sustainable practices in line with the PRB. Our priorities and ambitions are guided by what our material and significant sustainability issues are, as determined by our stakeholder engagement efforts and materiality assessment, while accounting for priority issues highlighted in international assessments including the ones above.</p> <p>Our review of existing and emerging international and regional best practices have highlighted several priority issues where we have sought to make an improvement in. As part of transforming towards sustainability, we have described our implementation of changes in governance and Board oversight over sustainability. Increasingly, we plan to publicly state our positions on E&amp;S and sustainability strategy by providing progress updates through press releases, and on our annual Sustainability Report. International good practice is focused on addressing overall and sector-specific EES risk exposures through lending practices. In this aspect we have increased our internal controls in the form of strengthened policy and procedures on assessing E&amp;S risks that we are exposed to.</p>	<p><i>Sustainability Operating Model, Page 100</i></p> <p><i>Five Factors Underpinning Sustainability Targets, Page 24</i></p> <p><i>Sustainable Business, Page 57</i></p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response / relevant information
	<p>Disclosures on portfolio-level E&amp;S risk exposures are a priority for 2020, while information on said risks are already being monitored within the Group. We have stepped up on introducing positive E&amp;S impact products and services through our issuance of our SDG bond, Sustainability-Linked loans and specific financing options for renewable energy and hybrid and electric vehicles. Overall capacity within the Group on E&amp;S risks have been increased through training sessions for all employees, including relationship managers, risk and governance teams and senior management.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p><b>The bank has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking in its first six months as a signatory and will embark on tangible improvements in data, target setting, and prioritisation of material impacts over the next 12 months.</b></p>		



# Independent Limited Assurance Report

## To the Directors of CIMB Group Holdings Berhad

In accordance with the terms of our engagement, we, KPMG PLT, have been engaged by the Board of Directors of CIMB Group Holdings Berhad to provide limited assurance on the Selected Sustainability Information for the year ended 31 December 2019 as published by CIMB Group Holdings Berhad in the Sustainability Report 2019 (“identified as the Selected Sustainability Information”).

## Management’s Responsibilities

The Management of CIMB Group Holdings Berhad (“Management”) is responsible for the preparation and presentation of the Selected Sustainability Information in accordance with Management’s calculation methodologies and the information and assertions contained within it and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that CIMB Group Holdings Berhad and its subsidiaries (hereinafter referred to as “CIMB Group”) complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report 2019 (the “Report”) are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

## Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (“ISAE”) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (“IAASB”). This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement.

## Selected Sustainability Information

Selected Sustainability Information includes the following data for the year ended 31 December 2019:

- Absenteeism Rate;
- Total no. of employees trained and / or briefed on sustainability issues (excluding e-learnings) in Malaysia, Singapore and Indonesia;
- Percentage (%) of local suppliers;
- No. of employees trained on safety and health; and
- Net Promoter Score ranking (%) amongst retail banking comparables in Malaysia, Indonesia, Singapore and Thailand.

The boundary of the limited assurance engagement by KPMG represents CIMB's operations in Malaysia, except for the following indicators:

- Total no. of employees trained and / or briefed on sustainability issues (excluding e-learnings) covering operations in Malaysia, Singapore and Indonesia
- Net Promoter Score ranking (%) amongst retail banking comparables, covering operations in Malaysia, Indonesia, Singapore and Thailand.

### **Procedures Performed over Selected Sustainability Information**

A limited assurance engagement on the Selected Sustainability Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures include:

- Interviews with Senior Management and relevant staff at corporate level;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Selected Sustainability Information;
- Visits to CIMB's head office in Malaysia; and
- Comparing the information presented in the Selected Sustainability Information to corresponding information in the relevant underlying sources to determine whether all the relevant information has been included in the Selected Sustainability Information and prepared in accordance with Management's calculations methodologies.

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.

### **Our Independence and Quality Control**

We have complied with the independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG PLT applies the Malaysian Approved Standard on Quality Control, ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **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 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 Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.



### **Our Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Limited Assurance Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, as described above, nothing has come to our attention that would lead us to believe that the Selected Sustainability Information included in the Report for the year ended 31 December 2019, is not presented, in all material respects, in accordance with Management's calculation methodologies.

### **Restriction of use of our Independent Limited Assurance Report**

Our Independent Limited Assurance 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 Group, for any purpose or in any other context. Any party other than CIMB Group who obtains access to our Independent Limited Assurance Report or a copy thereof and chooses to rely on our Independent Limited Assurance 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 Group for our work, for this Independent Limited Assurance Report, or for the conclusions we have reached.

Our Independent Limited Assurance Report is released to CIMB Group on the basis that it shall not be copied, referred to or disclosed, in whole (save for CIMB Group's own internal purposes) or in part, without our prior written consent.



KPMG PLT (LLP0010081-LCA)  
Petaling Jaya  
6 March 2020

[www.cimb.com](http://www.cimb.com)