

# FUTURE FORWARD



CIMB GROUP HOLDINGS BERHAD  
SUSTAINABILITY REPORT 2021

## ACCOUNTABILITY

Set-up Board-level Group Sustainability and Governance Committee, and KPIs for Top 100 Executives - page 77

## CLIMATE ACTION

Pledged to Net Zero by 2050, and net zero operational emissions by 2030 - page 79

## SOCIAL IMPACT

Invested RM28.7 million in communities and conducted our first human rights assessment for large clients - page 64 and 55

Delivering Sustainable Financial Returns

Disciplined Execution

Customer Centricity

Transform Fundamentals

Purpose-Driven Organisation

FORWARD 23+

PROGRESSING RESPONSIBLY



# Reducing the **Environmental Impact** of this Integrated Annual Report

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

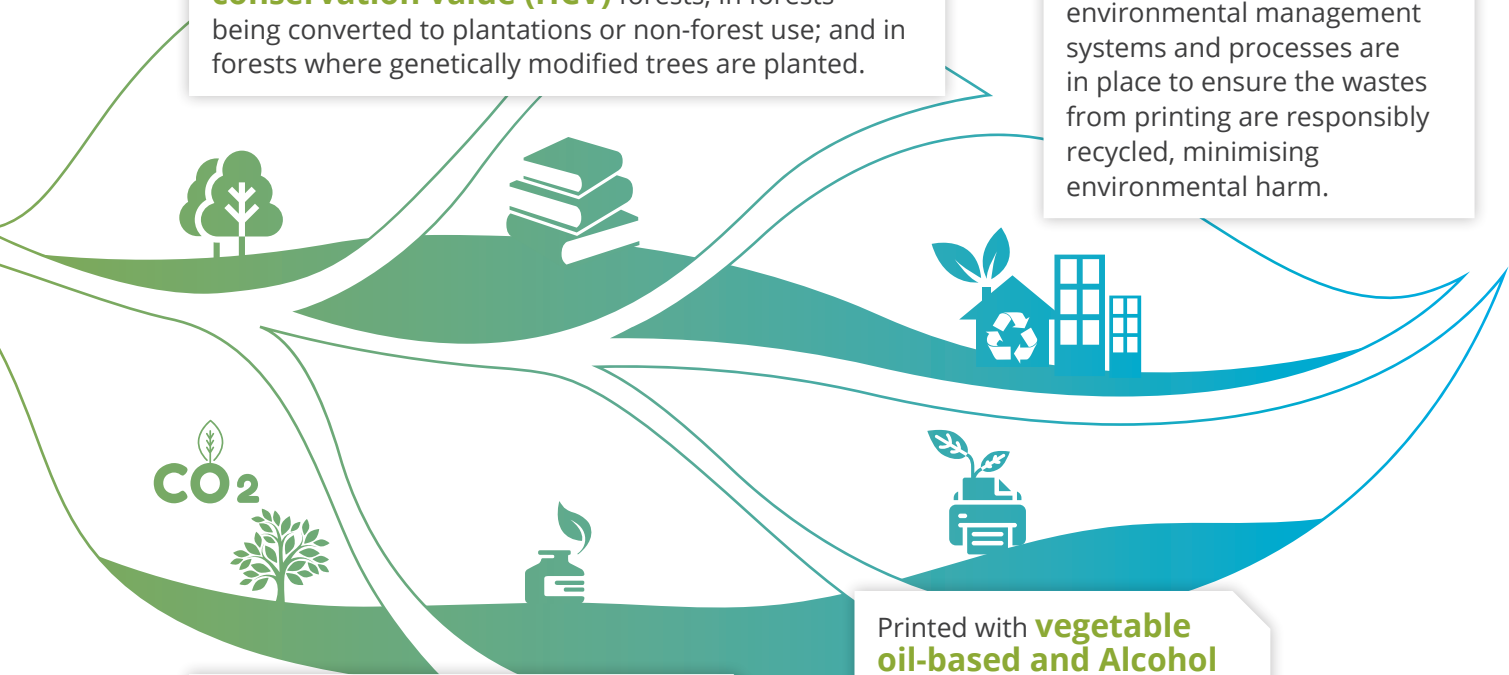
However, you can make the greatest difference. Did you know that the equivalent of **one football field of forest is cut down every second?** Play your part. If you can, download the soft copy of CIMB's Integrated Annual Report, Financial Statements and Sustainability Report, instead of requesting for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



View our Integrated Annual Report, Accounts and other information about CIMB Group Holdings Berhad at [www.cimb.com](http://www.cimb.com)



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# CIMB AT A GLANCE

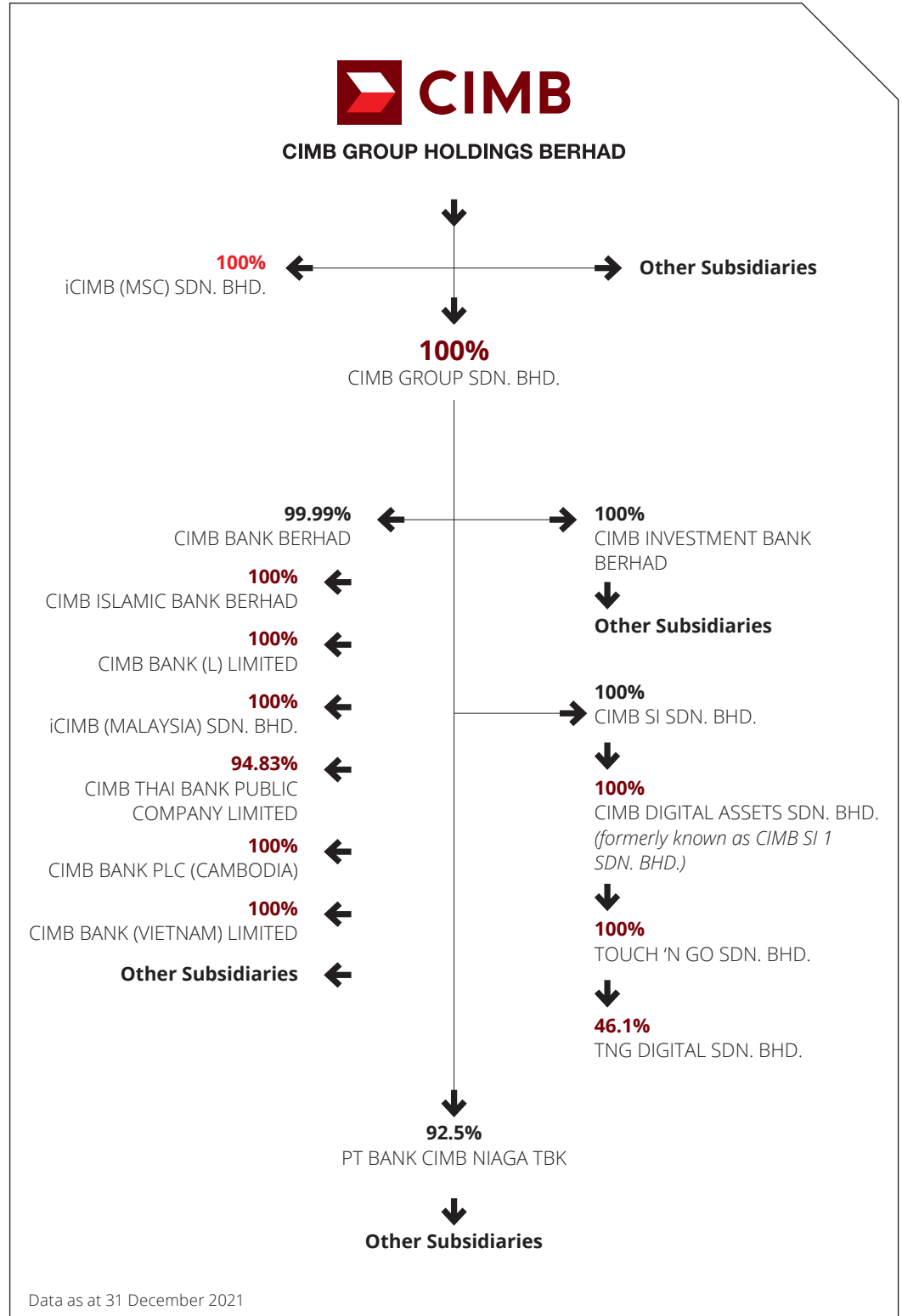
## GROUP PROFILE

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

CIMB Group is a leading focused ASEAN bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic finance.

The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN and, as at the end of 2021, had around 33,000 staff and over 18 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM55.3 billion as at 31 December 2021. Total assets at the end of 2021 were RM621.9 billion, with total shareholders' funds of RM58.9 billion and total Islamic assets of RM152.8 billion. At the end of 2021, the major shareholders were Khazanah Nasional Berhad with 25.7%, Employees Provident Fund with 15.3%, Permodalan Nasional Berhad with 11.8% and Kumpulan Wang Persaraan (Diperbadankan) with 6.3%.



## CIMB AT A GLANCE

### KEY BUSINESS UNITS AND ENTITIES

#### CIMB BANK

CIMB Bank is the Group's commercial bank in Malaysia with 230 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 office in Yangon.

#### CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia with 324 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 2021.

#### CIMB INVESTMENT BANK

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

#### CIMB THAI BANK

CIMB Thai is the Group's banking franchise in Thailand. It has been listed on the Stock Exchange of Thailand and is the ninth largest commercial bank in Thailand by assets, with 54 branches nationwide and one overseas branch in Vientiane, Laos.

#### CIMB ISLAMIC

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

#### CIMB BANK PLC

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

#### CIMB BANK VIETNAM

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

### OUR PRESENCE & OUR SOLUTIONS



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

### A DIVERSE REGIONAL NETWORK

#### ASEAN MARKETS

**MALAYSIA**  
Branches : 230



**SINGAPORE**  
Branch : 1



**THAILAND**  
Branches : 54



**INDONESIA**  
Branches : 324  
Payment and Cash Centres,  
Digital Lounges and Mobile  
Cash Vans : 88



**PHILIPPINES**  
Office : 1



**BRUNEI**  
Office : 1



**LAOS**  
Branch/Office : 1



**CAMBODIA**  
Branches/Offices : 14



**VIETNAM**  
Branches/Offices : 2



**MYANMAR**  
Representative  
Office : 1



#### OTHER MARKETS

**CHINA AND  
HONG KONG**  
Branches : 2  
(Shanghai, Hong Kong)



**UNITED KINGDOM**  
Branch : 1



**INDIA\***



**KOREA\***



**U.S.A\***



\* Stockbroking Collaboration via CGS-CIMB



  
 Around  
**33,000**  
 Staff

  
**43%**  
 Male Employees

  
**57%**  
 Female Employees

  
**15**  
 COUNTRIES

Our Presence

  
**>18**  
 MILLION

Our Retail and Institutional Customers

  
**7,652**

Our Self-Service Access Points

  
**630**

Our Retail Branches

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

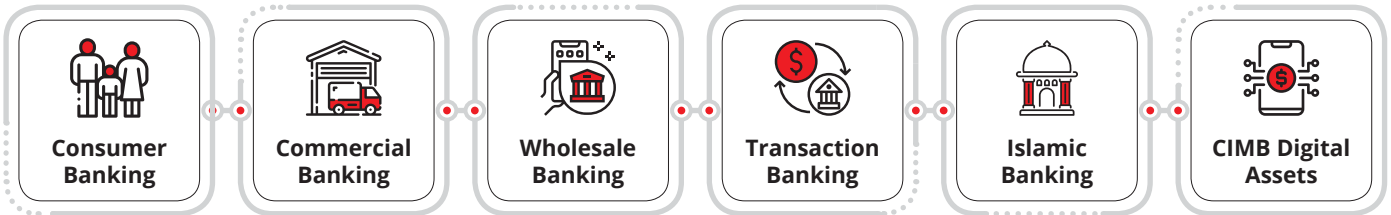
  
**RM6.35**  
 BILLION

Profit Before Taxation

  
**RM4.3**  
 BILLION

Net Profit

Our Products and Solutions



Last 5-Year Dividend Per Share (Sen)

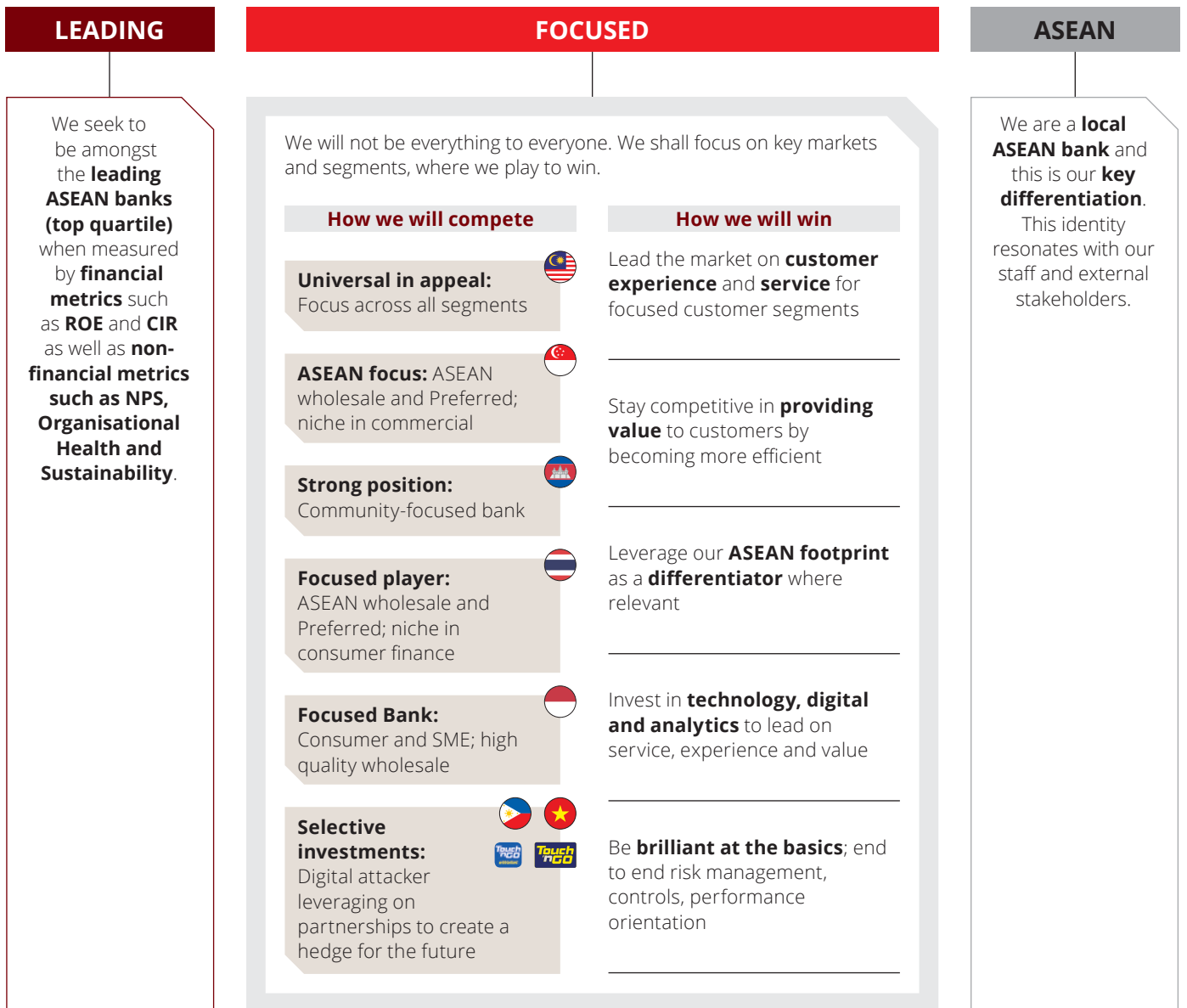
25.0	25.0	26.0	4.8	23.0
2017	2018	2019	2020	2021

# CIMB AT A GLANCE

## OUR PURPOSE

Our purpose is to serve and advance our customers, as well as the societies we interact with. This underlying organisational purpose pervades our business strategy, values, and the way we engage with stakeholders.

We aim to become the leading focused ASEAN bank by embracing a customer-centric mindset to advance customers and societies in the markets that we operate in. This essentially means:



## FORWARD: ASEAN'S SUSTAINABLE BANKING AGENDA

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

Sustainability is a core element of the Forward23+ strategy. Launched in the second half of 2020, Forward23+ is CIMB Group's turnaround plan in an extremely challenging and disruptive market landscape. Recalibrated based on the existing mid-term strategy Forward23 (2019-2023), the turnaround plan takes into account the new normal brought about by the COVID-19 pandemic, trade-offs, clear performance metrics and tracking with collective ownership of the strategic plan across the Group.

We aim to deliver sustainable financial returns for shareholders, which means that we strive to look beyond the challenges and risks of today, to medium and longer-term risks such as climate change, biodiversity loss and worsening social inequality leading to unrest and economic disruptions. Material topics are also reflected throughout the Forward23+ strategy, including improving customer experience, digitising to enhance access to finance, protecting our customers' data and privacy, building talent, and strengthening risk management and compliance.

Sustainability is also a programme under strategic theme #5 Purpose-Driven Organisation, which is executed via our Sustainability Roadmap. It is our aspiration to become a visible shaper of sustainability practices in the ASEAN community, and our target is to be in the top quartile of the S&P Global Corporate Sustainability Assessment rankings among banks by 2024.

### VISION

*To be the leading focused ASEAN bank*

**FORWARD 23+**

## Strategic Themes

<b>1 Delivering Sustainable Financial Returns</b>	<b>a) Reshape Portfolio</b> <ul style="list-style-type: none"> <li>Accelerate profitable growth</li> <li>Fix &amp; turnaround underperforming businesses</li> </ul>	<b>b) Drive Cost Efficiency</b> <ul style="list-style-type: none"> <li>Reset cost base</li> <li>Tighten expense management</li> <li>Increase productivity</li> </ul>	<b>c) Digitise for Value</b> <ul style="list-style-type: none"> <li>Strengthen technology</li> <li>Digitise &amp; automate front &amp; back office</li> <li>Focus on data &amp; analytics</li> </ul>	<b>d) Focused Investments</b> <ul style="list-style-type: none"> <li>Facilitate intra-ASEAN wholesale</li> <li>Preferred &amp; Wealth</li> <li>CASA, fee income and transaction banking</li> <li>Islamic Finance</li> <li>Selective CIMB digital investments</li> </ul>
<b>2 Disciplined Execution</b> <ul style="list-style-type: none"> <li>Performance culture</li> <li>Simplify corporate, oversight &amp; management structure</li> <li>Regional operating model</li> </ul>		<b>3 Customer Centricity</b> <ul style="list-style-type: none"> <li>Strengthen reliability</li> <li>Transform customer journeys</li> <li>Treat customers fairly</li> </ul>		<b>4 Transform Fundamentals</b> <ul style="list-style-type: none"> <li>Risk management</li> <li>Capital optimisation</li> <li>Finance &amp; Compliance</li> </ul>
<b>5 Purpose-Driven Organisation</b>	<b>a) Culture &amp; Values</b>	<b>b) Human Capital</b>	<b>c) Sustainability</b>	

# ABOUT CIMB GROUP SUSTAINABILITY REPORT 2021



The CIMB Group Sustainability Report 2021 provides a retrospective view of our sustainability journey, and for us to reflect upon the challenges that we face. Doing this allows us to adapt our approach, strengthen our effort and drive continuous improvement, so that we can thrive in the long term.

The content is based on our latest materiality assessment conducted for the group (see page 18 for details). It communicates our sustainability commitments, performance and plans going forward. This report is intended to be read in conjunction with our Integrated Annual Report 2021.

We strive to ensure that our sustainability reporting progresses in parallel with our sustainability journey. This year, we are reporting against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for the first time.

## SCOPE: REPORTING COVERAGE AND PRINCIPLES

The 2021 scope for our annually published CIMB Group Sustainability Report includes information for the period 1 January 2021 to 31 December 2021, primarily for Malaysia, Indonesia, Singapore, Thailand, and Cambodia. All quantitative information for relevant indicators has been disclosed for three years, wherever possible. The last report was published in March 2021 for the period covering 1 January to 31 December 2020.

As far as possible, we have remained true to the principles of balance, comparability, clarity, completeness, reliability and accuracy.

## BEYOND STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

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.

The report has been prepared in accordance with:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- GRI Standards: Core Option
- United Nations Environment Programme Finance Initiative Principles for Responsible Banking
- Task Force on Climate-related Financial Disclosure Recommendations

Please refer to the tables and indices on pages 102 to 141 for easy reference.

We benchmark our data disclosures against the indicators of the S&P Global Corporate Sustainability Assessment, which forms the basis of the Dow Jones Sustainability Index (DJSI), and the Sustainability Accounting Standards Board (SASB).

## RELIABILITY: ASSURANCE OF THE QUALITY OF REPORTING

(GRI 102-56)

We continuously discuss and deliberate on the level of disclosure across various functions of the Group. This positively contributes to improving the quality of our report, to present the 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 PLT. For the scope of work and observations, please refer to the full Statement of Assurance on pages 142 to 146 of this report.

## FEEDBACK AND 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 net positive impact in areas that matter most to them.

Our assurance to our stakeholders is that we 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 the CIMB Group Sustainability Report 2021. Please contact:

### Luanne Sieh

Head, Group Sustainability  
sustainability@cimb.com

# SUSTAINABILITY PROGRESS REPORT

## BY GROUP CHAIRMAN AND GROUP CEO

(GRI 102-14)

### DEAR STAKEHOLDERS,

**CIMB Group’s 2021 Sustainability Report is our account of the management of environmental, social and governance issues that matter most to our customers, shareholders, employees, communities and other stakeholders.**

Over the past year, we have continued to grapple with the profound socio-economic crisis arising from COVID-19. Despite increasing vaccination rates across the region, our markets are still at various stages of reopening their borders and economies. Responsible financial institutions must continue to play a key role in facilitating and enabling not only a sustained economic recovery, but one that also ensures no one is left behind, while building resilience in our social infrastructure.

This year, we witnessed unprecedented extreme weather events around the world, causing severe disruption to supply chains, businesses, and lives of communities. This has placed the spotlight on the frailty and interdependence of our current economic and social systems in the face of climate change and other environmental issues. At the same time, regulators in the region are increasing their demands on financial institutions to measure and manage climate risks in their portfolios. In line with COP26, where the financial sector has stepped up to deliver financial resources to address climate change, there has been positive momentum towards addressing systemic barriers impeding sustainable development and the goals of the Paris Climate Agreement.

### DEEPENING OUR COMMITMENTS

We continue to deepen integration of sustainability considerations into decision making in our core business. This year we refined and enhanced our sustainability commitments by setting ambitious targets. These included:

- Achieving net zero GHG Scope 1 and 2 emissions in our operations by 2030 and overall Net Zero GHG by 2050 (including scope 3 and financed emissions).
- No Deforestation, No Peat and No Exploitation policy to be rolled out starting mid-2022 in Malaysia, and phased in by stages across the Group.
- Mobilise RM30 billion by 2024 in sustainable finance aimed at creating positive impact aligned with our Green, Social, Sustainable Impact Products and Services Framework.

### STRENGTHENING TRUST AND ACCOUNTABILITY

Translating sustainability commitments to action requires strong leadership from the Board and senior management. This year, we established the Board-level Group Sustainability and Governance Committee, providing the Board with greater oversight of sustainability matters via five Independent Non-Executive Directors. We also embedded sustainability KPIs into the performance measurements of the Group’s top 100 executives.

Our sustainability efforts have shown results, and we now rank in the 79th percentile of banks globally in the S&P Global Corporate Sustainability Assessment, which forms the basis of the Dow Jones Sustainability Index. We are delighted that we have achieved our Sustainability Forward23+ headline target three years ahead of time, underlining the focus and importance placed on Sustainability within the Group.

### CREATING POSITIVE IMPACT THROUGH OUR SERVICES

We continue to develop innovative sustainable financial products and services to support our clients. In 2021, we structured the world’s first Malaysian Ringgit denominated sustainability-linked derivative transaction and Asia’s largest ESG linked derivative trade. We also launched and priced the Government of Indonesia’s US\$3 billion global sukuk offering with a green sukuk tranche, and the Government of Malaysia’s US\$1.3 billion sukuk wakala, which included a US\$800 million sustainability tranche. We successfully mobilised RM25.9 billion of sustainable finance under our Green, Social, Sustainable Impact Products and Services framework this year. We increased our Assets Under Management in ESG funds, encouraging our individual customers to make more sustainable investment decisions, and increased accessibility to financial services to ensure that no one is left behind.

We hope that all our stakeholders will join us in the making of a more just, economically resilient, and environmentally sustainable ASEAN. We increased understanding of our contribution to climate change, via pilot projects that have helped to quantify physical and transition risks within our financing portfolio. These learnings will help us to better understand the implications of climate change on our business and clients, and to embed these into our business strategies. We are committed to supporting our clients to transition towards a more sustainable future.

### INVESTING IN OUR EMPLOYEES

Our employees are the backbone in delivering value to our customers, and our contribution towards building a more sustainable society. We are very proud of their passion and determination to continue to deliver outstanding service to our customers despite the challenges of the pandemic. Although we have adapted well to online and hybrid working arrangements, we recognise the toll that it has taken on many employees’ mental health and general well-being. In response, we rolled out a wellness programme to help employees cope with the stresses of working through the pandemic.



Towards the end of 2020, we conducted our first Organisational Health Index (OHI) survey, where we received over 100,000 comments from over 30,000 employees Group-wide. Over the last year, the leadership team worked to address the key themes raised by employees to improve organisational effectiveness, such as improving collaboration, strengthening talent, and increasing operational efficiency. This has led us to launch a set of organisational values to deliver impact together the right way: through creating an environment that enables talent, drives passion, ensures integrity and accountability, promotes collaboration, and focuses on customer centricity.

## BUILDING RESILIENCE IN OUR COMMUNITIES

We are deeply rooted in the communities where we operate. We remain committed to doing what we can to ensure that those at the margins of society have the opportunity to build a better life for themselves, their families and their communities.

We continue to support our customers in weathering and recovering from the pandemic. In 2021, we provided financial assistance of over RM253 billion, through government and industry-initiated financial relief programmes, to help clients and customers overcome financial challenges. Through CIMB Bank and CIMB Foundation, we launched Komuniti Kita, a RM10 million COVID-19 relief project, targeted at supporting medical facilities and the livelihoods of communities under severe financial strain.

We also announced a commitment to invest RM150 million over five years, and a 100,000 hour target of annual employee volunteerism by 2024, to help promote economic resilience among disadvantaged people and communities across the region, as well as towards environmental conservation. Working with our partners, we are confident that our investments will make a positive and lasting difference for people we touch across ASEAN.

In reflecting on 2021, we believe that the sustainability agenda has been elevated on all fronts. Although we have achieved our Forward23+ target of being at the top quartile of banks globally, there is still much to be done. In 2022 and beyond, we will continue our push towards greater sustainability, in particular focusing on innovation in sustainable products and services.

We continue to support our customers in weathering and recovering from the pandemic.



**Datuk Mohd Nasir Ahmad**  
Chairman

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

# #CIMBFORTOMORROW

## BY CHAIR OF GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE



### HOW HAS SUSTAINABILITY EVOLVED AT CIMB GROUP IN THE LAST FEW YEARS?

Since 2018, the sustainability agenda has truly accelerated across the Group, from forming the Sustainability team, to developing key policies and integrating sustainability-related decision-making processes into our core businesses across the region. There is a growing understanding of the ESG agenda within all parts of the business, and an appreciation that everyone across the Group has a role to play in driving sustainability.

The progress we have made is reflected in the improvements across the various indices we are benchmarked against. We are very encouraged by the increasing level of interest and engagement among our key stakeholders, and we will continue to be transparent in communicating our ESG risks, commitments and progress. In 2021 we organised our first Sustainability Investor Day to share our sustainability agenda and commitments in detail with investors, fund managers and analysts.



### WHAT WAS THE IMPETUS BEHIND THE CREATION OF THE GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE?

When we first started our sustainability journey in late 2018, the agenda was championed at the Board level by Mr. Rob Coombe, who played the role of Sustainability Sponsor. Since then, we have seen increasing demand on sustainability and corporate governance by institutional investors, growing sustainable finance regulations, and acceleration of ESG in the private sector, and we felt the need to intensify and elevate engagement, discussion and oversight at the Board level.

The Group Sustainability and Governance Committee comprises of five Independent Non-Executive Directors representing the key entity Boards - CIMB Bank, CIMB Islamic, CIMB Investment and CIMB Niaga. We provide oversight, advice and direction in the development and implementation of sustainability and climate change strategies and initiatives. We ensure that we communicate sustainability issues and embed relevant discussions at key entity Boards as well as other Board Committees. The Committee also invites other business units and enablers to the meeting to discuss how they are supporting and embedding sustainability in their own functional areas.



### HOW IS SUSTAINABILITY INTEGRATED INTO THE DISCUSSIONS AT THE BOARD?

CIMB's economic, environmental and social impacts, risks and opportunities are complex and interrelated across the region. The responsibility and oversight of strategic ESG priorities is the accountability of the Board of Directors, supported by the Group Sustainability and Governance Committee. The Board reviews and approves all Sustainability-related policies.

Sustainability issues are discussed and raised at the Group Board, as well as in other Board committees, which is a sign of integration into business decisions. These debates and discussions have resulted in critical actions by the management, including CIMB's commitment to exit from the coal sector by 2040, and our goal of being net zero by 2030 in our operations, and 2050 in our overall portfolio. Aside from climate change, examples of other issues discussed include human rights, biodiversity risk, and corporate governance.

Sustainability is a broad subject, and the learning curve for Board members has been steep. We conduct regular awareness sessions on key and emerging issues for Board and senior management, so that leadership understands the risks and opportunities these issues present to business.



### IS THE BOARD CONCERNED THAT INCREASING SUSTAINABILITY STANDARDS COULD HAVE A NEGATIVE IMPACT ON CIMB'S FINANCIAL PERFORMANCE?

Sustainability is no longer a 'nice to have', and is increasingly core to our business and commercial strategies. There are push and pull factors to this drive, but fundamentally, we believe that doing business in a responsible manner protects not only shareholder and stakeholder value, but is a catalyst for value creation in the longer term. Customers are building an emotional linkage to CIMB's sustainability agenda, with 83% of our individual customers in Malaysia indicating that they care about CIMB's sustainability efforts<sup>1</sup>.

The world is on a mission to build back better post COVID-19, and to meet the targets of the Paris Climate Agreement. The 2021 OECD Global Outlook on Financing Sustainable Development estimates a US\$4.2 trillion annual SDG financing gap in developing countries post-COVID. Within ASEAN alone, US\$3 trillion worth of sustainable investment is needed from 2016-2030, mainly for infrastructure, renewable energy, energy efficiency, and agriculture<sup>2</sup>.

Sustainability is about looking forward to what is coming in the next years or decades, and preparing ourselves for some of these inevitable changes. It is our objective to help our clients to navigate this complex landscape and to future-proof their businesses. For example, what are the implications of the emerging EU Carbon Border Adjustment Mechanism, and the increasing human rights due diligence legislations, on our SME and corporate clients? If our clients are adversely impacted or not prepared for these changes, the impact on their business could impact ours as well. These partnerships in addressing such challenges are absolutely critical.

<sup>1</sup> CIMB Survey, April 2020

<sup>2</sup> Closing the Financing Gap in ASEAN, UN Global Compact and Ernst & Young



### WHAT IS THE DIRECTION FOR THE NEXT FEW YEARS?

We are at the final stages of developing our Human Rights Policy, which we aim to roll out in 2022. While we have already integrated elements of human rights risk into our financing due diligence processes, this policy will provide a comprehensive and overarching framework for the Group.

We continue to deepen the integration of environmental and social risk management into our business strategy and operations. We developed a Sustainability Risk Dashboard in 2021, which brings a different perspective to the way we do business. In 2022, we are embarking on an exercise to quantify our most significant Scope 3 financed emissions, which will help us to understand our exposure to climate-related financial risks.

Moving forward, we have to accelerate innovation in sustainable finance. Green, social, sustainable products and services will be ramped up to become mainstream, in line with Bank Negara Malaysia's Financial Sector Blueprint target of channeling more than 50% of all new financing towards climate supporting and transitioning activities by 2026. The outcomes of COP26 also provide a roadmap of opportunities to come, with nations focused on protecting natural capital and peaking carbon emissions, complemented by greater commitments from the private sector.



**Sustainability is no longer a 'nice to have', and is increasingly core to our business and commercial strategies.**



#### **TEOH SU YIN**

Chair of Group Sustainability and Governance Committee  
Senior Independent Director, CIMB Group Holdings Berhad

# SUSTAINABILITY PRINCIPLES

Our aspiration is to become a visible shaper of sustainability practices in the ASEAN community. Through our pledge of #CIMBforTomorrow and the sustainability principles embedded in our organisational purpose and Forward23+ strategy, we are committed to operate in a way in which we assume responsibility towards our actions. Our aim is to create net positive impact in our business activities and through our key stakeholders.

Our sustainability philosophy is as follows:



**Proactively integrate economic, environmental and social considerations** in our business decisions, including financing, investments, and procurement, and in managing our people and operational impacts.



**Recognise and be guided by internationally accepted principles** from key organisations to promote responsible business performance.



**Exercise a precautionary approach**, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equity.



**Create net positive impact, adopting 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** regarding the management of sustainability risk, and to identify opportunities for sustainable growth.

Our sustainability principles are aligned and guided by our commitments, including:

**THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

We have prioritised seven SDGs which form the cornerstone of our sustainability programmes and initiatives. Our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework guides our initiatives that lead to meeting the SDGs.



**UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING**

We were one of the banks that drafted the Principles for Responsible Banking (PRB), and are one of the founding signatories. The six Principles align banks with the SDGs and the Paris Climate Agreement. They set the global benchmark of a responsible bank and provide actionable guidance for how to achieve this.

**COLLECTIVE COMMITMENT TO CLIMATE ACTION**

We are a signatory to the Collective Commitment to Climate Action, and are committed to align our portfolios to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to well below 2 degrees Celsius, striving for 1.5 degrees Celsius. We commit to mobilise our products, services and relationships to help facilitate the economic transition necessary to achieve climate neutrality.

**NET-ZERO BANKING ALLIANCE**

As part of this Race to Zero commitment, we will align our financing and investment portfolios with Net-Zero emissions by 2050. Combining near-term action with accountability, we will be setting intermediate targets for 2030 or sooner, using robust, science-based guidelines.





# SUSTAINABILITY PRINCIPLES


## ENGAGING STAKEHOLDERS

We consider our engagements with our stakeholders essential as they provide us with valuable insights on what matters most to them. We have developed a comprehensive engagement framework to enable us to best capture the most critical and relevant EES&G impacts and opportunities we should be addressing as a bank.

Multiple internal and external sources and touchpoints have been used, such as targeted engagement through focus groups, and one-on-one interviews and online surveys to understand specific sustainability issues, as well as topics of interest. We have mapped topics and issues raised to our material issues and discussed how we have responded throughout the report.

 <b>CUSTOMERS</b> <span style="float: right;">Frequency: <b>Daily</b></span>		
How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>Feedback from annual and post-interaction surveys</li> <li>Frontline channels, including call centres, branches and social media</li> <li>Complaints and feedback mechanisms</li> <li>Relationship Managers</li> <li>Customer appreciation events such as WoWeek!</li> </ul>	<ul style="list-style-type: none"> <li>Consistent and superior customer experience</li> <li>Performance reliability of digital platforms</li> <li>Data privacy and security</li> <li>Sustainable finance and responsible banking</li> <li>Access to finance</li> <li>Favourable financing terms</li> <li>Transparent and fair business relationships</li> </ul>	<ul style="list-style-type: none"> <li>Improved stability of Clicks and BizChannel</li> <li>Reengineered processes for better customer experience</li> <li>Leveraged data analytics to ensure relevant products and services are provided</li> <li>Increased governance and operationalisation of Treating Customers Fairly outcomes</li> <li>Communicated financial relief programmes via websites and media channels</li> </ul>

 <b>INVESTORS</b> <span style="float: right;">Frequency: <b>Quarterly/Annually</b></span>		
How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>Quarterly financial results briefings</li> <li>Investor roadshows</li> <li>One-on-one investor engagements</li> <li>Sustainability Investor Day</li> <li>Annual General Meetings</li> <li>ESG rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>Governance (Corporate and Sustainability Governance)</li> <li>Climate change targets, strategy and portfolio level physical and transition risks</li> <li>Sustainable finance goals and approaches</li> <li>Engagement approach with high sustainability risk clients, and related sector requirements</li> </ul>	<ul style="list-style-type: none"> <li>Established Group Sustainability and Governance Committee</li> <li>Organised first Sustainability Investor Day with investors and analysts</li> <li>Piloted the PACTA tool to measure portfolio transition risk</li> <li>Conducted engagements with high sustainability risk clients to communicate our sustainable finance requirements</li> <li>Set a Net-Zero 2050 target, and commitment to mobilise RM30 billion in sustainable finance by 2024</li> </ul>

 <b>SUPPLIERS</b> <span style="float: right;">Frequency: <b>Monthly</b></span>		
How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>Procurement process</li> <li>Virtual focus groups</li> <li>Performance evaluation</li> <li>Virtual seminars &amp; conferences</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships for growth</li> <li>Fair remuneration and payment terms</li> <li>Vendor Code of Conduct</li> <li>Seamless procurement system</li> <li>Data privacy and security</li> </ul>	<ul style="list-style-type: none"> <li>Engaged close to 200 suppliers on sustainability issues</li> <li>Started rollout of Vendor Code of Conduct (VCOC) acknowledgement as a requirement for new vendors</li> </ul>



## EMPLOYEES

Frequency: **Daily**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>Quarterly townhalls and department meetings</li> <li>Performance reviews and regular check-ins and surveys, such as the annual Organisational Health Index Survey</li> <li>Feedback platforms such as "Have Your Say", "Teh Tarik" with Group CEO, and targeted focus groups</li> <li>Employee events</li> </ul>	<ul style="list-style-type: none"> <li>Corporate culture and values</li> <li>Future of work post-pandemic</li> <li>Working safely through the pandemic</li> <li>Managing mental health strain from new ways of working</li> <li>Providing superior customer experience</li> <li>Improvements in internal processes and technological enablement</li> <li>Employee development and growth</li> <li>Compensation and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Launched EPICC, our refreshed values framework</li> <li>Introduced hybrid work policy to embed a flexible work environment even post-pandemic</li> <li>Rolled out mental health services through partnership with Naluri</li> <li>Undertaking various projects to simplify internal processes and improve the employee experience</li> <li>Conducted career path mapping for divisions in Malaysia</li> </ul>



## REGULATORS

Frequency: **Quarterly**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>One-on-one meetings</li> <li>Industry initiatives, such as the Joint Committee on Climate Change (JC3) and its various sub-committees</li> <li>Working groups and consultation forums</li> </ul>	<ul style="list-style-type: none"> <li>Driving the sustainable finance ecosystem</li> <li>Sustainability-related regulations and guidelines, such as the Value-Based Intermediation and Investment Impact Assessment Framework (VBIAF) Sectoral Guides</li> <li>Climate change, including the Climate Change and Principle-based Taxonomy (CCPT) and Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>Financial crime, cybersecurity and privacy</li> <li>Fair dealing and conduct</li> <li>Technology and customer experience</li> <li>Governance (Corporate and Sustainability Governance)</li> </ul>	<ul style="list-style-type: none"> <li>Conducted CCPT implementation pilot</li> <li>Led development of VBIAF Sectoral Guide: Oil &amp; Gas</li> <li>Co-led organisation of the JC3 Flagship Conference</li> <li>Co-led development of the TCFD Application Guide as part of JC3</li> <li>Engaged the Malaysian Anti-Corruption Agency to discuss corruption risk in our operations</li> <li>Quarterly updates to BNM on AML and Technology Transformation progress</li> </ul>



## COMMUNITY / NGOS / CIVIL SOCIETY

Frequency: **Monthly**

How We Engage	Issues Raised	How We Responded
<ul style="list-style-type: none"> <li>NGO engagements</li> <li>One-on-one meetings</li> <li>Community partnerships</li> <li>Donations &amp; sponsorships</li> <li>Employee volunteerism activities</li> </ul>	<ul style="list-style-type: none"> <li>Financial inclusion, literacy and well-being</li> <li>Community development</li> <li>Progress on sustainable finance and our sector requirements, including on climate change and deforestation</li> </ul>	<ul style="list-style-type: none"> <li>Consulted with NGOs on our updated sector requirements</li> <li>Participated in NGO engagements and benchmarking exercises, such as the Forest 500 study</li> <li>Launched employee volunteerism programme, which resulted in an exponential increase in volunteer hours</li> </ul>

# SUSTAINABILITY PRINCIPLES

## MATERIAL ESG MATTERS

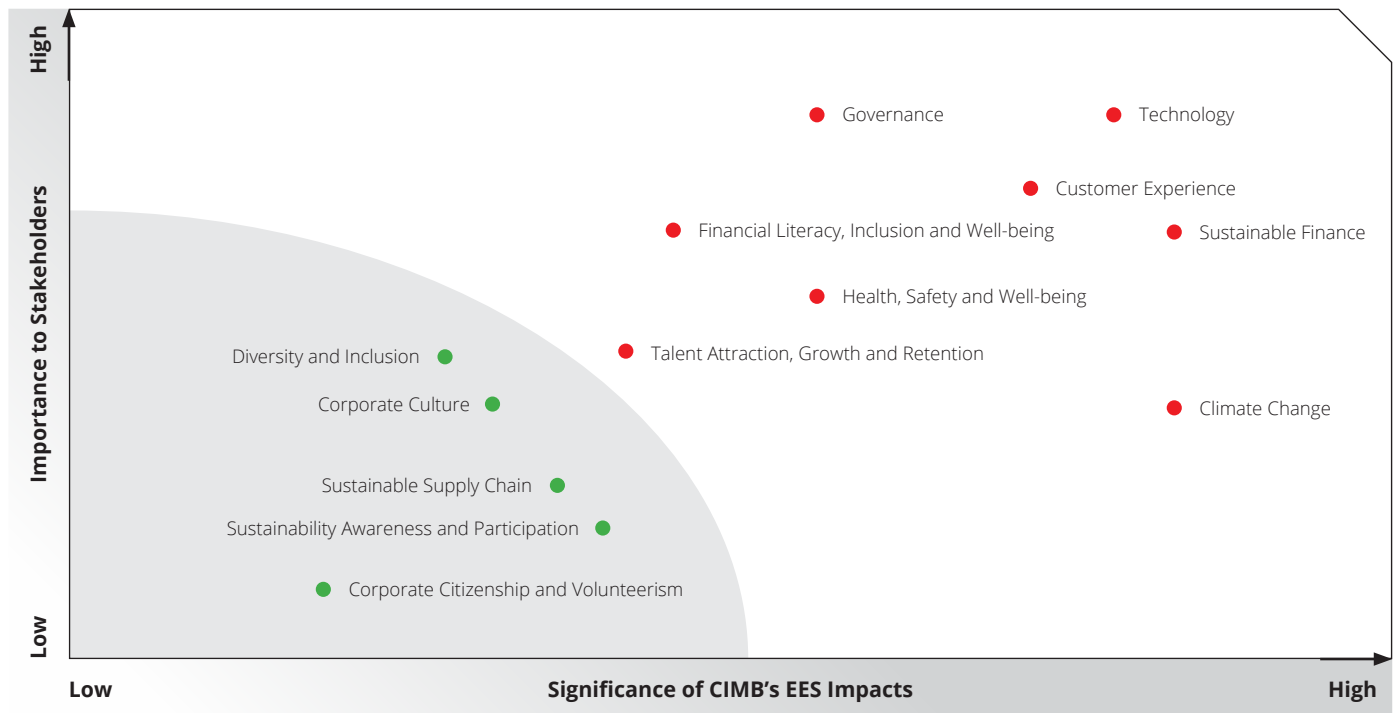
Material ESG matters have the most impact to our stakeholders and our ability to create long-term value as a bank. These matters influence how the Board and senior management steer the bank.

We conduct a materiality exercise once every two years. Building on our initial in-depth materiality exercise in 2018, we conducted a high-level refreshed assessment in 2020 as part of our broader stakeholder engagement process, and to ensure relevance to our regional stakeholders.

As part of that exercise, we conducted focus groups, surveys, and targeted interviews with more than 2,500 stakeholders, including our customers, employees, institutional investors, and suppliers from Malaysia, Indonesia, Singapore, Thailand and Cambodia. Based on these inputs, and through our other engagements and research, we updated the definitions of several material topics.

We expanded the definition of “Climate Change” beyond our direct footprint by including our indirect footprint into the scope. Based on the findings, we were

able to confirm that all topics identified in 2018 were still relevant in 2020. Three material topics (Health, Safety and Well-being; Financial Literacy, Inclusion, & Well-being; and Climate Change) increased in importance to stakeholders, as well as CIMB’s ability to make an impact, in no small part due to the unprecedented impacts of COVID-19 on people, economy, and business. We were also able to establish the commonality and alignment of highly material issues across our core ASEAN markets, which is essential to be able to devise and deploy strategies and programmes that benefit stakeholders across our regional footprint.



### Highly Material Topics

1. Technology
2. Governance
3. Customer Experience
4. Sustainable Finance

### Important Topics

5. Financial Literacy, Inclusion and Well-being
6. Health, Safety and Well-being
7. Climate Change
8. Talent Attraction, Growth and Retention

### Important Topics

9. Diversity and Inclusion
10. Corporate Culture
11. Sustainable Supply Chain
12. Sustainability Awareness and Participation
13. Corporate Citizenship and Volunteerism

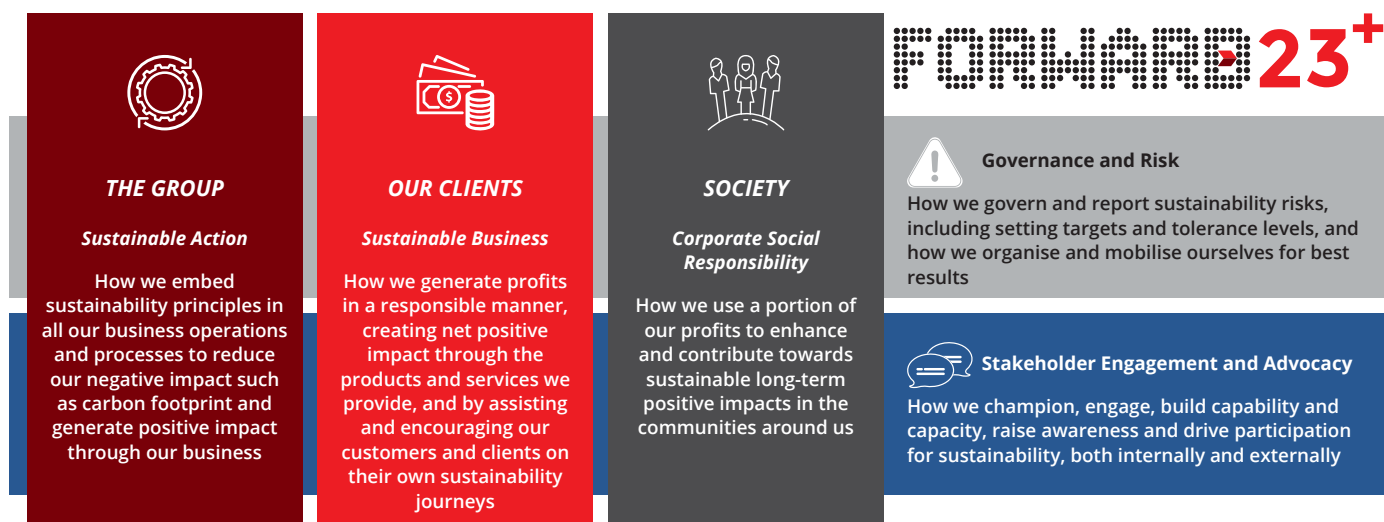


## SUSTAINABILITY ROADMAP

Our sustainability roadmap is designed to operationalise and deliver on our sustainability philosophy and aspirations. The roadmap covers all identified material matters across the Economic, Environmental, Social and Governance (EES&G) spectrum, and aims to deliver net positive impacts to our stakeholders, including the economy, communities and environment.

Our impact in these areas occur in our operations, downstream with our customers, and upstream with our suppliers. While we can directly effect change in our own operations, we strive to positively influence our key stakeholders towards better sustainability performance. We focus especially on working with our customers to create positive change, for example, by providing access to financial services to the underbanked and unbanked, and providing innovative sustainable finance solutions to further our clients' own sustainability efforts.

Our sustainability roadmap incorporates Value-Based Intermediation (VBI) principles, which apply sustainability through the lens of *Maqasid al-Shariah* and was developed by Bank Negara Malaysia. VBI functions to deliver the intended outcomes of Shariah, with the application of its principles of attainment of benefit and prevention of harm.



### KEY MILESTONES



# SUSTAINABILITY PRINCIPLES

## OUR SCORECARD

We have identified a set of key indicators for which we have set quantitative targets for long-term value creation, with qualitative commitments and annual reporting for the remaining indicators. These targets have been extensively discussed with regional business units and enablers to obtain buy in, and debated at Group Sustainability Council, Group Transformation Committee and the Board, to achieve a balance of “stretch” and achievability. The targets are aligned with material topics, national priorities, the UN SDGs, industry benchmarks.

In 2021, we re-evaluated our key indicators in line with changing sustainability demands from our stakeholders. We set four new targets, and refined measurements for some indicators.



### SUSTAINABLE ACTION

#### Material Topics

- Climate Change
- Diversity and Inclusion
- Health, Safety and Well-being
- Talent Attraction, Growth and Retention
- Sustainable Supply Chain

#### Related UN SDGs



Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments <sup>1</sup>
<b>Climate Change</b> GHG emissions reduction (Scope 1 and 2) <sup>2</sup>	94,834 tonnes CO <sub>2</sub> e	24% reduction from 2019 baseline	25% reduction from 2019 baseline; towards net zero by 2030
<b>Diversity &amp; Inclusion</b> Women in leadership <sup>3</sup>	38% women in leadership (2020 baseline)	43% women in leadership	45% women in leadership
Gender pay gap <sup>4</sup>	<ul style="list-style-type: none"> <li>• 1 (Male) : 1.00 (Female) for Key Management</li> <li>• 1 (Male) : 0.97 (Female) for Senior Management (2020 baseline)</li> </ul>	<ul style="list-style-type: none"> <li>• 1 (Male) : 1.00 (Female) for Key Management</li> <li>• 1 (Male) : 0.97 (Female) for Senior Management</li> </ul>	CIMB is committed to reducing the gender pay gap
<b>Sustainable Supply Chain</b> Suppliers engaged on sustainability issues	Not measured	197 suppliers engaged on sustainability issues	To measure and report progress annually

<sup>1</sup> Unless otherwise stated.

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

<sup>3</sup> In 2021, definition and scope of female representation on key management target has been reviewed and revised to include women in leadership positions, up to Group CEO-2. The 2020 figure is restated and used as baseline based on the new methodology.

<sup>4</sup> In 2021, we revised our methodology to calculate our gender pay ratio, by a weighted average across business units, business enablers and population size across Malaysia, Indonesia, Singapore and Thailand. 2020 figures (covering Malaysia only) have been restated and used as baseline based on the new methodology.



## SUSTAINABLE BUSINESS

### Material Topics

- Sustainable Finance
- Technology
- Financial Literacy, Inclusion and Well-being
- Climate Change
- Customer Experience

### Related UN SDGs



Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments <sup>1</sup>
<b>Customer Experience</b> Relative Net Promoter Score (NPS) compared to peers	Top 48%	Within 54%	Top quartile (25%)
<b>Sustainable Finance</b> CIMB financing clients with Environmental and Social (E&S) action plans	11 clients with new action plans	52 clients with new action plans	To measure and report progress annually
Clients with E&S action plans, that implemented them	None, as E&S action plans were only due in 2020 onwards	89% of clients with E&S action plans due in 2021 successfully completed them	To measure and report progress annually
Green, Social, Sustainable Impact Products and Services (GSSIPS) <sup>2</sup>	Not measured	RM25.9 billion	RM30 billion mobilised from 2021-2024
<b>Financial Literacy, Inclusion and Well-being</b> Financing Provided to Underserved Communities	Not measured	RM7.6 billion	To measure and report progress annually
<b>Climate Change</b> Reduction in Financed Emissions (Scope 3)	Not measured	Baselining in progress	Net Zero by 2050

1 Unless otherwise stated.  
 2 Includes Financial Inclusion figures.



## CORPORATE SOCIAL RESPONSIBILITY

### Material Topics

- Talent Attraction, Growth and Retention
- Financial Literacy, Inclusion and Well-being
- Corporate Citizenship & Volunteerism
- Sustainability Education and Participation
- Corporate Culture

### Related UN SDGs




Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments <sup>1</sup>
<b>Corporate Citizenship &amp; Volunteerism</b> CSR investments	RM45.8 million <sup>2</sup>	RM36.3 million <sup>2,3</sup>	RM150 million disbursed from 2021 - 2025
Employee volunteer hours	6,580 hours <sup>4</sup>	67,278 hours	100,000 hours in employee volunteer activities <sup>5</sup>

1 Unless otherwise stated.  
 2 Total approved.  
 3 RM28.7 million was disbursed in 2021.  
 4 Malaysia only.  
 5 Revised 2024 target following strengthened commitment announced in September 2021.

# SUSTAINABILITY PRINCIPLES

## GOVERNANCE & RISK

Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments <sup>1</sup>
<b>Material Topics</b> <ul style="list-style-type: none"> <li>Corporate Culture</li> <li>Governance</li> <li>Sustainable Finance</li> <li>Customer Experience</li> </ul>			
<b>Related UN SDGs</b> 			
<b>Governance</b>			
Material issues supported by policy commitments <sup>2</sup>	9 out of 14 (64%) material issues supported <sup>2</sup>	12 out of 13 (92%) material issues supported	All material issues supported by policy commitments
Improvement in governance score on S&P Global Corporate Sustainability Assessment (CSA) <sup>3</sup>	Score of 58 (based on 2018 performance)	Score of 66, a 14% improvement (based on 2020 performance)	30% improvement from 2019 baseline
Female representation on the Board <sup>4</sup>	11%	30%	At least 30%


1 Unless otherwise stated.

2 Total number of material issues was reduced from 14 to 13 during the 2020 materiality refresh exercise i.e. "Nurturing Growth" was merged into "Talent Attraction, Growth and Retention" in order to avoid overlaps in scope.

3 Includes Anti-Crime Policy and Measures, Risk & Crisis Management, Codes of Business Conduct, Tax Strategy, Corporate Governance, Information Security/ Cybersecurity & System Availability, Privacy Protection.

4 CIMB Group Holdings Berhad.

## STAKEHOLDER ENGAGEMENT & ADVOCACY

Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments <sup>1</sup>
<b>Material Topics</b> <ul style="list-style-type: none"> <li>Corporate Culture</li> <li>Sustainability Education and Participation</li> <li>Governance</li> <li>Talent Attraction, Growth and Retention</li> <li>Sustainable Supply Chain</li> <li>Sustainable Finance</li> </ul>			
<b>Related UN SDGs</b> 			
<b>Sustainability Education and Participation</b>			
Employees trained on sustainability	2,268	3,494 <sup>2</sup>	To measure and report progress annually
Employees completed sustainability e-learning (%)	Applicable from 2021 onwards	32%	95% of employees completed Sustainability e-learning

1 Unless otherwise stated.

2 Excluding e-learning.

### SUSTAINABILITY KEY HIGHLIGHTS

Ranked **79TH PERCENTILE**



of banks globally in the S&P Global Corporate Sustainability Assessment, achieving our Forward23+ target 3 years ahead of time



Over **RM253 BILLION** of financial assistance to **1.7 MILLION** customers since 2020

Mobilised **RM25.9 BILLION**

of sustainable finance in Green, Social, Sustainable Impact Products and Services including

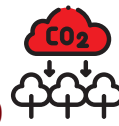


**RM7.6 BILLION** of financing to lower income clients

Rolled out the **GROUP EMPLOYEE DIVERSITY & INCLUSION POLICY**



Committed to **NET ZERO GHG BY 2050**



including scope 3 and financed emissions, and net zero Scope 1 and 2 emissions by 2030, and first ASEAN Bank to join the **NET-ZERO BANKING ALLIANCE**



Conducted our first **HUMAN RIGHTS ASSESSMENT** with large clients



Launched permanent hybrid working arrangements and **MENTAL HEALTH & WELLNESS SERVICES** for #teamCIMB



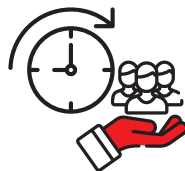
Over **15,000** employees and **67%** of senior management engaged and trained on sustainability



Entered into the **FIRST EVER RINGGIT SUSTAINABILITY-LINKED DERIVATIVE** transaction

Committed to **RM150 MILLION**

of community investments over 5 years, with **67,278** employee volunteer hours recorded in 2021



First **TCFD-ALIGNED REPORTING** including scenario analysis using the PACTA methodology



Established the **GROUP SUSTAINABILITY and GOVERNANCE COMMITTEE**



**89%** of clients with due environmental & social action plans completed them






# SUSTAINABLE ACTION

Across our operations in ASEAN, we directly impact the livelihoods of approximately 33,000 employees and 2,000 suppliers. We are committed to continuously improving our business relationships, creating positive impacts in our social relationships, and minimising our environmental footprint. We strive to be an employer of choice, and build supplier relationships that are ethical, responsible and fair.

 <p><b>Reducing environmental impacts</b> Understanding our direct operational environmental footprint and reducing our emissions from our key impact areas.</p>	 <p><b>Promoting responsible supply chain practices</b> Ensuring that we recognise and minimise the potential adverse environmental and societal impacts, while helping our partners to develop responsibly.</p>	 <p><b>Investing in our employees</b> Providing an inclusive, enriching and rewarding working environment for a diverse group of employees.</p>
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## MATERIAL TOPICS

## 2021 ACHIEVEMENTS

 <p><b>Climate Change: Operational Emissions</b></p>	<p>Committed to <b>NET ZERO GHG SCOPE 1 &amp; 2 EMISSIONS</b> by 2030</p>	<p><b>24%</b> reduction of GHG Scope 1 &amp; 2 emissions from 2019</p>	<p>Developed <b>INTERNAL CARBON PRICING</b> framework</p>
 <p><b>Sustainable Supply Chain</b></p>	<p><b>88%</b> locally owned suppliers</p>	<p><b>RM1.9 BILLION</b> invested in our supply chain</p>	<p>Over <b>197</b> suppliers engaged on sustainability</p>
 <p><b>Diversity and Inclusion</b></p>	<p><b>43%</b> females in leadership (up to Group CEO-2)</p>	<p><b>47%</b> females in management roles of revenue generating functions</p>	<p>Developed and rolled out our <b>GROUP EMPLOYEE DIVERSITY &amp; INCLUSION POLICY</b></p>
 <p><b>Health, Safety &amp; Well-being</b></p>	<p>Launched <b>PERMANENT HYBRID WORKING</b> arrangements</p>	<p>Rolled out <b>MENTAL HEALTH SERVICES</b> to support employees</p>	<p>Organisational Health Index score of <b>75/100</b></p>
 <p><b>Talent Attraction, Growth, &amp; Retention</b></p>	<p>Invested <b>RM81.8 MILLION</b> in training and development</p>	<p><b>73</b> training hours per employee, on average</p>	<p><b>34%</b> of all vacancies in the Group filled by internal candidates</p>

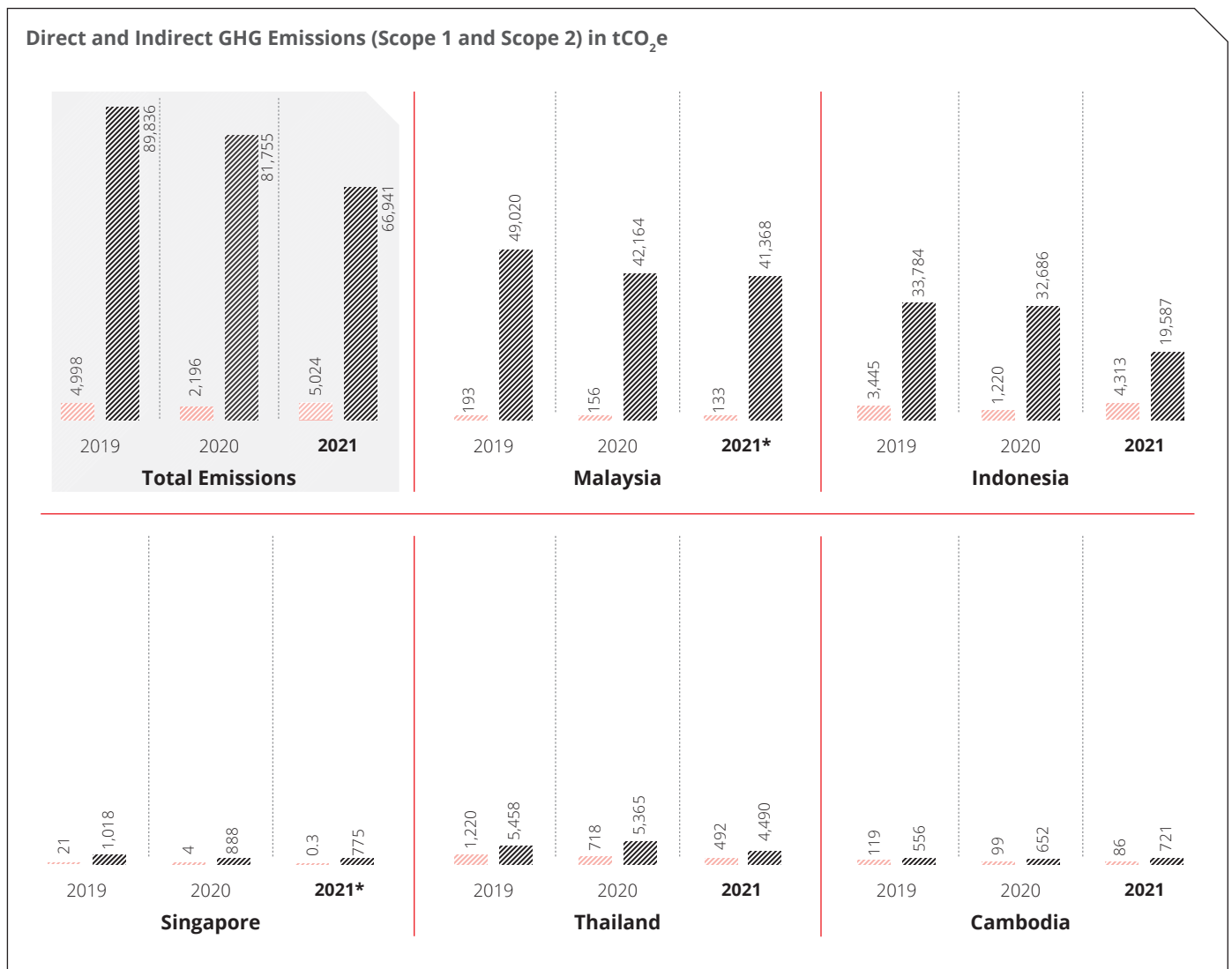


## CLIMATE CHANGE: OPERATIONAL EMISSIONS

Electricity consumption of over 700 premises owned and leased by CIMB in this region was identified as a significant source of GHG emissions within our operations. We are focused on improving our energy efficiency as an important step to reduce our operational carbon footprint. CIMB recorded GHG emissions (Scope 1 and Scope 2) of 71,965 tCO<sub>2</sub>e in 2021, a 24% reduction from our 2019 baseline.

### OUR CARBON FOOTPRINT (GHG EMISSIONS SCOPE 1 AND SCOPE 2)

The Administration and Property Management (APM) teams across the region monitor and report on energy usage monthly. In 2021, we achieved a 14.3% year-on-year reduction in total GHG emissions (Scope 1 and Scope 2).



Scope 1 Scope 2

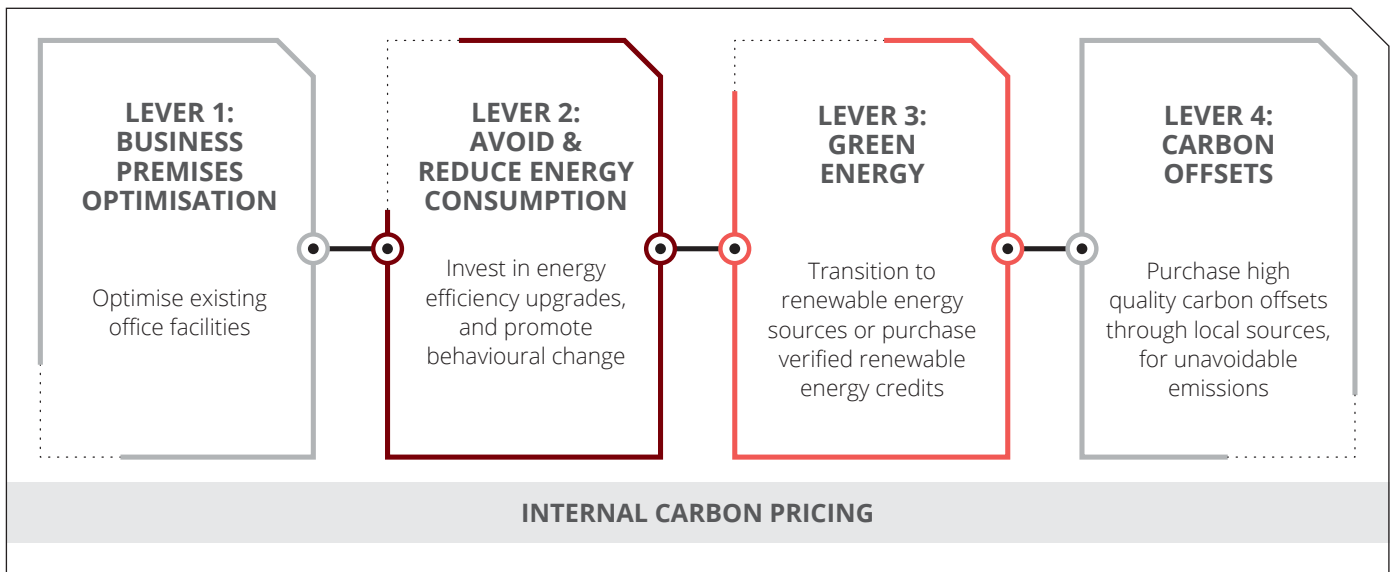
\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146.

# SUSTAINABLE ACTION

## OUR COMMITMENT TO ACHIEVE NET ZERO GHG SCOPE 1 AND 2 EMISSIONS BY 2030

In 2020, we put in place a target to reduce our Scope 1 and 2 GHG emissions intensity by 10% by 2024 compared to our 2019 baseline. This was developed based on a benchmarking study of GHG emissions performance of our ASEAN peers.

In 2021, we stepped up this commitment, targeting to achieve net zero GHG Scope 1 and 2 emissions in our operations by 2030. We have developed a four-pronged strategy which will guide us in reducing our operational GHG emissions in the most effective, responsible and cost-optimised manner. This is illustrated in the graphic below, arranged according to decreasing priority.



### LEVER 1: BUSINESS PREMISES OPTIMISATION

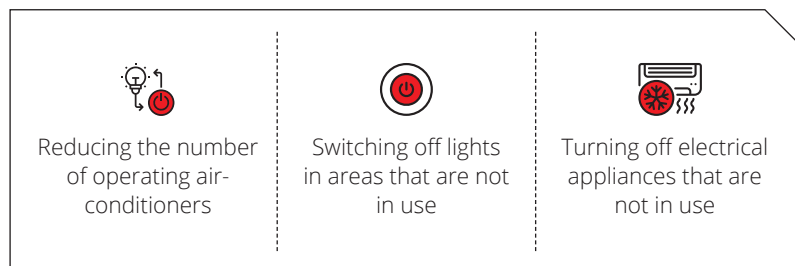
With the optimisation and consolidation of our premises, made possible by our digital banking services and technology, we have seen an overall decrease in floor space. As we transition towards a hybrid working model, we anticipate further reduction in physical office space. In 2021, we recorded a reduction of at least 600 tCO<sub>2</sub>e from these changes.

We are undergoing a strategic review to reduce duplication of services for our customer base across multiple locations within the same vicinities. Through the use of digital analytics, optimisation of branch resources will reduce our carbon footprint as well as redirect resources to more strategic and busier locations.



## LEVER 2: AVOIDING AND REDUCING ENERGY CONSUMPTION

We conducted a pilot project in Malaysia at several branches and at CIMB headquarters to understand employee behaviours in relation to energy consumption. Within each pilot location, Energy Champions were appointed to identify and implement energy reduction initiatives, and energy use was monitored for several weeks. An average reduction of 10% in electricity usage was achieved.

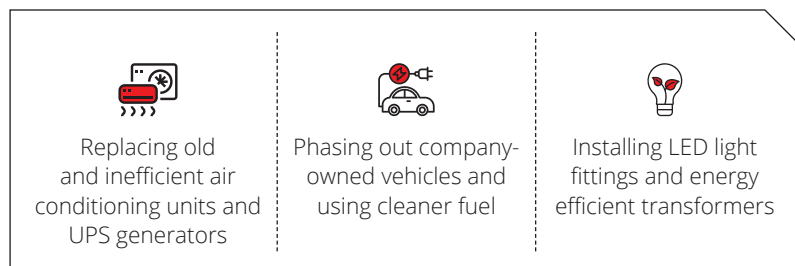


In 2022, we will conduct more initiatives and campaigns to encourage and inspire behavioural change among employees.

### Improving Energy and Resource Efficiency

We seek to optimise the use of energy through progressive upgrading of mechanical and electrical systems, and adopting best practices in energy efficiency.

More than RM4 million has been invested to improve our energy and resource efficiency, and at least 4,000 tCO<sub>2</sub>e of annual savings have been achieved through these initiatives.



## LEVER 3: GREEN ELECTRICITY

In 2021, the Malaysia Ministry of Energy and Natural Resources launched the Green Electricity Tariff Programme, which allows customers to purchase low carbon electricity from Tenaga Nasional Berhad, starting from 2022. CIMB has committed to purchase a portion of our electricity under the programme.

## LEVER 4: CARBON OFFSETS

Our priority is to maximise our GHG reduction through Levers 1 to 3. However, not all emissions can be reduced through those levers. Therefore, we are closely monitoring developments in the voluntary carbon markets, and will consider purchasing carbon offsets to achieve our net zero GHG Scope 1 and 2 emissions in our operations by 2030. We aim to prioritise verified carbon offsets from local projects in countries that we operate in.

### Internal Carbon Pricing

An Internal Carbon Price (ICP) places monetary value on GHG emissions, which our business units and enabling functions can factor into their decisions and business operations.

In 2021, we embarked on a project to develop our own carbon pricing mechanism. The objective of our ICP is to change internal behaviours, thereby reducing Scope 1 and 2 emissions arising from our operations. A secondary objective is to fund investments and expenditures for energy efficiency and renewable energy, as well as to purchase renewable energy certificates or carbon offsets to offset hard-to-abate Scope 1 and 2 emissions.

Through research, engagements with other banks who have developed ICP, and discussions with business units and enablers, we developed an ICP framework based on a hybrid 'cap and tax' model. As a Group, we have set annual GHG Scope 1 and 2 reduction targets, along a trajectory to 100% reduction, or net zero by 2030. Based on the annual caps that are driven by the Group-level target, all countries, and subsequently, divisions will be allocated a GHG cap. Any country or division that fails to meet their annual cap will be charged an internal fee per tonne of GHG emitted in excess of their cap. The funds collected will be used to fund renewable energy or energy efficiency upgrades, or to purchase renewable energy credits or carbon offsets. The carbon price is set based on a number of external benchmarks including prices of carbon taxes, renewable energy credits and carbon offsets.

This year, we implemented the ICP mechanism at the country level in Malaysia and Indonesia. However, since both countries met their GHG cap in 2021, no fee was charged. Our plan is to roll out the ICP to other countries, and to the division level in Malaysia and Indonesia over the next few years. Further assessments have to be undertaken to determine targets at division level. Additionally, some investments may be needed to enable more granular measurement of electricity use, for example, on floors which are occupied by more than one division. In the longer term, we intend to study how to extend the ICP to our financed emissions, in order to drive decision making in support of the low carbon agenda in our financing.

# SUSTAINABLE ACTION

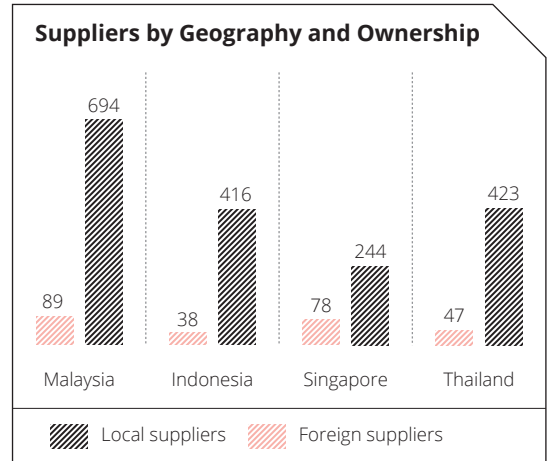


## SUSTAINABLE SUPPLY CHAIN

CIMB partners with approximately 2,000 suppliers across our operations in Malaysia, Indonesia, Singapore, and Thailand, of which 88% are registered as local businesses. As a responsible bank, we aim to source from suppliers who meet our ethical, environmental and social standards, and seek to positively influence our suppliers towards more sustainable practices.

We are committed to sourcing locally, supporting and providing opportunities to home-grown domestic businesses in the markets we operate in. Our suppliers vary in scale, structure, and ownership, ranging from multinational corporations to local small and medium-sized enterprises (SMEs).

In 2021, we procured over RM1.9 billion worth of products and services through our suppliers. Our largest spend is within our Technology, Operations and Administration & Property departments.



### SUPPLY CHAIN GOVERNANCE

Sustainable procurement practices are managed by Group Strategic Procurement, based on principles set forth in the Group Sustainability Policy. All new suppliers are required to register through the CIMB eProcurement Portal, and comply with all applicable laws, regulations and standards within the geographies in which they operate.

Our Vendor Code of Conduct (VCO) sets out expectations for all current and prospective suppliers, related to ethical and responsible business conduct, human rights and environmental stewardship. ESG issues and risks are integrated into our procurement and risk management processes.

Basic Sustainability Due Diligence is conducted as part of the vendor onboarding process. If the vendor fails the due diligence, the case will be escalated to Group Sustainability for investigation and recommendation on whether to proceed with the onboarding. Two vendors were escalated to Group Sustainability for in-depth due diligence as part of the onboarding process in 2021. Upon investigation, both vendors were judged to have manageable levels of risks, with controls in place, and they were therefore recommended to proceed with onboarding.

The Group's Whistleblowing Policy is an avenue for suppliers to report suspected unethical, illegal, or improper behaviours or activities, confidentially and transparently. The Policy is accessible to all stakeholders through the CIMB Group website and the CIMB eProcurement Portal.



### SUPPLIER ENGAGEMENT

We work with a large number of suppliers of varying domiciles, sectors and sizes, and at various stages of sustainability maturity. We strive to assist our suppliers to increase their sustainability maturity through targeted engagements to raise awareness of social and environmental practices.

We encourage our suppliers to participate in CIMB-led sustainability events such as The Cooler Earth Sustainability Summit. In 2021, we engaged 197 suppliers across different countries through the various sustainability events that we organised or co-organised.



## DIVERSITY AND INCLUSION

Diversity and inclusion positively contributes towards shaping a sustainable and high-performing organisation. We are committed to a workplace that celebrates a diverse and inclusive workforce, built on a foundation of equality and fairness. In other words, we strive to create an environment where our people feel welcomed and are given equal, fair and inclusive opportunities, regardless of gender, age, background, beliefs, ethnicity, skills and abilities. Our policy of non-discrimination ensures that employees are selected, developed, progressed and rewarded based on merit, and are able to equally access available opportunities within the Group.

### GROUP EMPLOYEE DIVERSITY & INCLUSION POLICY

Embracing diversity and being respectful of differences are key behaviours under our EPICC values framework, which steers us towards our aim of delivering impact together the right way. To drive this, diversity and inclusion is embedded as a key component of our Human Capital Transformation plan under Forward23+, which is overseen by the Group Transformation Committee.

In 2021, we rolled out the Group Employee Diversity and Inclusion Policy, which provides clear principles and guidelines on how we should conduct ourselves towards achieving our diversity and inclusion goals.

Our stance on diversity and inclusion is anchored on two main principles:



#### Equal opportunities and fair treatment

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



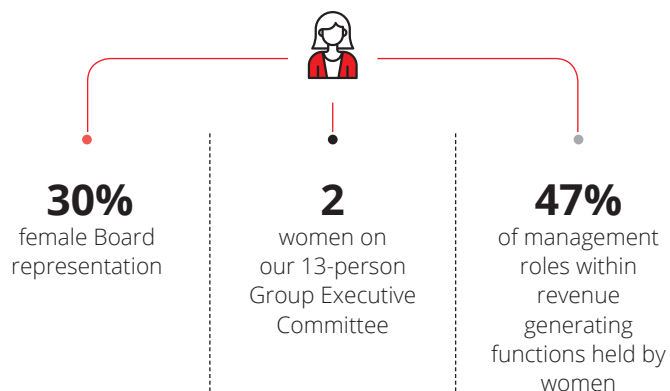
#### Inclusiveness, dignity and respect

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

### GENDER REPRESENTATION GOALS

Women represent 57% of our workforce, and 43% of our leadership\* are women. In addition, 40% of our identified pool of digital and data talent, and 38% of The Complete Banker programme, are comprised of women.

We are committed to continue to work towards further increasing female representation in leadership, mission-critical and revenue-generating roles, while building a healthy pipeline of high-performing female talent for succession management.



\* Group CEO's direct reports and their reports, i.e. Group CEO-2. In 2021, we expanded the definition of "leadership" to include roles up to Group CEO-2 in our business units and business enablers. This allows us to capture a broader view of women in instrumental roles that support the Group Executive Committee (GEXCO) in driving impact for CIMB.

# SUSTAINABLE ACTION

## EMPOWERING WOMEN IN THE WORKFORCE

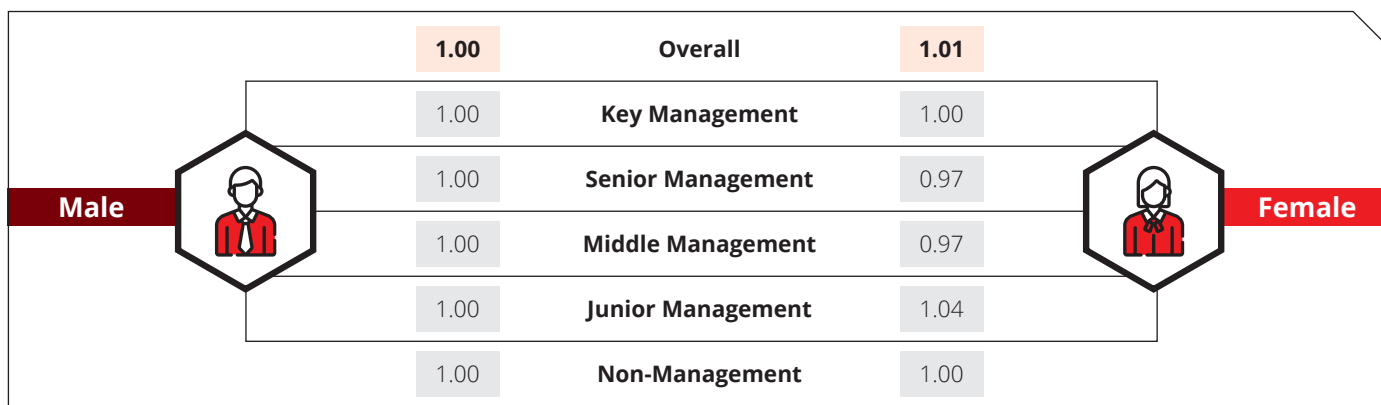
A key focus of our diversity and inclusion initiative is to empower women in the workforce and increase women participation in leadership.

We kept conversations going throughout the year through ‘Learn Over Lunch’ sessions for our employees across the region. To provide a wider perspective on diversity and inclusivity, we invited speakers representing minority advocacy groups, and professionals in leadership development to share their experience.

As part of our Women in Leadership initiative, we conducted six focus group discussions in 2021 among women of various backgrounds, seniority and locations. The sessions covered topics of work environment (e.g. flexible working arrangement and childcare), leadership at CIMB, career pathing and networking. The feedback derived from the sessions provided insights into barriers faced by our female colleagues across the organisation, relating to performance management, career progression and employee well-being. Findings from the focus group discussions serve as important input for the development of our gender diversity programmes moving forward.

## A FOCUS ON GENDER PAY EQUALITY

At CIMB, we believe in equality in economic participation and opportunities. As part of our commitment to diversity, inclusivity and discrimination-free decision making, we review and scrutinise any differences in remuneration between genders. In 2021, a thorough analysis of base pay for staff in our four largest jurisdictions was conducted, analysed by function (profit-generating vs. enablers) and level of seniority. Based on this comparison, there is a pay gap of no more than 5% between genders at various seniority at the overall Group level. We will continue to monitor and review the gender pay ratio between our male and female employees to further narrow and ultimately, eliminate disparities.



1. Pay ratios are shown as men's pay : women's pay, with men's pay indexed to 1, and weighted by population size across business units and enablers
2. Excludes iCIMB/Touch n Go entities (Malaysia) and subsidiaries of CIMB Niaga
3. Excludes secondees, expatriates, country CEOs, the Group CEO, and contract staff

Although gender representation has been a main focus, we also aim to promote other forms of diversity. For example in terms of backgrounds and skills, 77% of our The Complete Banker talent are from non-banking and non-business related backgrounds. We strive to also create employment opportunities for those who are differently-abled. In 2021, we had 13 Persons With Disabilities within our workforce.

Moving into 2022, we will continue to integrate diversity and inclusion principles into our people processes, and roll out initiatives to drive focused change. We are designing initiatives spanning the employee lifecycle, including talent acquisition, performance management, career pathing and succession planning. We plan to also conduct training and awareness building around diversity and inclusion to drive the agenda further.



## HEALTH, SAFETY & WELL-BEING

We believe that a safe and healthy workplace is essential for a high-performing organisation that can deliver long-term resilience and success. We offer comprehensive employee benefits and wellness programmes that address physical, mental, emotional, and spiritual health. We have on-going engagement to gauge and improve the employee experience, as well as established channels to allow employees to provide feedback or raise any grievances.

### HEALTH AND SAFETY

We comply with all relevant health and safety-related national and local requirements where we operate. We have in place measures to prevent injuries, diseases, as well as property loss. Our occupational health and safety policies extend beyond our employees to include on-site contract workers, vendors, and customers.

The Occupational Safety and Health (OSH) team carries out periodic risk assessments to identify, assess, and control on-site risks and hazards, with regional OSH units responsible for driving compliance within their localities. The OSH team is supported by OSH Committees comprising of management, as well as employee representatives.

OSH Committee members are trained to conduct quarterly inspections to ascertain if there are any detrimental circumstances that could impact the safety and health of our staff. Annual audits are conducted, including on branch operations. Results are shared with the audited units, who subsequently work to improve any gaps as recommended by the OSH auditor.



**3**

Occupational Safety and Health related training programmes conducted



**146**

Employees trained



**11**

Premises audited

## SUSTAINABLE ACTION

### SAFE WORKING DURING COVID-19

Throughout the COVID-19 pandemic, we proactively and rapidly deployed extensive measures to ensure our premises remained as safe as possible, to support the well-being of employees, while ensuring business continuity. The Group Crisis Management Committee directed strategic and operational business responses in line with our Business Continuity Management plans, and ensured clear and timely communications to relevant stakeholders.

#### Working safely in the office



- Reconfigured workspaces to meet COVID-19 Standard Operating Procedures, and enable social distancing
- Ongoing distribution of RTK Antigen self-test kits for all employees working in the office

#### Working effectively from home



- Enabled over 50% of employees group-wide to work remotely
- Provided access to expertise on remote work, and cash allowance for broadband access

#### COVID-19 testing and vaccination



- Over 98% employees group-wide vaccinated
- CIMB Private Vaccination Programme for staff
- Provided unrecorded vaccination leave for travel on vaccination day, plus mileage claim if vaccination location is more than 15km away, as well as medical leave post-vaccination recovery
- Full reimbursement for swab tests

#### Assisting employees throughout the pandemic



- Prioritised mental health support through the Naluri app
- Additional 3-month employee loan/financing moratorium in Malaysia, and 50% financing interest subsidy in Indonesia
- Free home disinfection for employees falling to COVID-19 in Singapore
- Quarantine hotels for COVID-positive staff in Malaysia whose home environments were not conducive for self-isolation. The CIMB Niaga Learning Centre in Gunung Guelis was converted into a self-quarantine facility for employees and family members, with reserved beds for hospital admission and always-on telemedicine consultation in Indonesia
- Coverage for hospitalisation costs

### WORKPLACE WELLNESS AND WELL-BEING

We offer a variety of benefits to safeguard and promote employees' total well-being, to help them bring their best to work every day. Our benefit offerings include long-term savings for retirement, as well as comprehensive health coverage including medical, dental, life insurance and long-term disability insurance. Additionally, our wellness programmes are designed to support the physical, financial, mental, social and spiritual well-being of our employees. Examples include staff rejuvenation plans, extended paid maternity, paternity and adoption leave, beyond regulatory requirement, as well as employee assistance programmes.



#### Flexible Work Arrangements

- Hybrid Working Arrangements
- Staff Rejuvenation Programme
- Reduced Workweek
- One-month Paternity Leave
- Flex4Sustainability (30 days paid leave to conduct sustainability projects)
- Flex4ALL (flexible start and end time of work)
- Flex4SmartWear



#### Women Empowerment

- Flex4Moms (for parents of young and special needs children)
- Designated Car Parks for pregnant women
- Onsite Childcare Centre
- Six-month Maternity Leave for First Time Mothers
- Enhanced Maternity Leave for Subsequent Children
- Paternity Leave
- Adoption Leave

Across many organisations around the world, the abrupt shift to working from home to manage the spread of the pandemic has disrupted the nature of work. The ushering in of a new era of remote working has made traditional modes of engagement less relevant, and organisations have had to rapidly recalibrate their ways of working to ensure they continue to perform.

Moving into the endemic phase of COVID-19, we formalised hybrid working arrangements under the Group Flexible Working Arrangement Policy. Under this permanent arrangement, around 50% of staff across the region, whose roles have been identified as “flexi”, will have the opportunity to work away from the office subject to certain guidelines.



### Health

- Mental Health Services
- Health Talks and Fairs
- Face-to-face and Online Exercise Programmes
- On-site Dentist and Clinic (in Menara CIMB)
- Honour-based Medical Leave



### Financial Well-being

- Staff Scholarships and Sponsorships
- Employee financing/ Facilities
- Interest/Profit-free Home Financing
- Financial Support for Single Parents
- Financial Support for Parents of Children with Special Needs

## PRIORITISING MENTAL HEALTH

We recognise the adverse impacts of the pandemic on our employees' mental health and well-being. These could stem from various sources such as health anxieties, changing work behaviours, financial burdens, and social isolation. In response to these concerns, we accelerated mental wellness initiatives across the Group to help our employees better manage the uncertainties and disruptions of the pandemic.



### Malaysia

- CIMB Wellness – Mental Health, a holistic programme that offers mental health assessment and education, remote one-on-one therapy, and an always-on counselling hotline
- Webinars by mental health professionals, which were attended by more than 2,000 employees in Malaysia and across the region. Topics included Managing Pandemic Fatigue and Battling Burnout
- More than 900 employees are making use of the online mental health assessment, coaching and professional advice by our partner, Naluri
- Mental Health Well-being training for over 1,000 people managers



### Indonesia

- “Ruang Cerita”, a monthly session for employees to consult with psychiatrists
- Mental health assessment included as part of health assessments for employees over 35 years of age



### Singapore

- Wellness@Work, a series of virtual workshops on mental health, nutrition and fitness



### Vietnam

- Access to professional work-life coaching services, alongside an “employee well-being day”



# SUSTAINABLE ACTION

## LISTENING TO OUR EMPLOYEES

We have established various engagement channels to gather views and feedback from our employees. These include quarterly townhalls, focus groups and targeted conversations with employees at all levels to hear their concerns, as well as to understand their aspirations and to gather suggestions for improvement.





## LABOUR RIGHTS

We recognise our employees' rights to freedom of association with respect to national laws. As at end 2021, 44.5% of employees in Malaysia, Singapore and Indonesia are covered by a trade union or collective bargaining agreement. A formal grievance mechanism sets out clear and transparent complaints processes. Settlement of grievances is in accordance with the respective collective agreements, where applicable.

## MEASURING ORGANISATIONAL HEALTH

In late 2020 and early 2021, we conducted our inaugural Group Organisational Health Index (OHI) survey to seek employees' views on leadership, internal capabilities, and collaboration within the Group, and to gauge the level of motivation within #teamCIMB. Additionally, we sought insights from employees on how they view the bank and the execution of CIMB's strategy. More than 88% of our employees responded, with over 100,000 written comments provided.

We received an OHI score of 75/100 in our initial survey, which placed us in the third quartile among ASEAN financial institutions of similar size and scale. Based on the survey findings, we conducted extensive engagements with Board, senior management and employees to understand areas where we could improve. The following areas were identified to be revamped and enhanced:

<p><b>Talent development</b></p> <ul style="list-style-type: none"> <li>• Career path and accelerated career tracks for high performers</li> <li>• 360-degree assessment of leaders</li> </ul>	
<p><b>Improved internal efficiency with reduced bureaucracy</b></p> <ul style="list-style-type: none"> <li>• Simplified internal job mobility process</li> <li>• Streamlined employee on-boarding process</li> <li>• Reviewed the regional operating model</li> </ul>	
<p><b>Empathic, decisive leadership</b></p> <ul style="list-style-type: none"> <li>• Leadership development and coaching for senior leaders targeted at supporting needs of staff during the post-pandemic era</li> </ul>	
<p><b>Building trust and transparency</b></p> <ul style="list-style-type: none"> <li>• Launched permanent hybrid work arrangements</li> <li>• Revamped performance framework to encourage regular, in-time feedback</li> </ul>	

We repeated the OHI survey in late 2021, which showed improvements in feedback on the back of initiatives undertaken, particularly in Singapore, Wholesale Banking, Commercial Banking and Islamic Banking, and in the area of Organisational Capabilities. However, we saw a slight decline in Consumer Banking scores in Malaysia and Indonesia, as well as certain areas such as financial incentives and professional standards, which could be attributed to the challenges of working through the prolonged pandemic. These changes resulted in a stable score of 75/100 in 2021, despite a difficult year. We will continue to work on the feedback received, as we strive to uplift the employee experience, for example, through re-engineering the work from home experience.





## TALENT ATTRACTION, GROWTH AND RETENTION

Investments in our people are a priority in our effort to build a purpose-driven, high-performing and resilient organisation. Our priorities include strengthening our talent pipeline and ensuring all employees have equitable access to advancement opportunities. We have in place holistic, effective and efficient programmes to manage talent attraction, growth, and retention that enables business continuity, productivity, performance, and competitiveness in the long term.

### A PLACE FOR FUTURE TALENT

We invest in initiatives to attract, develop and retain top talent to drive our business aspirations. We seek to offer a differentiated value proposition to attract and retain the industry's top talent, while addressing skill gaps within our current workforce. We also ensure an inclusive approach to ensure young individuals from all economic backgrounds have an opportunity to begin their career with us across the region.

#### CIMB ASEAN Scholarship



CIMB's flagship talent programme under which over 92 scholarships have been disbursed to top talents in ASEAN, providing opportunities to attend the world's best universities, for example in UK, US and Australia. Currently 27 former scholars are working in CIMB across the region.

#### CIMB Niaga Scholarship Programme



Supported over 1,125 Indonesian scholars in their undergraduate education through bursaries and soft skills training since 2006. In 2021, scholarships were offered to 50 students from 16 different universities in Indonesia.

#### The Complete Banker™ (TCB) Programme



Since its inception in 2003, our award-winning flagship graduate talent programme has developed and groomed over 868 graduates regionally for business and leadership roles within CIMB.

#### TCB Digital



A programme to attract top IT graduates, with 12 months of job rotation for knowledge and experience in developing digital solutions for banking. Currently 25 talents have been selected to join the programme.

#### TCB Fusion



A 24 to 48 month programme that provides graduates with the opportunity to experience working with employers in different industries. Our partners include PwC, Accenture, Zico Law, Teach for Malaysia, and DXC Technology.

#### Digital Apprenticeship Programme



An inclusive pathway to a career in the digital economy for students from low and lower-middle income families through a structured six-month internship programme which combines classroom learning with job rotations.

#### PROTÉGÉ



An eight-month work experience placement to increase employability of graduates. In the last three years, 694 trainees were offered employment with CIMB following their completion of the programme.

# SUSTAINABLE ACTION

## INVESTING IN GROWTH AND DEVELOPMENT

We have a comprehensive and inclusive approach to training and development for employees across functions and levels. We conduct regular training needs analysis to better understand evolving needs to build a future-ready workforce. In 2021, we invested over RM81.8 million in training and development to develop our people and to equip them with necessary skills and experiences.

### TRAINING AND UPSKILLING



In 2021, CIMB employees across the Group undertook over 2.4 million hours of training. In all our markets, critical learning programmes are mandated for employees according to local regulations and the Bank's policies. Topics such as ethics, conduct, data security and risk, are delivered through digital platforms that allow for self-paced learning. On average, each employee invested 73\* hours in training.

 **RM81.8 MILLION**  
Total investment in training and development

 **73**  
Average training hours per employee

 **98.8%**  
Average compulsory e-learning completion rate

**AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER AND JOB CATEGORY**

	 Male	 Female
Non-management	34	45
Junior management	85	81
Middle management	65	71
Senior management	67	76
Key management	87	99

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146.

## STRENGTHENING OUR DIGITAL AND DATA CAPABILITIES

We intensified our up-skilling and re-skilling efforts through the roll-out of intermediate and advanced level digital and data skills programmes, with programmes such as Big Data and Analytics, Coding and Programming, and Design Thinking. We have made it compulsory for our employees to complete at least three digital and data modules that are easily available in our gamified mobile learning platform.

In 2021, we launched the Digital & Data Conquest Competition to accelerate the application of design thinking, data science and Agile. Employees worked in small cross-functional groups to redesign and enhance our processes, and improve functionality and features of existing applications to enrich the employee and customer experience.

## INTERNAL MOBILITY

We are committed to offering internal employment opportunities for employees to grow their careers and explore new prospects. Vacancies are always advertised internally first for a fixed period before being opened to external talent. This year, we streamlined the approval process, by allowing employees to move internally within a reasonable timeframe, without the need for approval from their immediate supervisors. In 2021, 34% of all vacancies in the Group were filled by internal candidates.

## SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

Career pathing and succession management is crucial to enable employees to proactively navigate and steer their career progression within the Group, and is one of the key endeavours under Forward23+.

In 2021, the succession planning exercise was extended to critical positions across GEXCO-1 and beyond, and a number of initiatives were carried out to support the development of the successors. To assess the leadership strengths and styles of our leaders, the general leadership assessment which includes 360 Degree Feedback and strengths assessment was rolled out to key divisional and country senior management as well as top talent. We also accelerated the coaching programme and identified external coaches for selected senior talent. Simultaneously, as part of our effort in upskilling and developing internal coaches, we sent a group of employees to be certified as Gallup Coaches. Additionally, selected talents from the Group were mobilised to helm critical roles across the region as part of their experiential development.

We also began defining and cataloguing career paths for all divisions in CIMB to enable our employees to better navigate development opportunities. The career pathing toolkit will provide employees full visibility of opportunities, skillsets, competencies, and career paths they can take across the Group to achieve their full potential. We will complete the career path design and structured development journey framework for all divisions in 2022.

## FUTURE OF WORK CENTRE







The Future of Work (FoW) centre helps employees acquire new skills that are in demand in the workplace. It offers different options to meet different career aspirations and varying personal circumstances. 5,760 employees have undergone upskilling and reskilling to meet current skill demands.

Additionally, more than 1,000 staff have been successfully redeployed to new roles from 2017 to 2021.

# SUSTAINABLE BUSINESS






While we strive to manage the environmental and social impacts of our own operations, it is the business that we do with our clients, that creates the biggest impacts, both negative and positive. As a responsible provider of financial services, our customers are at the heart of everything we do. It is our responsibility to provide secure processes which help to protect our customers' data privacy and finances. We aim to ensure a seamless customer experience and inclusive access to financial services that are relevant, and which help individuals, families and businesses to achieve their goals. As a financial intermediary, we recognise our responsibility towards activities we enable through our financial services. We also recognise our ability and responsibility to influence our customers to adopt business models that positively impact people and planet.

We do this through:

 <p><b>Customer centricity</b> Going the extra mile for the customer, and delivering excellent customer experience that builds long term relationships.</p>	 <p><b>Privacy and cybersecurity</b> Ensuring a seamless digital experience, safeguarding our customers' data and privacy.</p>	 <p><b>Technology</b> Leveraging technology to enhance customer experience and access to finance, and for operational efficiency.</p>
 <p><b>Sustainable finance risk</b> Minimising potential negative impacts on people and the environment, which may be enabled through our financial services.</p>	 <p><b>Sustainable finance opportunities</b> Leveraging our financial services to create positive impacts together with our clients.</p>	 <p><b>Financial inclusion</b> Providing access to affordable financial services, and improving financial literacy, especially among disadvantaged communities.</p>

## MATERIAL TOPICS

## 2021 ACHIEVEMENTS

 <p><b>Customer Experience</b></p>	<p>Net Promoter Score within <b>54%</b> (around median) of industry peers in four markets</p>	<p>Met <b>88%</b> of core CX indicators</p>	<p>Achieved customer satisfaction targets in <b>10 OF 13</b> channels</p>
 <p><b>Technology</b></p>	<p>Achieved <b>99.31%</b> service uptime on Clicks<sup>1</sup></p>	<p><b>48%</b> increase in retail digital transaction volume</p>	<p><b>7%</b> improvement in detection of mule accounts</p>
 <p><b>Sustainable Finance</b></p>	<p>Conducted <b>417</b> Enhanced Sustainability Due Diligence assessments</p>	<p>Facilitated <b>RM25.9 BILLION</b> in sustainable finance<sup>2</sup></p>	<p>Conducted Group-wide <b>HUMAN RIGHTS RISK ASSESSMENT</b> among large clients</p>
 <p><b>Financial Inclusion and Well-being</b></p>	<p>First ever Malaysian Ringgit <b>SUSTAINABILITY-LINKED DERIVATIVE</b></p>	<p><b>89%</b> of clients with E&amp;S action plans due in 2021 <b>SUCCESSFULLY COMPLETED</b> them</p>	<p>Developed No Deforestation, No Peat and No Exploitation or <b>NDPE POLICY</b></p>
 <p><b>Financial Inclusion and Well-being</b></p>	<p>Over <b>RM7.6 BILLION</b> in financing to serve underserved communities</p>	<p><b>RM253 BILLION</b> of financial assistance to <b>1.7 MILLION</b> customers since 2020</p>	<p>Over <b>5 MILLION</b> depositors onboarded in the Philippines, where we enable easy access to finance</p>

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

2 Includes RM7.6 billion for underserved communities.



## CUSTOMER EXPERIENCE

We serve over 18 million customers in the region, with the objective of helping them reach their personal and business goals. We place our customers at the heart of all we do, to continuously build trust and advance long-term relationships. We are committed to deliver on CIMB's promises of fair and transparent treatment and providing end-to-end customer care.

### CUSTOMER EXPERIENCE GOVERNANCE

The Customer Experience (CX) team is an independent unit within Group Strategy and Group CEO's Office. The Group Customer Experience Management department is responsible for recalibrating and reshaping the customer experience agenda, aligned with Group CX Policies and our Regional Operating Model.

The Group Transformation Committee, chaired by the Group Chief Executive Officer, provides regional oversight and strategic direction, and helps to strengthen CX through internal synergies and best-in-class practices. CX Oversight Meetings are co-chaired by Business and CX Heads to drive the implementation of CX priorities, programmes, and improvement efforts across the region.

#### Our Promise to Customers



Making banking Easy, Efficient and going the Extra mile



Employees are Empowered to do the right thing for our customers






Proper Escalation points are in place to resolve any issues that may arise

# SUSTAINABLE BUSINESS

## MEASURING CUSTOMER EXPERIENCE

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



	WHAT WE MEASURE	HOW WE MEASURE	HOW WE PERFORMED
OPERATIONAL	 <p><b>Service Level Agreement (SLA) performance</b></p>	<p>A consolidated dashboard of more than 100 vital indicators encompassing fulfilment level across key channels, products and systems, are tracked on a monthly basis to ensure we meet basic customer expectations.</p> <p>Examples include time at branches and call centre, product application turnaround time, and digital uptime.</p>	<p>88% of our core CX indicators met targets, exceeding our target of 75% and improving from 86% in 2020.</p> <p>We expanded the depth of our measurement by building comprehensive dashboards focusing on:</p> <ul style="list-style-type: none"> <li>Customer onboarding journey experience (from application up till activation/ fulfillment) across six key products</li> <li>Preferred/ Affluent segment portfolio engagement levels and fulfillment, across key channels and products</li> </ul>
TRANSACTIONAL	 <p><b>Customer Satisfaction Score</b></p>	<p>An in-house platform to track service experience and perform recovery at key physical, voice and digital customer interaction channels, supplemented with ad-hoc research or surveys to facilitate business decision making.</p>	<p>We met Customer Satisfaction targets in 10 out of 13 core channels tracked.</p> <p>We conducted over 40 market and ad-hoc surveys to gain customer insights, where the outcomes were used to improve our channel, product and segment, proposition design and delivery implementation. We also implemented new surveys to measure the experience of our digital channels and journeys.</p>
STRATEGIC	 <p><b>Net Promoter Score (NPS)</b></p>	<p>An annual Group-wide Customer Engagement Survey to gauge where we stand relative to our key competitors from a total banking relationship standpoint.</p>	<p>Our NPS score was within 54% of the industry in four markets, placing us at around median of peers.</p> <p>In Malaysia, we regained our stronghold amongst retail customers in 2021. Indonesia and Thailand both continued to gain positive traction in their NPS performance amongst both retail and non-retail customers. Singapore, on the other hand, has lost some edge in this space.</p>

## INSTILLING A CUSTOMER-OBSESSED CULTURE

We are building a customer-centric culture across all functions. While staying connected with both our customers and employees during the pandemic has been challenging, we have adapted and enabled our existing culture activations through our digital platforms.

### CAPABILITY BUILDING

A new, refreshed e-learning module with greater learner interaction and relevancy was rolled out. The enhanced module aims to improve comprehension and interest across various job roles, from front office to mid and back office support.

We developed modules to equip employees with relevant skills on CIMB BEATS (our five step guide to deliver signature customer experience), effective written communication for best CX, and tips on how to demonstrate Treating Customers Fairly. More than 10,000 #teamCIMB were enabled through this to carry out their duties in a customer-centric way, and embed it as part of their day-to-day activities.

### REENGINEERING PROCESSES FOR BETTER CUSTOMER EXPERIENCE

Through a variety of data points, we are able to identify opportunities to improve customer experience through a human-centric design thinking process. In 2021, we:

Successfully delivered **86 NPS improvement projects** regionally.



Conducted Process Design Review across six channels and **15 products and services**, to systematically check consistent adherence to vital parameters along **23 customer journeys**.

Delivered **5 projects** (speed and efficiency focus) which translated to tangible financial benefits of **RM5 million**, such as driving digital adoption and reducing snag rates during credit card onboarding.

Strengthened the overall customer engagement mechanism through the review of **>400 communications, journeys and personalisation**.

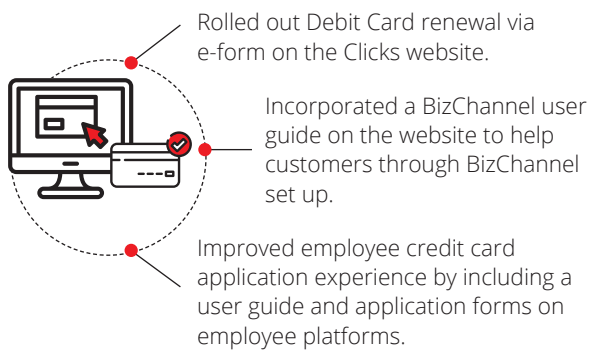
# SUSTAINABLE BUSINESS

## EMPOWERING EMPLOYEES TO MAKE A DIFFERENCE

Employees are empowered to highlight challenges and propose ways to improve day-to-day operations. Their commitment to going the extra mile has resulted in significant improvement in customer experience.

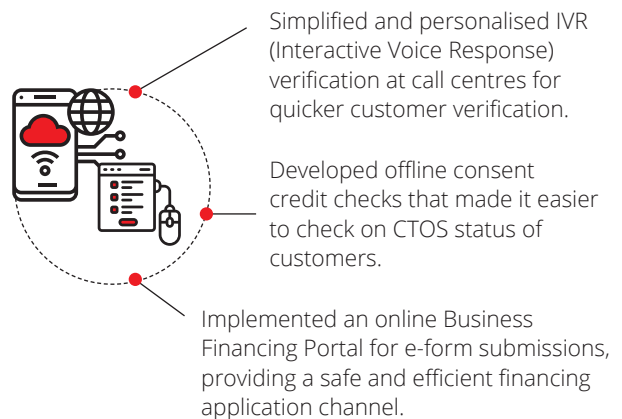
### TALK TO CX

The Talk to CX platform allows employees in Malaysia to share feedback from customers and solve recurring challenges faced in delivering a service. All ideas submitted to the platform are reviewed and clarified, with many being implemented.



### CX INNOVATOR

CX Innovator is an employee empowerment platform designed to drive a digital and agile approach in improving customer experience. Through design-thinking, employees seek to understand the user experience, challenge assumptions and redefine problems to identify alternative strategies and solutions. Employees are empowered to rapidly roll out prototypes to test and implement their ideas. Close to 30 ideas were received from employees across Malaysia.



### REWARDS AND RECOGNITION

Across the region, we received close to 8,000 compliments from customers on their experience interacting with #teamCIMB. We hosted our second Virtual CX Star Awards to recognise 130 employees shortlisted across the Group. The event is an opportunity for CX Stars to listen to insights from customer experience thought leaders, and be recognised by senior leaders for their commitment in serving our customers.

### CIMB WOWEEK!

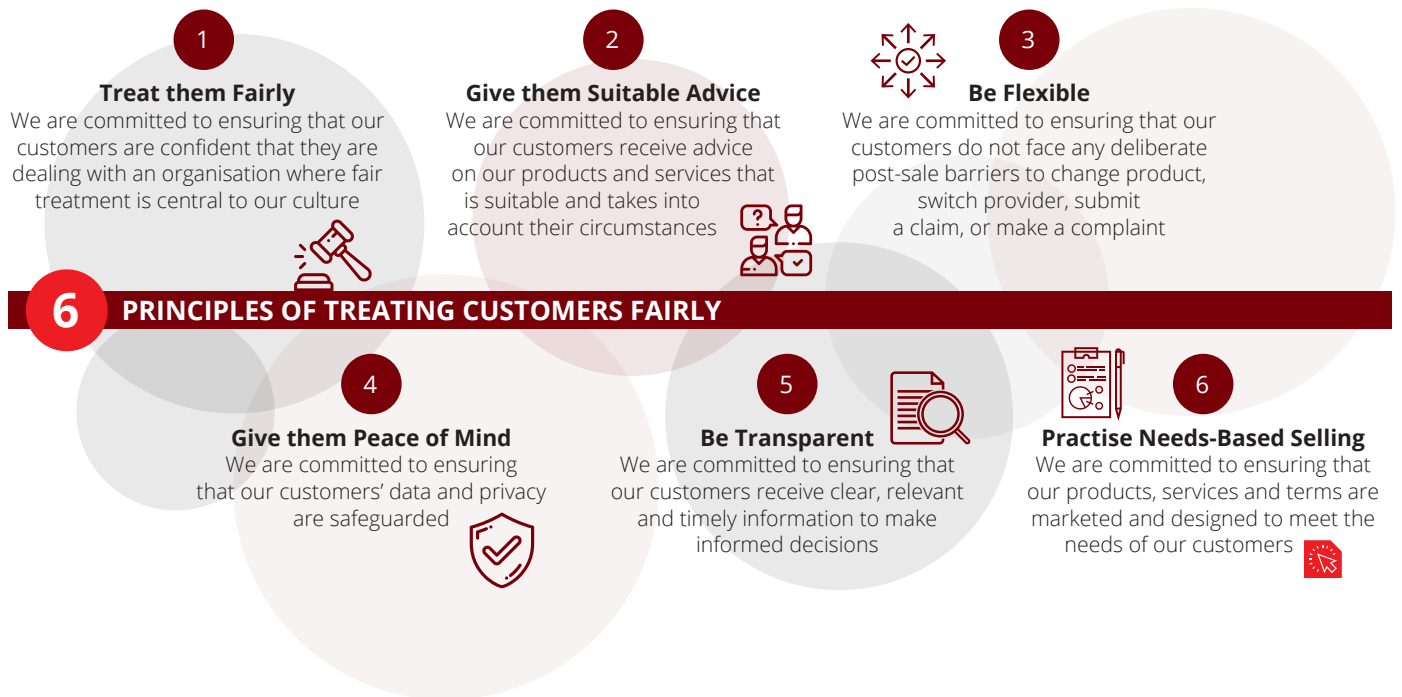
We hosted this appreciation event for our customers, where we continue to stay by their side and remain committed throughout pandemic disruptions.

CIMB WoWeek! provided a platform to support homegrown and B40 entrepreneurs, where we showcased their products and success stories, while delighting our customers with entertainment and giveaways.



## COMMITTED TO TREATING CUSTOMERS FAIRLY

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



### TAKING CUSTOMERS' PROTECTION TO THE NEXT LEVEL


We invest in training and undertake robust process reviews to ensure that our employees are empowered to deliver on our TCF commitment. This year, we:

- Customised training for staff across different functions, emphasising the importance of TCF, and how to apply TCF within each role. We use a CX Risk Assessment checklist to identify and manage TCF related risks while rolling out initiatives.
- Introduced a TCF Gametize module, which allows staff to access TCF information via their mobile phones.
- Strengthened the TCF Measurement Framework, in collaboration with Group Compliance, to give a holistic view of TCF breaches. All breaches are identified, root cause analysis conducted, with action plans and preventive actions implemented.
- Proactively ascertained segments of customers that are vulnerable to online scams or fraud, and rolled out awareness initiatives on fraud prevention, type of scams, and online shopping Dos and Don'ts, to help prevent them from becoming victims of fraud.
- Continuing to monitor the number of customers affected by various types of fraud, so that we can better assist and protect our customers.

## SUSTAINABLE BUSINESS

### IMPROVING PRODUCT TRANSPARENCY AND DISCLOSURES

This year we focused on improving transparency and ease of transactions for our non-retail customers.

- Worked with Commercial Banking to simplify Facility Letters and Offer Letters, so that it is easier for customers to understand product terms and requirements.
- Consolidated and condensed the general, credit and Shariah terms for Islamic and Conventional Letters of Offer and Facility Agreements.
- Placed a QR code on Letters of Offer, which links to the general terms, thereby reducing the number of pages that customers need to sign. 

### EFFECTIVE CUSTOMER COMPLAINTS MANAGEMENT

All customer feedback and complaints are important to us. We ensure that complaints are managed with high standards and consistency throughout the region. In 2021:

- We updated our Group Complaints Handling Policy and Procedures, and improved complaints handling processes within each Business Unit.
- We strengthened the Group Customer Exit Handling Policy and Procedures to ensure that when we really need to, account closures are done fairly.
- We ensured that customers are notified early and given sufficient notice to rectify any account irregularities or make arrangements for alternative banking options.
- Where an account has been closed, customers have an avenue to make an appeal to restore their banking relationship with us.

### ROBUST MIS-SELLING FRAMEWORK

We continue to reinforce our stance on zero tolerance for mis-selling. We strengthened our mis-selling identification and handling framework to make it easier for frontliners and investigation teams to manage mis-selling cases. Improvements included:

- Comprehensive root cause analysis to help us to zoom into process, people and system gaps and identify remedial and preventive actions.
- Safeguards to ensure that when allegations of mis-selling do arise, all parties, including sales staff, are treated fairly.
- Encouraging staff to self-identify potential mis-selling cases, resulting in early corrective action and service recovery.
- A decline of approximately 60% in number of mis-selling allegations received from customers in Malaysia. Confirmed mis-selling cases in 2021 also reduced by 62% compared to the previous year.



## TECHNOLOGY

The advancement of technology and data analytics is a cornerstone of innovation for banks and financial institutions. As regulators across the region open up markets to digital bankings and Fintechs, we have to further accelerate our transformation to remain competitive. Leveraging on the abundance of data, banks are increasingly expected to deliver more personalised engagements and value-added services to help customers meet their financial goals.

We are committed to transforming our operations by deploying data analytics capabilities and artificial intelligence to be a data-first organisation. Through the responsible and ethical use of data, we use technology to enable and deliver innovative services to our customers.

### LEVERAGING TECHNOLOGY FOR BETTER CUSTOMER EXPERIENCE DIGITISING OUR CUSTOMER EXPERIENCE

We have made considerable progress in our efforts to value add through digitalisation and improving the technological reliability of our digital platforms across the region. We have seen a 48% increase in digital transactions and a 99.31%<sup>1</sup> service availability level on CIMB Clicks, while CIMB BizChannel had a 99.95%<sup>1</sup> service availability level in 2021. BizChannel users and transaction volume increased 21% and 11% respectively despite movement restrictions across the region.

Across the platform, system processes and resources were optimised. We conducted an in-depth analysis of our customers' user behaviour and peak times, which enabled us to enhance processes and resources to allow for faster and more reliable system performance. With ongoing transaction growth in CIMB Clicks, we are upgrading the platform with sizable investments over the next few years.

#### CIMB Clicks



Peer-to-peer QR service, a new cashless and contactless payment method to ease payments and transfer transactions



Card & ATM transaction limit maintenance in app for remote transaction threshold adjustment



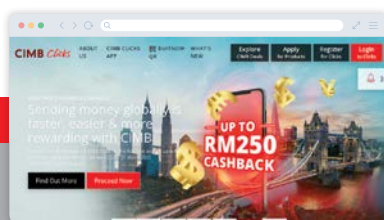
Enhanced Financial Goals & Savings features to enhance financial literacy

#### CIMB BizChannel



Incorporated "PayNow for Business" features in Singapore

#### CIMB Clicks



Retail clients

11.8% increase in digital users

48% increase in transaction volume

99.31%<sup>1</sup> service uptime

#### CIMB BizChannel



Non-retail clients

21% increase in customer base

11% increase in transaction volume

2-2.7x performance improvement in overall system



<sup>1</sup> Service uptime was calculated based on simple average of availability across Malaysia, Indonesia, Singapore, and Thailand, excluding scheduled maintenance.

# SUSTAINABLE BUSINESS

## LEVERAGING BIG DATA TO SERVE AND PROTECT OUR CUSTOMERS

In 2021, we accelerated the application of data analytics in a number of ways. Advanced analytics have allowed us to optimise cash holdings in our branches, thereby reducing cash runs, improving customer experience and reducing costs.

We have been able to optimise the branch network by identifying underserved areas, and fine-tune the distribution of self-service terminal networks by applying revenue, maintenance cost, usage and competitor intelligence data in our data models. We have also accelerated our efforts to find innovative ways to improve customers' accessibility to our branches and banking touchpoints, using branch-to-branch distance data and geo-spatial analytics to plan our current and future customer touchpoints.

Through digital banking, we understand that a high degree of personalisation can enrich the quality of banking interactions. Based on pre-identified criteria such as demographics, lifecycle stage and customers' interests, we design our outreach programmes to match specific products to customer needs. We are also able to use analytics to foster social and financial inclusion, and identify early risk indicators to detect potential defaulters.

We strive to deliver seamless customer care, integrating the latest technologies into our customer touchpoints and processes to personalise engagement and create meaningful experiences.

We use and handle data responsibly, and utilise big data and machine learning to understand our customers' behaviour to better serve and protect them.

## ETHICAL USE OF AI/AUTOMATED DECISION MAKING

With the continued evolution of data, digitalisation and AI, we utilise automated systems to enhance our decision making and risk assessments. However, we do not solely rely on automated outcomes. We embed control and review processes when executing any AI processing to ensure automated decisions are compliant with local regulations and do not adversely impact our customers' financial standing.

## DIGITAL TRANSFORMATION

With disruptive financial technologies displacing the traditional model of banking operations, we are accelerating our digital transformation and innovation, moving towards more agile and tech-driven setups. We have also established the necessary cyber-resilience frameworks, tools and protocols to improve our ability to detect, prevent, respond to, and recover from potential cyber-incidents.

Over the past few years, we have made significant investments to transform our infrastructure to strengthen service resiliency and minimise disruptions to our customers and employees. These collective initiatives have led to more personalised engagements and value-added benefits to meet customers' financial goals in a safe and secured manner.

Leveraging on our secure network infrastructure, we have been able to provide the necessary capacity for our employees to work safely from home with minimal productivity loss.

### Using Big Data to Serve and Protect Our Customers



#### Providing access to credit

We applied data analytics to better understand the digital and social behaviour of customers. This allowed us to extend financing of RM11 million in the second half of 2021 to customers who had little credit bureau information.



#### Improving fraud detection

We refined and adapted our machine learning models by expanding data points, increasing fraud prediction accuracy by 13% - 15%.

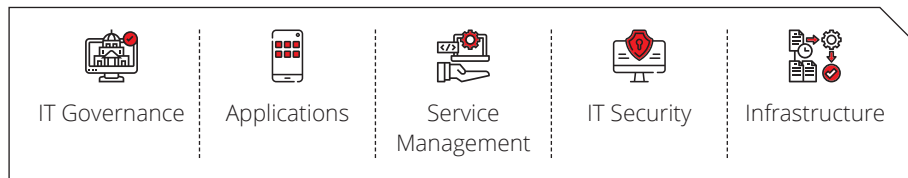


#### Identifying mule accounts

We developed a model to detect new and existing accounts that are being used by criminal syndicates as mule accounts, resulting in a 7% improvement in detection effectiveness.

## TECHNOLOGY BLUEPRINT PROGRAMME

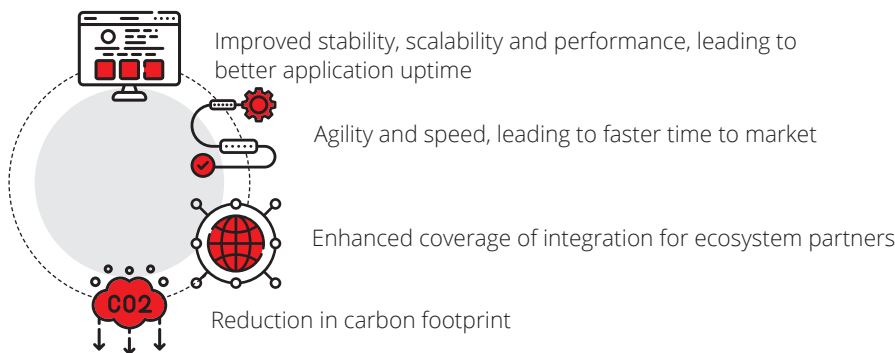
In 2019, we commenced a technology transformation programme to enhance capability maturity across the following domains:



With the completion of the technology transformation programme, we embarked on the Technology Blueprint as part of Forward23+ focusing on the following:

- Building resilient and next gen tech, with modernised, stable and resilient platforms
- Driving differentiated customer experience
- Evolving our operating model, building tech and data DNA
- Anchoring on value to future-proof Group Technology, with a disciplined and value-driven approach to planning, investments and value tracking.

To enhance stability, resiliency and performance, we have completed a core stack refresh and facilitated transition towards cloud-based platforms by enabling Platform as a Service (PaaS), Software-defined Wide-Area-Networks and Office 365. Cloud adoption will provide the following benefits:



We continue to implement new tools to enhance visibility of our operations, allowing us to proactively monitor and promptly respond to any issues in relation to security, as well as our network, infrastructure and applications.

To provide differentiated customer experience, we will be investing further in digital channels and analytics, prioritising Consumer and Corporate digital banking applications. We are on track to roll out the Next Gen Consumer Internet banking application and have commenced work on our Next Gen Corporate Internet banking application. These will be highly scalable, modular and resilient platforms, that will be able to support large increases in digital transactions. We have also started working on regional adoption of ISO 20022 for SWIFT cross-border transactions, as well as the set up of a CIMB Payment Hub.

# SUSTAINABLE BUSINESS

## DATA GOVERNANCE, PRIVACY AND CYBERSECURITY

As we accelerate digital and technology adoption across our operations, we need to continuously strengthen the foundation of our relationship with our customers, and build trust. As a regional and significant financial institution, we have a role in ensuring that banking and financial systems operate efficiently and securely, and that customers can bank with confidence. This includes protecting personal information according to regulatory definitions, ensuring responsible, legal, fair and transparent use of personal data, and helping to protect against fraud and financial crime.

### DATA GOVERNANCE








We are on a multi-year Data Transformation Journey with the objective of harnessing the power of data to enable Business Units to make better decisions and innovate, and to achieve our aspirations of becoming a data-driven organisation. This multi-year transformation journey begins from building the foundational blocks of data with the capacity and aspiration to scale, in accordance to the Group's readiness and maturity.

The Group Data and Analytics department continues to drive the Group's enterprise data transformation. We respect and adhere to industry best practices, local laws, regulations and the industry Code of Conduct. We continue to strengthen data governance oversight and regulatory compliance by continued institutionalisation of the Group Data Management Policies and Procedures.

Data talent development and culture building efforts remain as a key focus to drive data ownership and accountability. We continue to adopt standardised methodologies and tools to enhance the understanding of data and build data trust with our customers. This is complemented by the Digital and Data Academy that helps to embed data skills as a core competency for all CIMBians.


## PRIVACY GOVERNANCE

CIMB Group's Personal Data Protection Policy, Notice and Procedures (Privacy Policy) has been progressively enhanced to meet increasing expectations along the principles of:

 <p><b>Purpose/Consent</b> Protects a data subject by requiring consent and purpose for any processing</p>	 <p><b>Disclosure</b> Prohibits disclosure without consent or appropriate purpose</p>	 <p><b>Security</b> Levels of security to protect from unauthorised or accidental loss or misuse</p>	 <p><b>Retention</b> Data is not stored longer than required</p>
 <p><b>Access</b> Right of access and correction by the data subject</p>	 <p><b>Notice and Choice</b> Transparency and choice given to the data subject on the nature of processing</p>	 <p><b>Integrity/Quality</b> Data is accurate, not misleading and kept up to date, for the purpose it was processed</p>	

Our three lines of defence manage and mitigate secrecy, confidentiality and privacy risks, with relevant reporting by Group Data, Group Risk and Group Legal and Compliance to the Board Risk and Compliance Committee. Where privacy laws and regulations exist separate from banking regulations, Data Protection Officers are appointed to implement Data Protection policies and procedures, as well as assess and align policies to emerging regulatory requirements.

We respect our data subjects and take any potential or alleged breach of data confidentiality or privacy very seriously. We continually manage complaints, substantiate and mitigate accidental loss or disclosure via our customer resolution units and independent reviews.

In 2021, we tightened our controls to adapt to the pandemic and the reliance on service providers to deliver key documents and information. These initiatives resulted in material reduction in substantiated complaints of approximately 35% from the previous year. There were also no complaints or investigations by regulatory bodies during the year. 

### Data Protection Initiatives

As we continue on our digitisation journey, we must ensure all confidential disclosures and data are secured. In 2021, the Data Protection Office and Information Security teams further enhanced our capabilities for overseas referrals and account opening with revised procedures, including de-identification or bilateral encryption of data between CIMB entities.

We also enhanced online privacy management via notices and proactive consent management on our portals and apps. In Thailand, customers are able to perform granular cookie and marketing selection to allow for personalised automation of online banking features.



### Data Privacy Capabilities

We continue to adopt the latest data privacy practices across our operations, and seek to align our policies to enable a seamless customer experience across jurisdictions. Singapore, Thailand, Vietnam, Indonesia and Brunei have issued revisions, drafts or enforceable data privacy laws, which are expected to come into effect between 2021 and 2024. We updated our consumer operations manual in the United Kingdom, Hong Kong and Singapore, whereas new policies were adopted in Thailand and Vietnam in anticipation of new legislations.

We provide our employees with ongoing support, tools and resources, to ensure that the Group's privacy standards are continuously upheld. Online training for all employees on data protection, secrecy and information security is mandatory, with case studies, materials and monthly broadcasts provided via knowledge portals. This year, we provided targeted training on protecting customer privacy to front-line staff who worked from home, as well as virtual training for approximately 400 compliance, risk and control personnel in the region.

### CYBERSECURITY

Cybersecurity is a cornerstone of our risk management and financial crime prevention programmes, to help us safeguard customers' data. As digital banking becomes a daily essential, we need to ensure robust processes are in place to preemptively detect and respond to cyberattacks.

### Cybersecurity Governance

Cybersecurity is a key component of technology risk, which is comprehensively managed under the Enterprise-wide Risk Management Framework. The Board of Directors oversees Technology and Cybersecurity risks, with a number of Independent Directors with relevant technology backgrounds.

Our people, processes and technology are benchmarked against the best in the industry. We adhere to Financial Services Industry Best Security Standards, as well as the local regulatory policy and procedure requirements where we operate.

We maintain a suite of policies that articulate our approach to security, including the Group Technology Risk Management Framework and the Group IT Security Policy, developed in alignment with the US National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF).

Three-Lines of Defense in Managing Technology and Cybersecurity Risk		
First Line of Defense	Second Line of Defense	Third Line of Defense
Group Technology's Information and Cyber Security teams, and Designated Compliance and Risk Officers, are responsible for the adoption and operationalisation of cybersecurity controls and monitoring to ensure the Group's IT Network and ecosystem are secured from internal and external cyber threats.	The Chief Information Security Officer oversees Technology and Cyber Risks, reporting regularly to Group Risk.	The Group Corporate Assurance Division provides independent assurance on the effectiveness of cyber security controls and risk management activities.

### Cybersecurity Operations

The Cyber Security Defense team, under the Group Information and Cyber Security department, is responsible for providing 24 X 7 monitoring via its Security Operation Centre (SOC), which processes thousands of early warning indicators of possible compromises, keeping our network secure. They work together with Cyber Threat Intelligence and Computer Emergency Response teams to prevent intrusions; detect, and monitor security alerts and anomalies; perform impact assessments; develop containment and remediation strategies, and perform forensic investigations on internal and external threats.

The team conducts periodic proactive security assessments and reviews, such as Pen Tests, Vulnerability Assessments, Patch Assessments and Risk & Impact Analysis, to verify the effectiveness of IT security controls. The teams also conduct cyber drill simulations, business continuity exercises and security awareness and training, alongside provision of security tools, maintenance and support, as well as management of third-party, physical and network security. In 2021, there were no major breaches, despite an exponential increase in the number of attempts.

### Promoting Cybersecurity Culture

Cybersecurity culture is an organisation's collective attitudes, knowledge, assumptions, norms and values regarding cybersecurity. A strong cybersecurity culture is based on employees willingly embracing and proactively using cybersecurity practices that keep the Group, our customers, and employees safe. Cybersecurity culture is developed throughout all levels, from the Board to all employees, and across all stages of employment, from onboarding to off-boarding, through regular mandatory learning.

We deploy increasingly complex phishing simulation exercises to test the level of awareness. Employees who fail the phishing simulation must go through additional online training to strengthen their knowledge on such threats.


In 2021, we invited external speakers to engage with employees on cybersecurity topics, and monthly emails were released to promote awareness on Do's and Don'ts. We also organised a cybersecurity contest to create a fun learning approach for all employees.

We are members of the Bank Negara Malaysia Financial Threat Intelligence Platform, and the Financial Services Information Sharing and Analysis Center, a global cyber intelligence sharing community focused on financial services.

# SUSTAINABLE BUSINESS



## SUSTAINABLE FINANCE: MANAGING RISKS










We recognise our accountability for the activities that we enable through our financial services, and the influential role that we can play in requiring or encouraging our clients to limit their adverse environmental and social impacts. As a long-term partner, CIMB has a real and present stake in ensuring that our clients are future-proof. As such, we seek to actively support our clients in their transition to more sustainable and resilient business models and practices. 

### GROUP SUSTAINABLE FINANCING POLICY

CIMB's Group Sustainable Financing Policy (GSFP) lays out our commitment and approach to identifying, assessing, managing and mitigating risks arising from financing and capital raising activities of our non-individual clients. This is especially pertinent in sectors that are most vulnerable to environmental and social risks, and those with activities that have significant potential adverse impacts on the environment and society.

The GSFP takes a risk-based approach to evaluate our clients' material sustainability risks arising from nature of activities, geographical location, supply chain and/or production impacts. These risks could result in material impacts to our clients or their stakeholders, which in turn could have financial impacts on us.

We continued to enhance and implement the GSFP in 2021. We reviewed and added to the list of high sustainability risk sub-sectors and rolled out GSFP for investment banking deals involving capital raising (including initial public offerings and bond/sukuk issuances). For our regional offices, we completed GSFP rollout in Thailand, Cambodia and International Offices (including Hong Kong, Shanghai and Labuan) and localised our Sector Guides to meet respective laws and regulatory requirements in Indonesia and Thailand.

Environmental Risks Considered 	
 <b>Climate Change</b>	Business activities that may be impacted by climate change leading to business disruption and/or negative financial impacts, including: <ul style="list-style-type: none"> <li>Physical risks such as floods, droughts and other extreme weather events, either impacting the business activity itself or via the supply chain; and</li> <li>Transition risks in moving towards a low-carbon economy, such as regulatory changes, carbon pricing and shifting away from fossil fuels.</li> </ul>
 <b>Deforestation</b>	The risk arising from developments and other activities on forested areas, including those designated as national or state reserves and High Conservation Value/High Carbon Stock areas as assessed by a credible technical assessor.
 <b>Biodiversity Loss</b>	The risk arising from activities that occur within or near areas of high biodiversity and exploitation/reduction of species that may impact endemic or endangered species of flora and fauna.
 <b>Marine Environment</b>	The risk arising from activities that impact marine ecosystems, including those that may cause loss of marine biodiversity.
 <b>Energy Use</b>	The risk arising from high or inefficient energy use in the form of electricity and other energy sources, resulting in higher GHG emissions.
 <b>Water Scarcity</b>	The risk arising from high rates of water use, and activities in water-scarce and water catchment areas, where developments could impact water availability.
 <b>Waste and Pollution</b>	The risk arising from inadequate management of waste and by-products, leading to terrestrial, freshwater and/or marine pollution.
 <b>Ecosystem Degradation</b>	The risk arising from permanent changes or significant impacts to a sensitive physical environment such as mangrove, peat swamp or limestone areas.



**Social Risks Considered**



<p><b>Institutional Integrity</b></p>	<p>The risk arising from poor management practices that may result in non-fulfilment of sustainability policies and commitments, as well as negative environmental, social or reputational impacts.</p>
<p><b>Health and Safety</b></p>	<p>The risk arising from unsafe working conditions, including lack of personal protective equipment, policies and procedures on workplace safety, and adequate medical coverage.</p>
<p><b>Human Rights and Labour Issues</b></p>	<p>The risk arising from activities impacting employees, including working conditions and benefits, equal remuneration, gender equality and no discrimination, contractual agreements, right to form associations, freedom of movement, debt bondage, access to remedy, and provision of basic needs including housing, access to water, healthcare and education, among others.</p>
<p><b>Negative Impacts on Communities</b></p>	<p>The risk arising from activities that impact native customary rights and inhabited areas, including not obtaining the Free, Prior and Informed Consent (FPIC) of communities impacted by business activities.</p>

**EXCLUSION LIST**

CIMB's Exclusion List includes activities that contravene laws and regulations, and where there is an imminent risk to life and well-being. Financing of activities on CIMB's Exclusion List is prohibited. We will not engage with clients proven to be involved in illegal activities, bribery, illegal logging, terrorism and operating in breach of national labour laws. We will also not finance any new (and expansions of) coal-fired power plants and thermal coal mines.

Financing involving Casinos and Gaming, Arms and Munitions, and developments within World Heritage Sites are also on our Exclusion List, although there are very specific and limited Permitted Exemptions in place, subject to escalated approvals.

**SUSTAINABILITY DUE DILIGENCE**

A structured sustainability due diligence and escalation process is firmly embedded and conducted concurrently with credit and deal approval processes, to identify clients and transactions that are exposed to high sustainability risk. Our goal is to mitigate risks to the client, which may lead to credit or other risks to CIMB, and to induce our clients to improve on their sustainability practices.

**Basic Sustainability Due Diligence**

All financing and capital raising transactions for businesses (excluding SMEs), including annual reviews of financing facilities, are subjected to a Basic Sustainability Due Diligence (BSDD) by our Relationship Managers. This is to ensure that we are aware of any major adverse environmental and social risks related to the client. BSDD includes client interviews and desktop reviews to check if the client has been cited in adverse news reports or linked through credible sources to negative social and environmental impacts.

**NEW NO DEFORESTATION, NO PEAT, NO EXPLOITATION COMMITMENT**

This year, we developed our No Deforestation, No Peat, No Exploitation (NDPE) policy. The policy will be rolled out starting mid-2022 with the palm oil and forestry sectors in Malaysia, and expanded across countries and sectors in phases. This means that we will not be financing or facilitating capital raising for companies that:

- Are directly involved in new conversion of High Conservation Value (HCV) areas;
- Are directly involved in new cultivation on peat;
- Do not have legal rights and a policy/commitment on respecting free, prior and informed consent (FPIC) of indigenous and local communities;
- Do not have a policy/commitment regarding no exploitation of workers and respecting labour rights.







Processors, including palm oil mills, are strongly encouraged to establish traceability systems for external crop suppliers, develop an assurance mechanism to ensure crops are sourced legally, and engage with external suppliers on their own NDPE requirements.

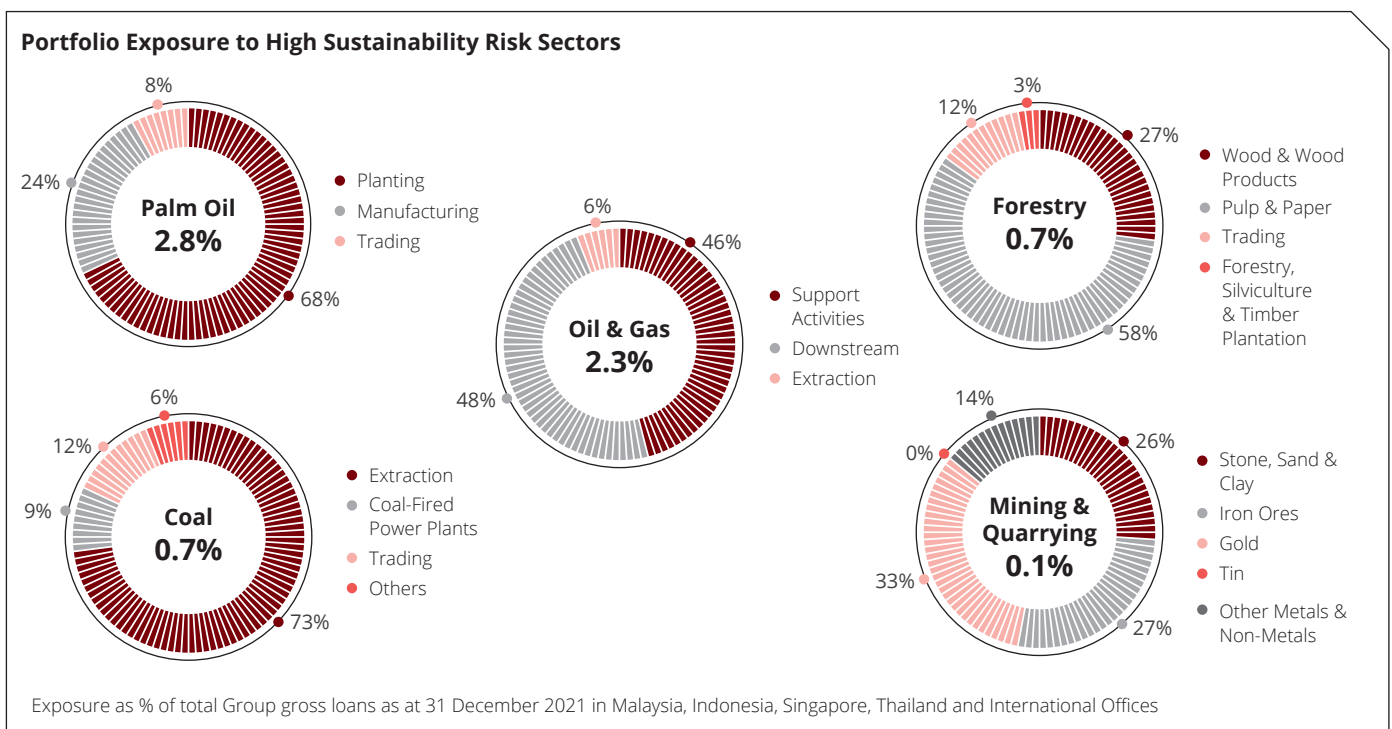
# SUSTAINABLE BUSINESS

## Enhanced Sustainability Due Diligence

Clients that are identified as exposed to high environmental or social risk are subject to an Enhanced Sustainability Due Diligence (ESDD), which is conducted by the Group Sustainability team. Generally, ESDD is conducted for clients who fail the BSDD, those operating in pre-identified high sustainability risk sectors, those who do not meet our Sector Guide requirements, or those who have been highlighted through credible sources to be involved in environmental or social issues. Our ESDD framework is developed in line with internationally accepted best practices as contained in the UN Environment Programme Finance Initiative (UNEP-FI) Environmental & Social Risk Analysis training, and includes consideration of risk impacts for large scale projects.

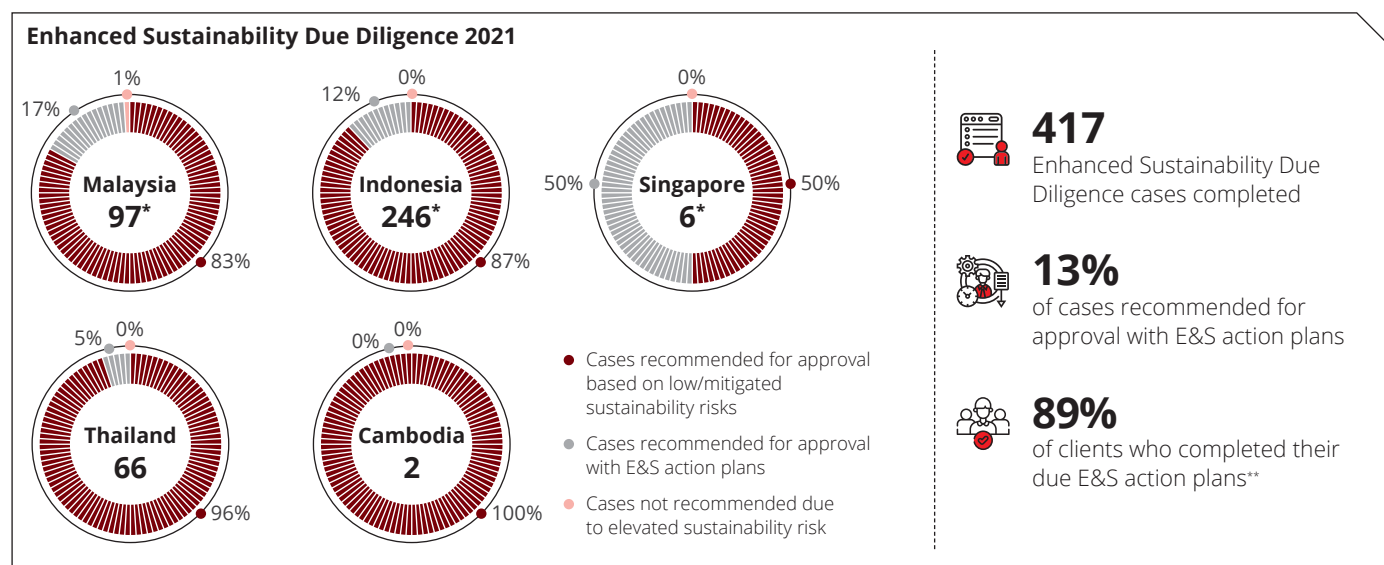
CIMB has a list of 28 sub-sectors, falling within six main industries, classified as high sustainability risk. In 2022, we will be adding manufacturing and livestock & fisheries into our list of high sustainability risk sectors. We currently have five Sector Guides, covering palm oil, forestry, oil & gas, construction & real estate (including infrastructure) and coal. We are currently developing Sector Guides for manufacturing and mining & quarrying.

 <b>Palm Oil</b>	 <b>Forestry</b>	 <b>Oil &amp; Gas</b>	 <b>Construction &amp; Real Estate</b>	 <b>Power Generation</b>	 <b>Mining &amp; Quarrying</b>
<b>Description of High Sustainability Risk Activities</b>					
New development of oil palm plantations and management of existing planting areas, including processors and palm oil mills.	Permitted logging activities and development of forest plantations for timber extraction.	Extraction of crude petroleum and natural gas, and related upstream service providers and contractors, including pipeline transportation of fossil fuel products.	Construction activities including infrastructure development, particularly for projects with extensive E&S impacts such as forest clearance or large scale development.	Electric power generation, including from coal, other fossil fuels and hydro power, as well as electricity transmission and distribution infrastructure.	Mining of coal, metal ores and minerals including quarrying of stone, sand and clay.

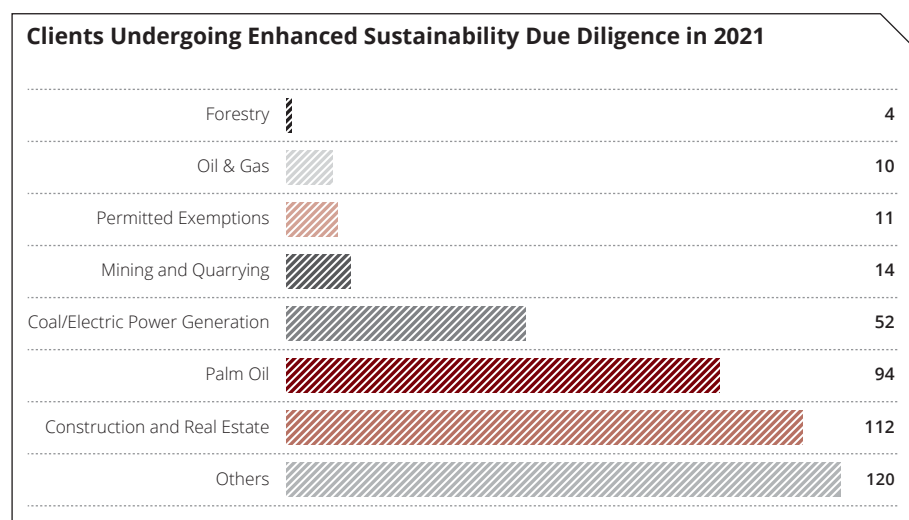


Relationship Managers take a proactive approach towards ensuring clients provide the necessary documentation to demonstrate compliance to our Sector Guides, and ensure that any issues linked to environmental and social risks are adequately addressed. Clients who do not meet our sector requirements are asked to commit to time-bound action plans to meet them, with progress checkpoints at least once a year.

In the unlikely event where clients do not meet the agreed action plans on a repeated basis, or if we judge that the client is linked to a significant environmental and/or social impact where the risk is above our appetite, we may choose to disassociate ourselves from the client by turning down any new requests for financing or capital raising. In CIMB, we exercise three lines of defense to monitor compliance to the GSFP. We are required to carry out control-testing every six months to ensure effective implementation of the policy, and are subject to periodic audits by the Group Corporate Assurance Division.



\* The data for Malaysia, Indonesia and Singapore in 2021 (349 cases) was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146.  
 \*\* Based on ESDD cases with action plans due, with 2 out of 9 being project financing, e.g. Case 1 (Client A) with action plan due in reporting year & Case 2 (Client A) with action plan due in reporting year will be counted as 2.





# SUSTAINABLE BUSINESS

## Clients with Action Plans Due in 2021

Sector	Action Plan	Type of Financing	Completion Status
 <b>Palm</b>	MSPO and RSPO certification	General financing	Completed
	ISPO and RSPO certification	General financing	Completed
	NDPE and remediation of deforested area	Project & general financing	In progress
 <b>Forestry</b>	Forest management plan and certification	General financing	Completed
 <b>Mining &amp; Quarrying</b>	Community engagement and environmental compliance	Project financing	Completed
	Completion of remedial work	General financing	Completed
 <b>Oil &amp; Gas</b>	OHS and environmental management certification	General financing	Completed
 <b>Manufacturing</b>	Improvement of labour practices	General financing	Completed
 <b>Permitted Exemption</b>	Responsible business certification	General financing	Completed

## SUSTAINABILITY RISK ENGAGEMENT WITH OUR CLIENTS

In 2021, we conducted one-on-one engagements with financing clients from six sectors, specifically to discuss sustainability risks and safeguards. The main objectives of these engagements were to discuss progress in relation to earlier-agreed sustainability action plans, to clarify challenges faced and any issues arising, to communicate and discuss CIMB's new policies and requirements in relation to topics such as NDPE and human rights, and to encourage our clients to transition towards more sustainable practices.

Sectors	 <b>Palm Oil</b>	 <b>Forestry</b>	 <b>Mining &amp; Quarrying</b>	 <b>Construction</b>	 <b>Oil &amp; Gas</b>	 <b>Manufacturing</b>
Examples of issues discussed	NDPE and human rights	NDPE and human rights	Environmental impacts and issues highlighted by NGOs	Human rights and pollution	Human rights, and health & safety	Human rights
Examples of engagement outcomes	New planting plans and NDPE commitments		Implementation of remediation works	Assurance on waste management, monitoring of contractors	Preventive measures with regards to safety	Remediation actions and commitment to meet CIMB's human rights requirements



## SELECTED SECTOR CASE STUDIES

### Palm oil sector

In addition to risk mitigation based on international and national certification standards, in 2021 we piloted integration of No Deforestation, No Peat, and No Exploitation (NDPE) commitments to strengthen our sustainability standards.

We engaged clients on our new NDPE requirements, as well as emerging regulatory standards, including BNM's Value-based Intermediation sector guidelines, and Climate Change and Principle-based Taxonomy.

Among the 94 palm oil clients assessed, 33% were recommended with action plans, and one case was not recommended to proceed. Action plans included policies for no deforestation and no peat for new plantings, and no exploitation, to uphold labour and community rights. 2% of assessed cases were for project financing.

### Forestry sector

Clients with logging concessions must demonstrate compliance to sustainable logging principles, as well as no exploitation of impacted stakeholders including respecting FPIC principles. Clients with timber plantations must meet our No Deforestation, No Peat, and No Exploitation requirements.

Engagements in 2021 focused on our Forestry Sector Guide requirements, the importance of the sector in supporting climate mitigation, as well as potential opportunities for carbon credit issuance from sustainable forest management and reforestation activities.

Regionally, four clients were assessed, all for general corporate financing. One client was requested to commit to an action plan to obtain sustainable forest management certification.

### Manufacturing sector

This sector's ESG impacts include those related to resource use and management, waste handling, labour and working conditions, occupational health and safety, and community welfare, safety and health.

In 2021, we engaged clients in the manufacturing sector to understand how they address key human rights risks along their supply chains, and their readiness to comply with CIMB's Human Rights Policy that is planned for rollout in 2022. 31 clients were assessed this year, all for general corporate financing. Action plans were requested of three clients, including improving workers' accommodation, changing practices related to document retention, and putting safeguards around excessive overtime.

## GROUP-WIDE HUMAN RIGHTS RISK ASSESSMENT

CIMB Group initiated a human rights risk assessment among our financing clients across Malaysia, Indonesia, Singapore and Thailand in 2021, focusing on larger exposures in sectors such as manufacturing, palm oil, construction, oil & gas and retail, which have large numbers of foreign and low wage workers.

A survey was conducted to understand our clients' exposures to human rights risk, and to gauge policies and measures that had been put in place to mitigate and address human rights risk. Information was gathered around three key themes:



### Human rights policies and commitments

Policy on respecting human rights, commitment to no modern slavery, identification of human rights risks, frequency of social audits and availability of grievance channels



### Practices in relation to foreign workers

Zero recruitment fees paid by workers, no passport retention and provision of free accommodation



### Fair treatment to all workers

Compliance to national legal overtime limits, no deduction of accommodation and meal fees from workers' wages, and at least one compulsory rest day per week

Of all our corporate banking clients, we identified 104 who have high exposure to human rights risks. We studied these clients' policies and practices, and concluded that 20% of clients assessed had high residual human rights risks, and 33% had medium levels of risk, taking into safeguards that were in place. Of the clients identified as having high residual risk, 45% were in manufacturing and 37% were from the palm oil sector.

CIMB is in the final stages of developing our Human Rights Policy, with policy roll-out targeted to commence in mid-2022. Human rights risk assessments have been integrated into Basic and Enhanced Sustainability Due Diligence since early 2022. Additionally, human rights requirements are being integrated into our existing Sector Guides, including:

- Policy/ commitment on respecting human rights, no exploitation, or statement on no modern slavery
- Human rights due diligence that identifies and addresses key human rights risks
- Grievance mechanism which respects anonymity and prohibits reprisals

In 2022, we plan to conduct awareness sessions and sectoral engagements on CIMB's Human Rights Policy and requirements.

# SUSTAINABLE BUSINESS



## SUSTAINABLE FINANCE: DRIVING POSITIVE IMPACTS

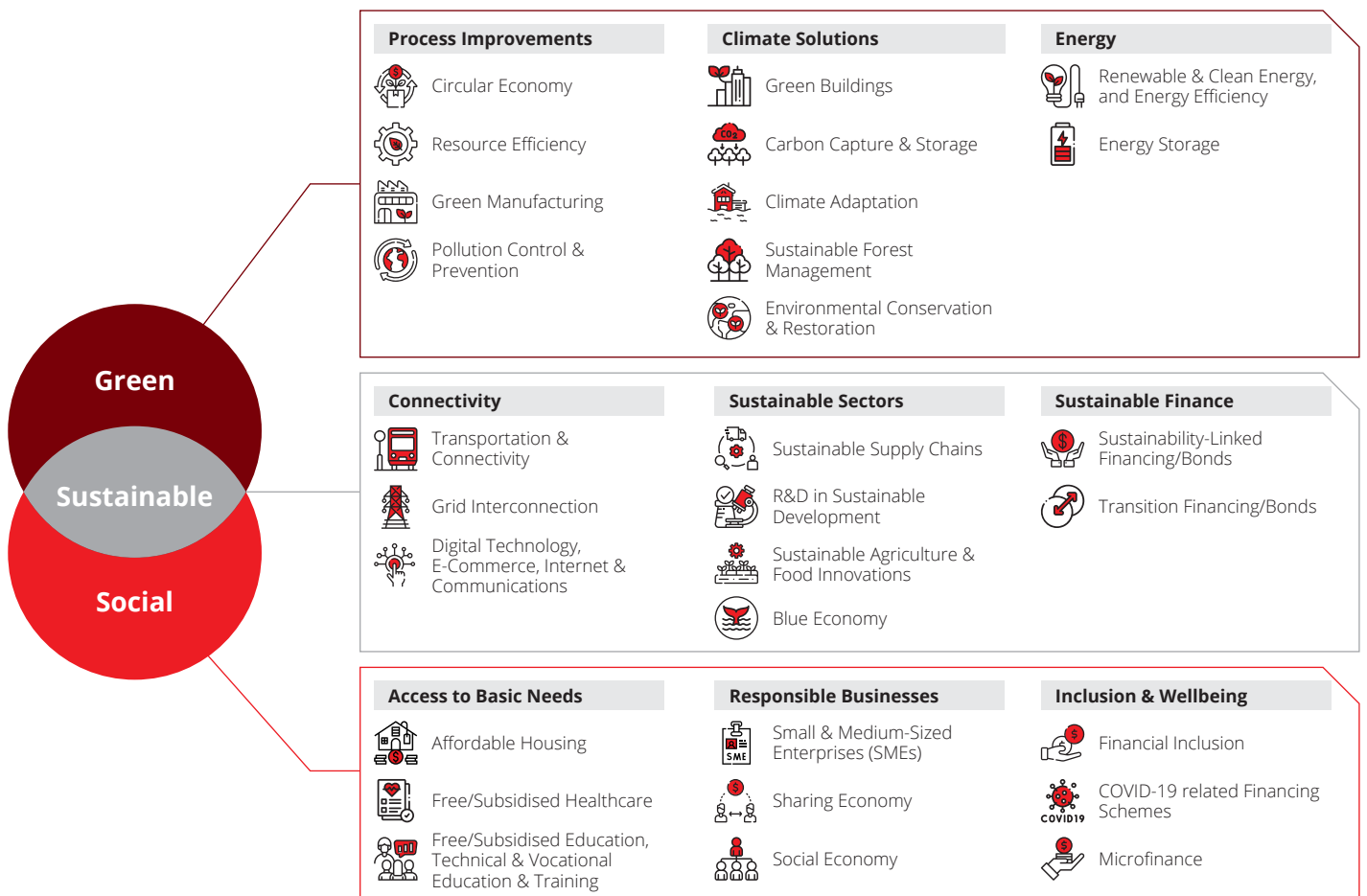
We recognise the critical role that the financial services sector needs to play in influencing clients towards more sustainable business practices and lifestyles. As a financial intermediary, we recognise our ability and responsibility to channel funds towards enabling a low-carbon economy and a more just society. Our goal is to be an ASEAN leader in sustainable finance, providing innovative and relevant sustainable finance solutions to our customers.

### OUR GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES FRAMEWORK

In 2021, we achieved RM25.9 billion towards our target to mobilise RM30 billion in sustainable finance by 2024. This includes all forms of financial services, including financing, equity and debt capital market transactions, wealth management and deposits aligned to the CIMB's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework.

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

In 2021, we embarked on the development of a user-friendly tool for our Relationship Managers (RMs). The tool provides clarity and guidance on the eligibility criteria for each focus area of our GSSIPS Framework, to help our frontliners identify projects and transactions that support sustainable development, while mitigating the risk of greenwashing. In addition, the GSSIPS tool helps RMs to identify climate-supporting assets for tracking and subsequent regulatory reporting, for example, according to Bank Negara Malaysia's Climate Change and Principle-Based Taxonomy and Indonesia Financial Services Authority's Green Taxonomy.



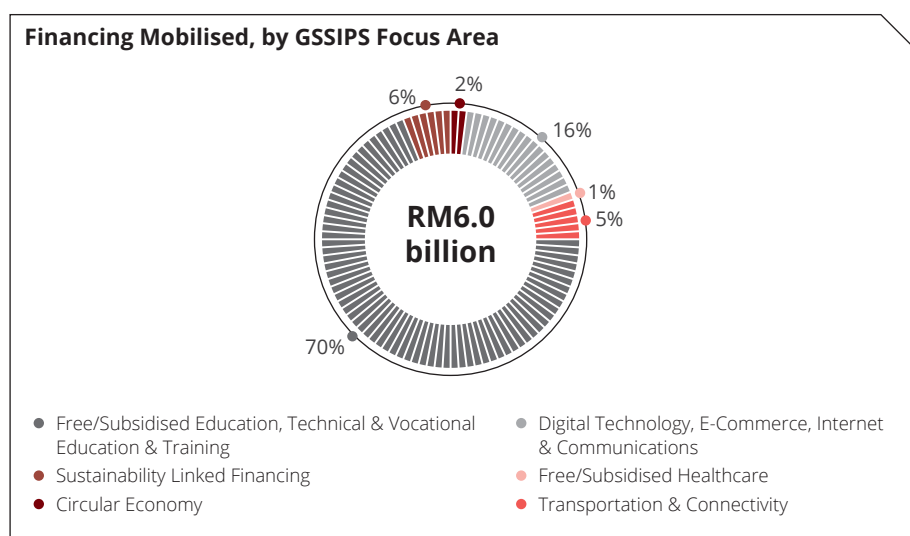


## WHOLESALE BANKING

CIMB's Wholesale Banking teams are actively pursuing sustainable business opportunities in the space of lending, capital raising, advisory, and treasury and markets, among others. Beyond traditional green deals such as those for renewable energy, the Wholesale Banking teams hold active discussions with corporate clients from various industries to proactively identify opportunities and help clients transition to a low carbon and socially responsible business model.

## GREEN, SOCIAL AND SUSTAINABLE FINANCING

In 2021, Corporate Banking successfully mobilised RM6.0 billion worth of financing to various clients and sectors across the region, as summarised below:



## SUSTAINABILITY LINKED FINANCING

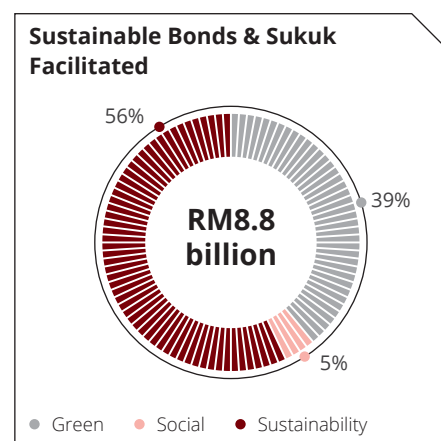
A flagship sustainable financing product under Corporate Banking, we continued to engage with potential clients, incentivising them to meet predetermined and ambitious sustainability performance targets via interest or profit rebates. Since its launch in 2020, RM1.2 billion worth of sustainability linked financing has been accepted by regional corporate clients. In 2021, we concluded two additional sustainability linked transactions while we continued to build on a healthy pipeline.

- S\$85 million (RM267 million) sustainability linked financing was extended by CIMB Singapore to OUE C-REITS as part of a syndicated financing facility. The financing interest rate is based on the borrower's improvements in energy and water efficiency in its commercial building portfolio in Singapore and Shanghai.
- RM100 million sustainability linked revolving credit was granted by CIMB Bank to Sabah Credit Corporation, the first SLL for a statutory body from East Malaysia and a financial institution in Malaysia. The interest rate is pegged to the borrower's financing disbursed to customers in the bottom 40 (B40) segment, as well as its contribution in local communities via its CSR efforts, with a view to improving the accessibility of financing facilities to Sabahans and driving socio-economic growth in the State.

## SUSTAINABLE BONDS AND SUKUK

Against the global backdrop of COVID-19, 2021 was another record breaking year for global issuances of green, social and sustainability bonds (collectively termed as sustainable bonds), totaling US\$859 billion, 60% higher than 2020 (Reuters, 2021). Similarly, ASEAN saw an exponential growth to US\$29.8 billion in 2021 from US\$0.3 billion in 2016 (EY, 2022).

As a global capital markets champion, CIMB successfully facilitated RM8.8 billion worth of sustainable bonds and sukuk for regional corporate clients and governments in 2021.



# SUSTAINABLE BUSINESS

## Examples of notable deals

### CIMB Bank SDG Bond

On 13 January 2022, CIMB Bank successfully priced its US\$500 million RegS/144A Sustainable Development Goals Bond (SDG Bond), marking the first ever RegS/144A SDG Bond to be issued by a Malaysian bank in the international capital markets. The US dollar SDG bond also marked the first ever 144A bond offering into the US markets by a Malaysian bank.



### Indonesia

Launched and priced the Government of Indonesia's US\$3 billion (RM12.4 billion) global sukuk offering, including a US\$750 million (RM3.1 billion) 30-year green sukuk, the longest tenure green sukuk issuance by a sovereign globally.



### Malaysia

Facilitated the Government of Malaysia's dual tranche US\$1.3 billion (RM5.4 billion) sukuk wakala offering. The US\$800 million sustainability tranche was the world's first US dollar sustainability sukuk offered by a sovereign.



### Thailand

Appointed as an underwriter for National Housing Authority of Thailand's social bond issuance of THB3.0 billion (RM402 million) to fund lower to middle income residential development projects supported by Public Debt Management Office and Asian Development Bank.



## SUSTAINABILITY-LINKED DERIVATIVE

As a sustainability leader, we seek to make our own funding and market transactions sustainable. In 2021, CIMB Bank entered into a landmark RM2.45 billion sustainability-linked derivative (SLD) transaction in the form of an interest rate swap with Standard Chartered Malaysia. The transaction was the world's first Malaysian Ringgit denominated and Asia's largest ESG-linked derivative transaction by notional value at the time. A pricing mechanism involving a discount or premium between CIMB Bank and Standard Chartered Malaysia will be applied based on our achievement of GHG Scope 1 and 2 emissions reduction targets, and our achievement on S&P Global Corporate Sustainability Assessment (CSA) (for Dow Jones Sustainability Indices).

## COMMERCIAL BANKING

### GREENBIZREADY

#### The GreenBizReady Advantage



Financing options for sustainability transition



Connect with sustainability service providers and associates



Receive training and capacity building



Connect with sustainability certification and advisory services



Participate in business matching services

Launched in 2021, GreenBizReady is an innovative one-stop sustainability solution by CIMB and CIMB Islamic for SMEs that are looking to start or progress on their sustainability journey. Through GreenBizReady, SMEs will receive sustainability linked financing solutions and incentives, access to service providers, business matching opportunities with industry leaders and government agencies, and the necessary training, capacity building, certification and advisory services required for them to progress on their sustainability journey.



- 233 SMEs attended 10 Sustainable Exporter training series delivered in collaboration with MATRADE and IMPACTO Sdn Bhd to enhance their capability to enter markets with higher ESG requirements.
- Baseline sustainability assessments conducted in partnership with IMPACTO to understand opportunities to advance sustainability performance.
- 3 training sessions conducted by partners including emerging green technologies



## MicroBizReady

As an enhancement to our Entrepreneurship Programme, CIMB and CIMB Islamic's MBR was introduced in 2020 to provide further upskilling to micro entrepreneurs who are committed to growing their businesses to the next level.


Since its inception in October 2020, MBR has so far successfully conducted 3 cohorts to date and trained over 160 participants from different segments; from the lowest income group in Malaysia, the B40 entrepreneurs in Klang Valley, Women Entrepreneurs, Asnaf community to the Differently Abled community.


## Clean Energy Financing and Investment Advisory

The Private Financing Advisory Network (PFAN), hosted jointly by UNIDO and the Renewable Energy and Energy Efficiency Partnership, is a global network of climate and clean energy financing experts, which offers free coaching to support businesses in scaling capacity and attractiveness to financiers and investors.

We assisted eight companies based in Malaysia, Thailand and Singapore, to leverage on PFAN's expertise to enhance their clean energy business model from key financial and technical aspects. 

## Renewable Energy

CIMB SME Renewable Energy Financing is our RM100 million financing scheme to enable SMEs in Malaysia to reduce their operational costs from power consumption while contributing to reduction in GHG emissions through adoption of renewable energy. The scheme provides financing for up to 100% of the solar PV system cost, including cost of installation. 

CIMB Bank and CIMB Islamic are financing partners for buySolar, a one-stop online marketplace in Malaysia that enables individuals and businesses to purchase solar panels. The platform provides end-to-end solar installation services, which includes cost estimation, solar installation, Net Energy Metering Scheme application, financing, online monitoring maintenance and after-sales services. 


## INCEIF CIMB SME Framework Tools

CIMB Islamic commissioned the International Centre for Education in Islamic Finance (INCEIF) to develop a SME Framework Tool that allows for the discovery of insights through data and analysis captured by research on SME clients. The intention of this research project is to identify the risk clusters of these SMEs and for the bank to develop the right financing and solutions while reducing the overall risk exposure of the businesses.

## Financing AgTech

CIMB Islamic in partnership with the Malaysia Digital Economy Corporation (MDEC) will provide RM10 million in microfinancing and incentives to 500 farmers to catalyse Digital Agriculture Technology (Digital AgTech) adoption at scale. The programme aims to encourage the next generation of farmerpreneurs to leverage on the use of artificial intelligence, Internet of Things and Big Data Analytics to improve quality and productivity of yields, livelihood of the B40 farming community, and reduce the overall environmental impacts of agriculture.

## CONSUMER BANKING GREEN MORTGAGES


CIMB Group provides preferential rate financing with developers in Malaysia and Indonesia to encourage potential home buyers to consider green homes. We recognise sustainability standards such as Green Building Index, GreenRE, EDGE, BCA Green Mark, and GreenShip Standard. In 2021, RM252 million in green mortgages was disbursed. 

## GREEN VEHICLES

In Malaysia and Indonesia, we actively encourage our customers to switch to hybrid or electric vehicles. CIMB Niaga Syariah developed an Electric Motor X-Tra financing programme to finance electric motorcycles. We cooperated with Gesit (an electric bike producer in Indonesia) and 17 dealers to increase awareness on environmental friendly motorcycles and support the Indonesian government's renewable energy, fuel saving, and Smart City initiatives. We disbursed RM48 million of financing in 2021 for green vehicles.

## SUSTAINABLE BUSINESS

### ECOSAVE-i

CIMB Islamic's environmental-focused savings account allocates 0.2% of the total average portfolio balance towards green projects. Since the inception of the programme, RM3.5 million has been channeled towards the support of 14 environmental projects. In 2021, we committed additional funding to the following: 

#### Sustainable Rice Farming

Adan rice grown in the highlands of Sarawak has long been highly prized and sought after. With demand often exceeding supply, this project helps local communities to increase production yield, while protecting the environment.

In partnership with WWF Malaysia, the Ba'Kelalan Sustainable Rice Farming Programme supports farmers to adopt the Systems of Rice Intensification (SRI) planting method. The SRI method shortens the crop cycle by 1-2 weeks, increases yields by 20-50%, and reduces seed use by up to 80% and water use by 50%. More effective weeding control and the use of organic fertilisers also help to reduce the impact on the environment, and keeps the montane rivers pristine.

Following a pilot, farmers in the demonstration plot were able to double their yield. The programme continues to expand, by engaging and enrolling more than 30 farmers from three neighbouring villages to adopt SRI.

#### Forest Conservation Study

The Fraser's Hill Forest Complex houses six permanent reserved forests, which are under threat from land conversion issues such as logging, mining, agriculture and unchecked infrastructure development. There is no official published document or environmental impact assessment that is available to date, signaling the need for urgent action to protect this natural heritage area.

CIMB Islamic, via Ecosave, is supporting a three-year project to create a Botanical Inventory of the Fraser's Hill Forest Complex, with special emphasis on species diversity, endemism and conservation status. Assessment results and recommendations for the conservation of species and habitats will then be used to support ongoing advocacy for the protection of Fraser's Hill Forest Complex as a state park.

#### Taman Tugu

We committed RM0.9 million over the next three years to support conservation, preservation and rehabilitation efforts, as well as the operations of Taman Tugu, a green lung in the heart of Kuala Lumpur. The 66-acre urban forest park preserves up to 1,000 trees onsite, including rare and indigenous species, while instilling amongst communities a sense of ownership and care towards the environment. This project aims to plant more than 4,000 new mature trees to increase and enhance the biodiversity of Taman Tugu.




### ESG INVESTMENTS AND FUNDS

We are increasing our offering of ESG-themed investment products for clients who wish to increase their exposure to sustainable investments in asset classes such as equities and bonds, whilst generating competitive returns.

In 2021, we onboarded a number of new funds including Principal Global Sustainable Growth Fund, Principal Sustainable Dynamic Bond Fund, Affin Hwang Aiiiman Global Thematic Fund, Affin Hwang World Series - Global Sustainability Fund, and RHB Global Impact Fund for our Malaysian clients. In Singapore, we added a number of new funds to our offerings, including Blackrock Sustainable Energy Fund, Vontobel Clean Technology Fund, iShares Global Clean Energy ETF and Aberdeen Standard European Sustainable and Responsible Investment Equity Fund.

Whilst each of these new funds carry different commercial objectives and investment strategies, all of them focus on companies that embrace sustainable business practices or can deliver solutions to the world's social and environmental problems.

For Private Banking clients, the total Assets Under Management (AuM) of ESG-related funds stood at RM236.7 million (0.4% of total AuM) in December 2021, while Preferred Banking clients purchased RM219 million of ESG themed funds in 2021. 



## FINANCIAL INCLUSION AND WELL-BEING

Financially enabling individuals and businesses through financial literacy and affordable banking services creates a ripple effect that drives improvements across local society and the economy. With our presence in a region where a significant population remains unbanked and underbanked, CIMB plays an important role in bringing financial solutions to local communities. Financial inclusion is essential for social equity, economic empowerment, and to alleviate financial hardship.

### FINANCIAL INCLUSION

An estimated 50% of the ASEAN population do not have a bank account, and over a quarter are considered underbanked (Fitch Ratings, 2020). We actively work to bridge this financial access and inclusion gap by innovating and creating partnerships to provide financial services that address real pain points for underserved communities.

#### ACCESS TO BASIC SAVINGS AND PAYMENTS

CIMB Bank Philippines continues to be at the forefront of digital banking in a country where an estimated 71% of the adult population do not have a bank account (Bangko Sentral ng Pilipinas, 2019). This can be attributed to the high cost of opening and maintaining an account, low levels of financial literacy, and poor physical access to branches.

CIMB Philippines' digital banking strategy has removed the traditional barriers required for opening a bank account, including the removal of face-to-face transactions, processing fees and minimum balance requirements. Clients have more flexibility and accessibility, through our partnerships with GCash, the Philippines' leading digital wallet; Bayad Center, the Philippines' leading utilities payment company; and 7-Eleven, the Philippines' largest convenience store chain.

In just over 3 years, CIMB Bank Philippines has on-boarded more than 5 million depositors. In 2021, gross transaction value increased by 282%.

Based on a survey of our customers in late 2021, around 20% of depositors said that CIMB is their first bank deposit account, and 74% of loan customers said that CIMB gave them their first ever bank loan.

#### ACCESS TO CREDIT

CIMB Bank Philippines launched REVI Credit, which provides easy and hassle-free access to affordable credit lines of up to PHP250,000.

Customers can apply for a personal revolving credit line through their mobile phones, without any income documents, and get almost instant approval. 47,000 individuals have been on-boarded to this facility.

### HOME OWNERSHIP

Home ownership plays a vital role to provide families with emotional and financial stability, and has strong positive social impact and outcomes. In Malaysia, we support BNM's initiative to disburse RM1.0 billion to help low-income individuals to buy affordable homes through programmes such as "My First Home scheme", PR1MA and other government schemes. We also assist customers to purchase their first home via FlexiOwn, which provides lower monthly instalments for the first five years to reduce their cash flow burden.

In 2021, CIMB Group extended more than RM2.35 billion in home financing for the lower income community in Malaysia and Indonesia, facilitating the purchase of more than 11,000 affordable homes.

### VEHICLE OWNERSHIP

We offer competitive financing for B40 communities to purchase vehicles as a means to gain access to flexible and efficient travel options for family use, and for micro and small business endeavours. In 2021, we extended RM2.4 billion towards new auto financing for B40 communities in Malaysia, and B1.1 billion for motorcycles in Thailand.


### OPPORTUNITIES TO INVEST

In 2021, Touch 'n Go Group launched GO+, a micro wealth management product which allows Touch 'n Go (TNG) eWallet users to gain access to low risk money market investments from as low as RM10. This empowers Touch 'n Go users, including those who do not have high disposable incomes, to start investing and earning returns on their investment balances. Funds are easily transferred between the user's designated bank, and GO+. TNG Digital acquired 1.96 million GO+ users with AUM of RM492 million.

Amanah Saham Nasional Berhad (ASNB) allows customers to invest their savings and provides a stable avenue for long-term wealth accumulation. CIMB offers financing for Amanah Saham Bumiputera (ASB) investments, helping customers to access affordable funds that can then be applied towards purchase of ASB. Our total ASB financing for B40 communities amounted to RM2.5 billion in 2021, making up 76% of all ASB financing extended.

## SUSTAINABLE BUSINESS

### SUPPORTING OUR CUSTOMERS DURING THE PANDEMIC

The COVID-19 pandemic continued to impact livelihoods of clients and customers across the region. Movement control measures to contain the spread of infections presented a challenge to individuals and businesses. With many clients facing loss of revenue, and customers impacted by salary reductions and retrenchments, we saw an urgent need to support those who were hardest hit, in line with government and regulatory mandates, but also going beyond mandated requirements. 

CIMB adopted a three-pronged approach to support and build trust with our customers during the period.

### PROVIDING CUSTOMERS WITH FINANCIAL ASSISTANCE

We established various relief programmes across our regional operations to support businesses and individuals affected by the pandemic. These included financing repayment moratoriums and restructuring for individuals, SMEs and corporate clients.



#### MALAYSIA

##### Payment Assistance Programme (PEMULIH)

Supported B40 individuals and SMEs that experienced a loss in income due to lockdown measures.



**306,676 customers, RM57.1 billion**

##### Targeted Assisted Programmes

We offered a range of financing at preferential rates to targeted individuals, SMEs and microenterprises who were most impacted by the pandemic. This included those in the personal services, food and beverage, arts, entertainment, and recreation sectors.



**227,577 customers, RM36.7 billion**

##### Financial Management and Resilience Programme (URUS/FIRST)

A collaboration between the banking sector and Agensi Kaunselling dan Pengurusan Kredit (AKPK) to assist B50 Individuals (those earning below national median of household income) and SMEs who continue to experience cash flow difficulties.

The assistance includes an option to reduce instalments for up to two years, and for B50 individuals, the option for up to three months' of interest/profit to be waived.



**1,993 customers, RM0.6 billion**

##### Special Insurance Coverage

In partnership with Sun Life Malaysia, CIMB rolled out a RM500,000 COVID-19 Vaccine Complications Fund, a complimentary financial assistance to clients experiencing adverse side effects of COVID-19 vaccinations.

**INDONESIA**

CIMB Niaga continued to provide financial relief to individuals and non-individual clients in sectors affected by the pandemic in accordance with government policies. We offered a restructuring and rescheduling programme to all segments including individuals, SMEs and corporate clients.

**SINGAPORE****Individual Customers**

CIMB Bank Singapore extended its relief programme for an additional three months upon the expiry of the Extended Support Scheme on 30 September 2021. Customers with mortgages were provided the option to reduce monthly instalments to 60% or extend their loan tenure by up to three years. Unsecured credit facilities can be converted into term loans for up to five years, with interest rates capped at 8%, with no early repayment penalty. For Renovation & Education loan facilities, clients were provided the option to extend loan tenure up to a cumulative of three years. Over 1,960 customers were supported through these programmes, amounting to S\$60.4 million.

**SME Clients**

CIMB C-19 / CIMB BizAssist (a financing scheme that provides government risk sharing of 70% to participating financial institutions) helps SMEs to manage their immediate cash flow needs. Since its launch, the programme has benefited 1,302 clients, amounting to S\$584 million.

**CAMBODIA**

CIMB Bank Cambodia provided extended financial relief through rescheduling and restructuring of financing, and deferment of principal and interest. The relief enables commercial and retail customers to mitigate the disruption to their cash flows and income. While some customers have resumed regular repayment, CIMB continues to grant relief to eligible clients who request for longer support. Active restructured and rescheduled accounts were valued at US\$24 million for commercial and retail customers as at end of 2021.

**THAILAND**

Over 40,000 account holders in CIMB Bank Thailand were approved for extension to their financing moratorium programme. Over 67% of the debt relief financing involved debt restructuring.

**KEEPING CUSTOMERS UPDATED**

We set up dedicated COVID-19 support websites to communicate changes to bank operations in a timely manner. We also leverage on other communication channels such as social media, e-mails and call centre IVR announcements to keep our customers well informed.

**ACCELERATING DIGITALISATION TO PROTECT CUSTOMERS**

The pandemic accelerated the digitisation initiatives of the Group, including online opening of saving and current accounts, and online submission of financing applications.

CIMB launched EVA for SME clients, the first ever chatbot for Commercial Banking customers in Malaysia. Equipped with AI tools and dual language Natural Language Processing, the chatbot is able to evaluate and recommend the most suitable financial solutions based on a customer's business and financial needs.

For retail customers, we made individual phone calls to certain segments of customers who were more vulnerable to COVID-19, such as the elderly, to provide one-on-one guidance on using online banking. In addition, we guided them on how to safely use online banking platforms, while being vigilant towards frauds and scams.

# CORPORATE SOCIAL RESPONSIBILITY

We believe that communities where people are connected, supported and have access to resources and opportunities, are core to building a strong economic and social fabric. Towards helping build healthy and resilient communities in ASEAN, we focus on issues that are most important and meaningful to them. Our objective is to ensure that no one is left behind. We prioritise beneficiaries who are at-risk and most vulnerable to climate change and social injustices, especially among communities from the lowest 40% of income earners (B40). We also encourage and facilitate our employees and stakeholders to volunteer for community causes and be agents of change.

 <p><b>Education</b> We support improving equitable access to quality education, enabling a successful transition of youth into the workforce, and improving financial literacy.</p>	 <p><b>Health and community well-being</b> We support programmes that increase access to sporting facilities, disease prevention solutions, and affordable essential healthcare. We also support disaster relief efforts.</p>	 <p><b>Economic empowerment</b> We support programmes that enhance employability and access to decent work, job creation and income generation.</p>	 <p><b>Climate and environment</b> We support innovative and small-scale climate change mitigation and adaptation projects, with a strong focus on awareness-building and community involvement.</p>
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## MATERIAL TOPICS



**Corporate Citizenship and Volunteerism**

## 2021 ACHIEVEMENTS

Revamped our **REGIONAL CORPORATE SOCIAL RESPONSIBILITY STRATEGY**

**RM28.7 MILLION** disbursed for community initiatives

Established **RM10 MILLION** Komuniti Kita COVID-19 Relief Fund

Won **5 OUT OF 6** FINCO volunteerism awards

**67,278 HOURS** contributed by employee volunteers

**RM6.8 MILLION** disbursed for COVID-19 relief

## CIMB FOUNDATION

CIMB Foundation was established in November 2007 with a seed funding of RM100 million to implement CIMB’s corporate social responsibility and philanthropic initiatives in Malaysia. Its mission and strategic intent is to advance our stakeholders and society, through the creation of long-term positive impacts by championing community-related socio-economic and environmental issues. It reaches out to communities to promote health, provide emergency relief, facilitate access to quality education and financial literacy, and to facilitate sustainable income generation through entrepreneurship programmes and supports climate action and environmental initiatives. The Board of Trustees ensures that funds are properly administered and disbursed according to the Foundation’s vision, objectives and areas of focus. The CEO of CIMB Foundation leads a multifunctional team to provide the organisational support for the daily management of CSR-related matters. In 2021, CIMB Foundation had committed to support 70 CSR projects totaling RM19.8 million and impacting about 70,000 people. Since inception, CIMB Foundation has disbursed about RM165 million through nearly 1,300 projects that have benefitted almost 1 million people in the communities served by CIMB, making CIMB Foundation one of ASEAN’s leading CSR champions.







## CORPORATE SOCIAL RESPONSIBILITY

CIMB Group has an established framework for implementing CSR programmes across the Group. It's regional markets align their strategy to the Group, but have the flexibility to focus on issues that are of local importance. This year, CIMB began moving towards long-term programmes that bring sustainable community benefits under its four pillars: Health and Community Well-Being, Education, Economic Empowerment and Climate & Environment. These pillars are in alignment with 3 out of 17 United Nation's Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet and to ensure that all people enjoy peace and prosperity by 2030.



### EDUCATION

We believe that education provides a pathway to a successful future. We focus on improving equitable access to quality education. This essentially means investing in programmes that provide financial, network and resource support to make education accessible to communities, irrespective of their socio-economic background. With our focus on financial literacy, we work to enable successful transition of youth into the workforce and society.

#### PROVIDING SCHOLARSHIPS TO PROPEL HIGH-POTENTIAL STUDENTS

The CIMB ASEAN Scholarship aims to provide high potential youths with opportunities to pursue higher education, and to then develop their careers with CIMB. Since 2016, we awarded scholarships to 92 scholars, 27 of whom have started their careers with CIMB. In 2021, we awarded new scholarships to 13 youths from across the ASEAN region, targeting students from lower income backgrounds.

Since 2006, the CIMB Niaga Scholarship Programme has supported Indonesian scholars by funding their undergraduate education and providing additional support such as laptop subsidies, personal development and coaching, as well as an opportunity to work at CIMB Niaga after graduation. The CIMB Niaga Scholarship has been awarded to over 1,125 recipients to date including 50 students from 16 different universities in 2021.

#### ENABLING CAREER ASPIRATIONS OF STUDENTS FROM LOWER INCOME FAMILIES

The pilot Aspirasi Kerjaya programme provides students from lower income families in Malaysia the opportunity to explore various career options. Over 100 upper secondary school children were inspired by professionals from various industries, who helped them to gain an understanding of the job scope and required skill-sets for various professions. Following the 18-week course, 48 students were selected to partner with CIMB staff members to be part of a 3-week online internship.

In Thailand, we supported career-building projects in two rural schools. Students were given an opportunity to manage an organic plantation and poultry farm. The produce was then used to provide school meals for over 310 students.



# CORPORATE SOCIAL RESPONSIBILITY

## SUPPORTING DIGITAL EDUCATION PLATFORMS TO EMPOWER STUDENTS AND PARENTS

Our partnership with Teach For Malaysia (TFM) Education Recovery Programme aims to address the issues of inequality and resilience in education, with the pandemic further widening the education gap due to unequal access to digital resources.

Many students in Malaysia struggled with online learning due to school closures, often with insufficient online content that was accessible from home. We saw the need for relevant and engaging digital content, to ensure continued education with minimal disruption.

The partnership developed suitable free online curricula for Primary 1 to Form 5 students, who accessed the online learning and revision through YTL Foundation's Learn From Home website and the FrogPlay mobile app. Over 500 lessons were developed in 2021, with an additional 2,500 lessons to be developed and maintained until 2023. Parents are engaged and trained to support their children with learning resources.

The programme will also fund recruitment and training of 60 TFM Fellows over three years. Over the course of their two-year fellowship, TFM fellows will teach more than 9,000 students from B40 communities, helping to improve student and community outcomes.

## BRIDGING THE DIGITAL DIVIDE TO MAKE EDUCATION INCLUSIVE

Under CERDIK, a CSR programme by government-linked companies and spearheaded by Yayasan Hasanah, CIMB Bank contributed 1,757 new laptops paired with internet dongles to help disadvantaged students across 10 schools over five states to bridge the digital learning gap.

We also funded digital inclusion projects in two rural schools in Thailand, to equip students with skills to navigate the digital age. In Singapore, over 475 laptops were donated to Engineering Good, a non-profit organisation that empowers inclusivity for disadvantaged and vulnerable communities, such as persons with disabilities and low-income families, through sustainable engineering and technology solutions.

## CHAMPIONING FINANCIAL LITERACY

We support financial literacy programmes that empower youths in the region. These programmes inculcate financial management as a life skill, and promote an understanding of how financial services can enable this.

### Be\$MART

Be\$MART is CIMB Foundation's flagship financial literacy education programme targeted at B40 students from public universities and colleges across Malaysia. Since its inception in 2017, it has benefitted over 20,000 students. This year, 1,458 students attended the Be\$mart programme via four half-day interactive online sessions. The programme maintained a high level of very positive outcomes, with an average improvement in financial literacy awareness of 138% from the programme.

Additionally, we initiated the Be\$mart Alumni platform as a post-programme continuous learning and impact assessment for Be\$mart programme graduates. Students are engaged through articles on sound financial habits and investments tips for young adults, one-to-one interviews with financial experts and education on financial tools available in the market to help achieve their financial goals.



**TOUR DE BANK**

Tour De Bank (TDB) in Indonesia aims to foster financial intelligence and a culture of saving money at a young age through exposure to the banking industry. Launched in 2015, over 11,436 students from 232 schools in 34 cities have participated in the TDB programme, with 3,178 students from 66 schools participating in virtually-run programmes in 2021.

**FINANCIAL INDUSTRY COLLECTIVE OUTREACH (FINCO)**

The Financial Industry Collective Outreach supports the provision of educational tools and guidance outreach to underprivileged children and youth in Malaysia to achieve their financial goals. Supported by Bank Negara Malaysia, the mission of FINCO is aligned with the 2019 National Strategy for Financial Literacy, which aims to improve financial literacy to support a vision of shared prosperity.

**AYO MENABUNG DAN BERBAGI**

Since 2011, the Ayo Menabung dan Berbagi Programme (Let's Save and Share) aims to increase financial literacy and financial inclusion of Indonesian students from primary up to high school and vocational high school. Over the last decade, the programme has reached 57,939 students spanning 455 schools. In 2021, 7,250 students from 85 schools across 22 cities attended the AMDB programme.

**ASSOCIATION OF BANKS CAMBODIA**

In collaboration with the Association of Banks Cambodia, CIMB Bank Cambodia promoted financial literacy through its social media. We leveraged on local Facebook influencers to share knowledge regarding financial literacy, on topics such as the importance of savings, how to save, budgeting and tracking, and building an investment portfolio.

**HEALTH AND COMMUNITY WELL-BEING**

We believe that health and well-being are the cornerstones of resilient communities. Our focus is on increasing access to affordable essential healthcare, medicines, medical supplies, and devices; health promotion and communication; and sporting facilities for all. We also provide timely humanitarian aid and disaster relief, as well as other support for targeted communities.

**20/20 PERFECT VISION PROGRAMME**

CIMB Foundation partnered with Spectruck Sdn Bhd to provide free eye screening and refractive correction solutions, and raising awareness on proper eye care to school children from low income families. The programme targets to reach 30,000 students in Pahang, Selangor, Perak, Negeri Sembilan and Pulau Pinang by the end of 2022. A total of 10,234 students were screened and 3,066 students received free eye glasses in 2021 under the programme.

**PROSTATE CANCER AWARENESS**

Prostate cancer is highly curable if detected in the early stages. Yet, many are unaware of how to check for prostate cancer, and do not discover the disease until much later. To raise awareness of this, we partnered with the University of Malaya on the Campaign against Prostate Cancer. The programme also provides continuing education to medical practitioners, and supported the Blue Cap x CIMB Virtual Run held in November 2021.

**SPORTS FOR LIFE****CIMB Junior Squash Development Programme**

Since 2006, the CIMB Junior Squash Development Programme has been instrumental in developing young squash talent, and has since produced world-class athletes such as Sivasangari Subramaniam and Ng Eain Yow. This programme has provided a platform to more than 6,000 junior squash players including national and state level players, ensuring accessibility of this sport to the community.

In 2021, 356 players participated in the 16th CIMB Foundation National Junior Championship organised by Squash Racquets Association of Malaysia, where trophies were awarded to 10 winners in various age and gender categories.

# CORPORATE SOCIAL RESPONSIBILITY

## DISASTER RELIEF

In 2021, severe natural disasters causing tremendous disruptions and community displacements occurred across ASEAN. We partnered with relief agencies and delivered direct aid to help affected communities.



### Malaysia

In December 2021, one of the worst floods in history occurred in several states, with thousands of households impacted.



#### Communities

CIMB committed RM2 million towards providing on-ground community assistance and recovery support to deliver aid to flood victims via partner non-governmental organisations. We were also part of the collective flood relief efforts under the GLC/ GLIC Disaster Response Network (GDRN).



#### Customers

CIMB Bank Bhd and CIMB Islamic Bank Bhd initiated the Flood Relief Assistance Plan, in which affected individual and SME customers were provided with six-month payment relief on financing. Additional financial aid was offered, late charges and fees related to business continuity were waived, and claims processing with insurance partners were expedited.



#### Employees

433 CIMBians and their families fell victim to the floods. Aid was coordinated by a central response team, aided by 373 CIMB volunteers who helped in post-flood cleaning efforts, and a matching platform for #teamCIMB to help with household goods such as washing machines and bedding. In addition, a total of RM1 million cash assistance was distributed and an interest free financing package was offered to help affected employees rebuild their homes.



### Indonesia

The earthquake in West Sulawesi, floods in South Kalimantan, extreme flooding in East Nusa Tenggara, and the catastrophic eruption of Mount Semeru in East Java were amongst the multiple natural disasters in Indonesia in 2021, and which caused massive population displacements, as well as injuries and fatalities. CIMB Niaga partnered with various organisations to distribute emergency relief packages to the affected communities, impacting about 3,100 beneficiaries. The packages comprised ready to eat foods, basic and food essentials, medicines, hygiene kits, clothing, blankets, baby milk and diapers, tarpaulin, bedding and shelter kits, as well as medical assistance, totaling Rp170 million.



### Philippines

In December 2021, a powerful tropical cyclone struck central Philippines. Typhoon Odette killed over 400 people and devastated communities in its path, affecting about 16 million people, displacing nearly 3 million, and damaging 1.9 million homes. CIMB Bank Philippines launched a donation campaign for employees and customers, and donated PHP100,000. Funds raised were channeled towards providing food, water, medicine and hygiene packs for those affected via the relief organisation, Rise Against Hunger Philippines.



## COVID-19 COMMUNITY RELIEF

Communities across the region continued to be severely affected by the economic and social impacts of COVID-19. Movement restrictions resulted in loss of jobs and income, prompting many to seek relief and aid.

### Malaysia

We launched the RM10 million Komuniti Kita COVID-19 Relief Fund of which RM9.5 million was funded collectively by CIMB Foundation and CIMB Group, while we raised an additional RM0.5 million via an employee donation drive. The funds were partly used to provide immediate and much needed support to the national healthcare system and to support communities in need across Malaysia, especially for food aid via civil society groups.

This RM10 million allocation is in addition to the Group's other COVID-19 relief initiatives in 2021. The key beneficiaries of the latter included Program Perumahan Rakyat communities, the Mah Meri community, families with single mothers, and other affected B40 and underprivileged groups. During the year, we also supported the National COVID-19 Immunisation Programme by contributing five top loading vaccine refrigerators to Jabatan Kesihatan Negeri Kelantan for multiple immunisation centres across the state, especially to improve access by rural communities.



**RM6.79 MILLION**

with the remaining funds to be disbursed in 2022

#### Food Aid

Food baskets for families with young children and elderly

**RM2.0 MILLION**

#### Medical

Medical equipment and supplies to hospitals

**RM2.33 MILLION**

#### General Aid

Cash vouchers, shelter, food aid, etc

**RM2.46 MILLION**



### Vietnam

Over VND275 million was donated to local hospitals towards purchase of medical equipment, and personal protective equipment needed to serve local communities.



### Cambodia

CIMB Cambodia provided financial assistance and in-kind support to severely-affected groups, such as elderly rickshaw drivers in Phnom Penh.



### Thailand

Together with Sampantawong District, we created "Octo Pan Sook" or Pantry of Sharing. Employees and customers were invited to donate items and foods to relieve the hardship of people affected by the COVID-19 pandemic in the Yaowarat area.

Furthermore, the Bank worked with Bang Phee Noi Sub-District Municipality and Samut Prakan Province, to develop a Community Isolation Center to accommodate 200 COVID-19 patients.



### Indonesia

CIMB Niaga supported the Indonesian government's COVID-19 vaccination programme. Up to December 2021, CIMB Niaga had facilitated vaccinations for over 57,000 employees and their family members, as well as the public, in several cities across Indonesia.





# CORPORATE SOCIAL RESPONSIBILITY



## ECONOMIC EMPOWERMENT

We believe in building resilient communities through inclusive and sustainable economic development, and decent work for all. We support programmes that enhance employability and income generation, as well promote access to decent work and job creation within vulnerable communities. We are also committed to supporting local start-ups, small businesses and social enterprises through financial inclusion and financial literacy.

### ENTREPRENEURSHIP PROGRAMME FOR NGOS

We collaborated with Me.reka Studios to empower local NGOs through entrepreneurship training programmes, mentorship and also small grants to implement the changes. Having completed the educational phase of the programme, five NGOs progressed into the mentorship programme, which supports them to transition from an NGO to a social enterprise model, allowing for greater community-based impact while also achieving financial sustainability.

### DISABILITY TRAINING

CIMB Niaga aims to provide skills and additional training for the disabled, in the form of practical skills and knowledge. Since 2020, over 328 individuals have been trained in collaboration with several foundations. In 2021, CIMB Niaga collaborated with ThisAble Enterprise and trained 20 disabled individuals to be baristas, with six trainees who were able to transition to full time employment in retail, F&B and hospitality industries.

## COMMUNITY LINK PROGRAMME

The #JadiNyata Community Link Programme is CIMB Niaga's platform to encourage the community to be a part of the solution. This year's winners receive Rp50 million in funding assistance, business guidance from experts and mentorship for a year to realise their social ideas.

In 2021, more than 600 participants across the country submitted ideas on how they would improve the lives of their local communities on social, economic or environmental aspects. After a rigorous selection and judging process, three winners were chosen.



### Machmud Fajri Saputro: Pineapple Fibre to Products

Sungai Malaya Village in West Kalimantan is situated in one of the largest pineapple producing areas in Indonesia. However, majority of the pineapple farmers earn below minimum wage due to the low selling price of pineapple. The project aims to help farmers to turn pineapple fibre into biodegradable products, such as spoons, forks, and straws. This reduces the use of plastic and creates an additional source of income for farmers.

### Seriany Tonglo: Sangbuaran

Sangbuaran is a social enterprise working to empower women farmers and youth through processing of local food products. Based in Kandua Village in South Sulawesi, the programme provides training to farmers to process and market locally produced gluten-free products to meet an increasing demand in the market.



### Putu Eka Gunadi: Trigona Bee Keeping

Taman Sari village in West Lombok was badly impacted by the COVID-19 pandemic due to the lack of tourists. This initiative supports the development of Trigona Bee cultivation, helping villagers who have lost their income. They can harvest bee products, promoting local conservation, and this also creates eco-tourism opportunities for the village.





## CLIMATE AND ENVIRONMENT

There is need for urgent action to combat climate change, and to protect the environment from degradation and biodiversity loss. We support a number of innovative, small-scale climate change mitigation projects, with a strong focus on awareness-building and community co-benefits. We also aim to partner local NGOs and support local communities in protecting local ecosystem services, habitat improvements and biodiversity conservation.

### RECOGNISING CONSERVATION CHAMPIONS

Malaysia is one of the 17 megadiverse countries, and is ranked 12th globally in terms of its National Biodiversity Index. Beyond Malaysia's policy to maintain forest cover at 50 percent of our total land area, the responsibility also rests on many stakeholders who harness or depend on forests for various resources. Some of the systemic issues related to exploitation of natural resources and industrialisation, such as habitat loss and land conversion, have been responsible for biological diversity loss.

We were a partner in Climate Governance Malaysia's inaugural Hornbill Awards to recognise NGOs which can deliver innovative solutions for biodiversity conservation, preservation and management of ecosystems that are under threat in Malaysia.

Of the six shortlisted NGOs, Bringing Back Our Rare Animals (BORA) won for its submission to create feeding grounds for wild elephants in the Tabin wildlife reserve. Over the years, BORA has been on a mission to recover species, restore habitats, enhance reproduction, promote genetic diversity in natural ecosystems.

### PROMOTING WASTE EDUCATION

In Thailand, we supported a Waste Bank Project within three schools, to cultivate recycling habits. The project also created educational materials to raise awareness of environmental conservation.



## CONTRIBUTION BY CIMB ISLAMIC (ZAKAT & DONATIONS)

CIMB Islamic has contributed RM5.6 million of Corporate Zakat and deployed RM2.8 million of CSR funds towards charitable causes that place priority on improving the living standards of lower income communities and helping to meet their basic needs. In 2021, new initiatives included:

### STRENGTHENING FAMILIES

Keluarga Akrab Mencapai Impian (KAMI) is a holistic family programme that supports B40 families. Facilitated by Thrive Well and Teach for Malaysia, the programme offers a safe place for youth to strengthen social connections and gain personal skills, with a sense of belonging. The programme offered support groups and experiential activities to strengthen family units.

### CONTRIBUTION OF TABLETS TO UNDERPRIVILEGED STUDENTS

At the height of the pandemic, schools were closed and lessons were online. CIMB Islamic worked with Yayasan Belia Malaysia to purchase 500 tablets for school going children from low-income households.

### COVID-19 RELIEF

CIMB Islamic provided over RM216,300 towards helping those affected by COVID-19. This includes providing cash vouchers to B40 families through Islamic Relief Malaysia.

CIMB Islamic has also contributed more than RM130,000 to various NGOs to provide food packs benefitting more 1,000 community members.

### ITEKAD RIDER ENTREPRENEUR PROGRAMME

iTEKAD, a BNM-led initiative, is a blended social finance programme by Islamic banks offering seed capital, microfinancing and structured training to micro-entrepreneurs in collaboration with implementation partners. In 2021, CIMB Islamic participated through the launch of our Rider Entrepreneur Programme.

We provided funding to train 31 individuals on entrepreneurship and technical skills. Upon completion of the programme, participants had the opportunity to obtain a motorcycle grant and employment with our food delivery partner, Foodpanda, for a year.

### TAYLOR'S - CIMB ISLAMIC ENTREPRENEURSHIP PROGRAMME

Since 2017, CIMB Islamic has partnered with Taylor's Community (the CSR arm of Taylor's Education Group) to provide financial grants and capacity building to micro entrepreneurs. Over 400 micro entrepreneurs around Kuala Lumpur, with a monthly revenue of below RM3,000 have so far completed the training, mentorship, and received grants from CIMB Islamic. This suite of initiatives is designed to help B40 and the Asnaf (Zakat recipients) community to gain knowledge, improve their skills and establish business linkages to help them seize opportunities in growing their businesses.

# CORPORATE SOCIAL RESPONSIBILITY

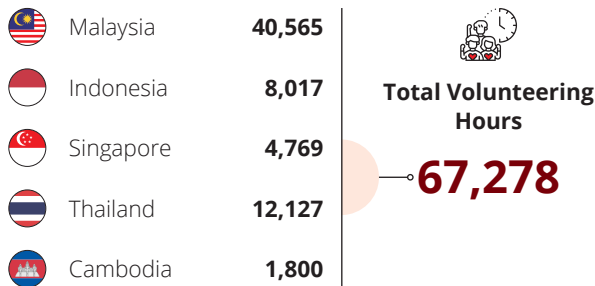


## EMPLOYEE VOLUNTEERISM

Employee volunteering brings our values to life, engages our employees, and leverages our time and skills to make meaningful contributions and positive impacts in communities where we live and work.

Our target is to invest 100,000 volunteering hours annually by 2024, ramping up from 4,216 hours in 2020. In 2021, we achieved 67,278 hours across the region despite the uncertainties and challenges of COVID-19, and movement control restrictions.

### TOTAL VOLUNTEER HOURS IN 2021



### MALAYSIA

CIMB actively supports FINCO outreach education programmes to support children and youth from low income families to achieve their life goals. In 2021, CIMB was recognised for the active volunteer support among financial institutions by winning five of the six FINCO Volunteerism Awards:



<b>Most Volunteers</b>	<b>Best Coordination Lead</b>
<b>Highest Repeat Volunteer</b>	<b>Most Impactful Sharing</b>
<b>Most Engaging Volunteer</b>	

### RECYCLO

Recycling is a key part of the national circular economy, helping to protect our natural resources and ecosystems. In 2021, #teamCIMB collected over 32,000kg of recyclable items which were sent to local recycling collection centres.





### FOOD AID PROGRAMME

#teamCIMB fundraised, purchased and delivered groceries to support low income families.



### INDONESIA

Over 648 CIMB Niaga employees were involved in volunteering activities ranging from online financial literacy training, to supporting vaccination programmes. In total, employees volunteered 8,017 hours to these causes.



### SINGAPORE

CIMB Singapore pledged to donate S\$30 to Family Service Centres supported by Community Chest for every employee that ran, walked, or cycled for at least 6 hours within the month-long "CIMB Cares Keep Fit" programme. Over S\$52,240 was raised through this challenge.



### THAILAND

Over 100 employees recorded over 900 hours of audiobooks for the National Library of the Blind, as part of the Read for the Blind Project by the TAB Foundation.

226 employees donated blood on a quarterly basis to help the Thai Red Cross Society and the National Blood Center meet the country's critical blood shortage.

In fighting against COVID-19, a virtual run was set up in support of the doctors at Ban Phaeo Hospital. In total, over 780 employees and customers clocked over 52,300km to raise over B\$780,200. Over 30 employees have also addressed over 4,000 calls about COVID-19 vaccination queries in support of the Ministry of Public Health.



### CAMBODIA

CIMB Cambodia has supported the traditional industries with the purchase of laboratory equipment and education sponsorship to the Silk Centre.

In support of Teach For Cambodia, a total of 27 students have been engaged and guided on a career in the finance industry.

CIMB Cambodia has also contributed daily necessities to sustain the operation for the community link project at Little Hearts Organization, a non-profit NGO that works with abandoned children in Cambodia to give them a new start in life.




In support of communities impacted by COVID-19, the "Giving Back to Community" project has also been launched, which encompasses a variety of employee-led projects.



# GOVERNANCE AND RISK

We take a principled approach to corporate and sustainability governance and are committed to implementing leading practices which protect the interests of not just shareholders, but also our employees, customers, communities and other stakeholders. We instill a culture of transparency and accountability, with the goal of long-term value creation for all stakeholders. Integrity and accountability are vital to our success, which is rooted in ethical conduct and a culture of risk management.

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

 <p><b>Robust corporate governance</b> that is supported by systems, procedures and practices</p>	 <p><b>Integrated sustainability risk management</b>, with environmental and social risk considerations embedded into day to day decision-making and as part of our operational assessments</p>	 <p><b>A corporate culture</b> of delivering impact together in the right way</p>
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## MATERIAL TOPICS

## 2021 ACHIEVEMENTS

 **Corporate Governance, including Governance of Sustainability**

**30%** of the Board represented by women

### GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE

 **Climate Change: Strategy and Risks**

Completed our first pilot on **TRANSITION RISK SCENARIO ANALYSIS** using **PACTA FOR BANKS**

Piloted **PHYSICAL RISK ASSESSMENT**

Became an official supporter of **TCFD**

First **TCFD-ALIGNED** reporting (in this report)

 **Corporate Culture**

**>87.5%** of Malaysian employees completed role based anti-money laundering training

Launched **EPICC**, our refreshed values and culture framework



## CORPORATE GOVERNANCE

A robust corporate governance framework supports the navigation of risks and creates a culture of transparency and accountability. Strong corporate governance enables long-term value creation for stakeholders, safeguarding the trust that has been placed in us.

Our Board faced new challenges as a result of the continuous COVID-19 pandemic throughout 2021. Heightened expectations from regulators, demands from various stakeholder groups and uncertainty about the future, has made the Board's decision making process more complex. Our corporate governance framework, which is anchored on competent leadership, operative internal controls, a sound risk culture and accountability, and robust reporting structure, has assisted our Board in the deliberation and consideration of complex and dynamic issues. The Board ensures that our corporate governance framework remains updated and resilient, to enable us to adapt to operating challenges, while creating value for all CIMB stakeholders.

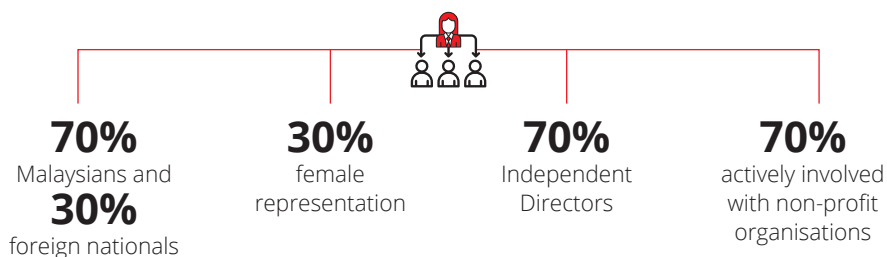
### ROLE OF THE BOARD

The Board Charter sets out seven principal roles and responsibilities of the Board which include overseeing the development and implementation of a sustainability framework for the Group. On 15 September 2021, CIMB formalised the set-up of a new Board committee, the Group Sustainability and Governance Committee (GSGC), to provide the Board with greater oversight and stewardship over the Group's sustainability opportunities and risks. The GSGC also assists the Board in advocating and fostering a culture/DNA of sustainability, ethical conduct, and integrity across the Group.



### BOARD DIVERSITY

We are pleased that our Board composition reflects a diverse mix of skills, experience, and expertise, which adds value to Board processes and decisions. A majority of the Board members have Banking and Finance experience, with more than one-third being seasoned bankers, while the rest have extensive experience in other related industries.



For further information on corporate governance, please refer to the Corporate Governance Overview in our Integrated Annual Report 2021:

- Corporate Governance Overview Statement on page 118
- Statement on Risk Management and internal Control on page 141



# GOVERNANCE AND RISK



## GOVERNANCE OF SUSTAINABILITY

Our sustainability governance framework defines the roles and responsibilities of the Board and Management as part of our strategy to become a purpose-driven organisation to advance customers and society. The framework aims to mitigate sustainability risks, provide policy support for material issues and promote accountability through metrics and transparent disclosures. We perform regular reviews of our sustainability operating model and framework, to improve sustainability performance, while taking into account regulatory requirements.


### SUSTAINABILITY GOVERNANCE AND OPERATING MODEL



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


## BOARD-LEVEL ACCOUNTABILITY

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



### GROUP SUSTAINABILITY AND GOVERNANCE COMMITTEE (GSGC)

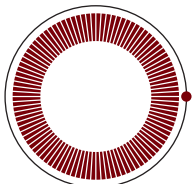
Newly established in 2021, the GSGC convenes on a quarterly basis and assists the Board in fulfilling its responsibilities in advocating and fostering a culture of sustainability, ethical conduct, and integrity in our corporate DNA. The GSGC provides oversight on implementation of the Group's sustainability and climate change strategy, where we aim to proactively create a net positive impact on ESG material matters. The committee also oversees the management of bribery, corruption and other related risks.



**Key initiatives in 2021:**

- Deliberated and provided direction on management's proposal with regards to the Group's sustainability commitments (e.g. RM30 billion sustainable finance by 2024, Net Zero by 2050)
- Reviewed the Group's stakeholder engagement and advocacy framework for sustainability including The Cooler Earth platform

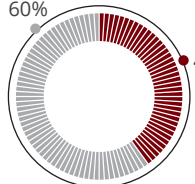
#### Independence



100%

- Independent Directors
- Non-Independent Directors

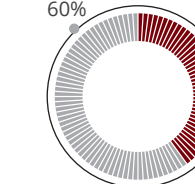
#### Gender



60% 40%


- Female
- Male

#### Sustainability/climate-related experience




60% 40%

- Yes
- No




### BOARD RISK AND COMPLIANCE COMMITTEE (BRCC)

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




**Key initiatives in 2021:**

- Deliberations on Human Rights risks in our non-individual financing portfolio
- Management reporting of risk hotspots and emerging risks including sustainability and climate-related matters




### THE AUDIT COMMITTEE (AC)

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




**Key initiatives in 2021:**

- Updates on CIMB's Sustainability Risk Management Framework and sustainability risk project status



### GROUP NOMINATION AND REMUNERATION COMMITTEE (GNRC)

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



**Key initiatives in 2021:**

- Thematic sessions on human rights management and net zero organised for boards and senior management. Further details on sustainability capability building sessions attended by the board are provided in the 2021 Integrated Annual Report.

CIMB Group Holdings Berhad | Sustainability Report 2021

## GOVERNANCE AND RISK

### MANAGEMENT OVERSIGHT OF SUSTAINABILITY

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

### SUSTAINABILITY EXECUTION

Implementation of the Group's sustainability strategy is executed by various Business Units and Business Enablers, catalysed and supported by the Group Sustainability Division. The Group Chief Sustainability Officer reports to the Group CEO, and leads the Sustainability and Corporate Responsibility teams across the region. The Group Corporate Responsibility department has also been integrated into the Group Sustainability Division for better synergy.

### ORGANISATION-WIDE SUSTAINABILITY KPIS

Sustainability KPIs are carried by the Group CEO as well as approximately 100 top management members in key countries, business units and enablers that contribute towards the advancement of sustainability in CIMB. KPIs set consist of leading indicators, e.g. sustainability capacity building, and lagging indicators aligned to our strategy, e.g. green, social and sustainable finance mobilised, and reduction in greenhouse gas (GHG) emissions.

Success on these KPIs directly contributes to bonus pool funding of the respective department, thereby linking the compensation of the whole department to success of sustainability initiatives.

### SUSTAINABILITY RISK MANAGEMENT FRAMEWORK

Sustainability risks, including climate-related physical and transition risks, and human rights risks, are integrated into both the Group Risk Library and the Enterprise-Wide Risk Management Framework. This ensures that material economic, ethical, environmental and social risks are proactively identified and managed throughout the organisation.

The Sustainability Risk Management Framework defines how we govern sustainability risks in our business via appropriate policies and procedures, risk assessment tools, due diligence at portfolio and client level, a risk management culture, as well as robust controls, measurements and reporting. At the overall organisational level, sustainability risks are managed under the Group Sustainability Policy (GSP), while sustainability risks in non-retail financing are addressed through the Group Sustainable Financing Policy (See page 50).

### GROUP SUSTAINABILITY POLICY

The GSP outlines our overarching principles and approach to sustainability, including sustainability risks. The GSP is implemented across our regional business units and enablers to assess, mitigate and manage sustainability risks within CIMB's own operations, as well as business relations such as strategic investees, CSR programme partners, suppliers, outsourcing partners, joint-venture or tie-up partners, and clients, including where CIMB acts in an advisory capacity for mergers and acquisition transactions, investment banking advisory assignments and introducer roles.

A structured process is in place, where new business relations undergo a Basic Sustainability Due Diligence, while those that are flagged as high risk will be subjected to Enhanced Sustainability Due Diligence. In 2021, 33 potential new or renewed business relations were classified as high risk and escalated to Group Sustainability for Enhanced Sustainability Due Diligence. All cases were subsequently recommended for approval.



## CLIMATE CHANGE: STRATEGY AND RISKS

The climate emergency poses a real and existential threat to humanity. Physical risks continue to worsen, with severe weather events now commonplace, and consecutive record-breaking annual temperatures. At the same time, regulatory pressures and market shifts are driving heightened transition risk, with investors demanding more transparency. On the other hand, new opportunities are emerging, and demand for sustainable finance has never been stronger.

As a financial services provider with a diverse financing portfolio and operating footprint across ASEAN, we are exposed to climate-related physical and transition risks. These could materially impact our performance and longer-term resilience in the form of credit risk, market risk and reputational risk, among others. Our physical ability to operate could also be impacted, and the safety of our employees put at risk. With the window to combat and adapt to climate change almost closed, it is appropriate and responsible to factor climate-related risk considerations into our business decisions.

### OUR CLIMATE JOURNEY



2019

- Became signatory to the Collective Commitment to Climate Action (CCCA), aligning our portfolios to well-below 2, striving for 1.5 degrees Celsius.
- Participated in the UNEP FI Task Force on Climate-related Financial Disclosures (TCFD) Phase II Banking Programme.
- Joined the Joint Committee on Climate Change (JC3) co-chaired by Bank Negara Malaysia and Securities Commission to facilitate a smooth transition to a low-carbon financial landscape.



2020

- Embedded physical and transition risks into the Group Risk Library.
- Committed to no financing of new thermal coal mines and coal-fired power plants, as well as expansions, and became the first banking group in ASEAN to commit to phasing out from coal by 2040.
- Developed the Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, including financing for climate risk mitigation and adaptation.
- Piloted the Bank Negara Malaysia Climate Change and Principle-based Taxonomy (CCPT) on selected financing facilities within the construction sector.
- Incorporated climate risk considerations as part of client and transaction-level Sustainability Due Diligence.



2021

- Committed to net zero GHG Scope 1 and 2 emissions in our operations by 2030, and overall Net Zero GHG by 2050 (including scope 3 and financed emissions).
- Became signatory to the Net-Zero Banking Alliance (NZBA) and Partnership for Carbon Accounting Financials (PCAF).
- Piloted the Paris Agreement Capital Transition Assessment (PACTA) tool to measure portfolio alignment to various scenarios, and conducted a physical risk pilot in Malaysia.
- Committed to mobilise RM30 billion of sustainable finance by 2024, and embarked on the development of an internal tool to enable asset classification based on the GSSIPS Framework and CCPT.
- Became an official supporter of TCFD, and committed to fully align to TCFD recommendations by our 2023 report, as part of our CEO Action Network commitments.
- Co-led the development of the TCFD application guide by JC3, and joined the industry-led CCPT Implementation Group.

# GOVERNANCE AND RISK

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

Structured based on the TCFD core pillars of Governance, Strategy, Risk Management, and Metrics & Targets, this section on Climate Change: Strategy and Risks marks CIMB's first holistic endeavour to provide TCFD-aligned disclosures. Through this, we seek to provide our stakeholders, and in particular our investors and clients, with decision-useful and up-to-date information on our climate risks and performance. This disclosure also reinforces our commitment to achieve net zero GHG Scope 1 & 2 emissions in our operations by 2030 and overall Net Zero GHG by 2050 (including Scope 3 and financed emissions).

Consistent with TCFD, we apply the "double materiality" principle in our climate disclosures, to provide a holistic view of climate-related impacts on CIMB, as well as our impacts on the climate. Given the long-dated nature of climate risk, some level of assumptions and estimates are applied when determining the materiality of our climate disclosures. As such, we expect some climate-related disclosures provided in this report to change, evolve and advance over time as we continuously strengthen our internal climate capabilities, data and practices.

To reduce information redundancy, this section is to be read in conjunction with other parts of this report, where indicated. We have also included a TCFD Index on page 130 of this report for easy reference.

## GOVERNANCE

### BOARD AND MANAGEMENT OVERSIGHT

In the context of climate governance, the Board is responsible for overseeing the management of climate-related matters. The Board is assisted primarily by the GSGC, a board sub-committee which was established in 2021. The Board is also supported by BRCC on climate risk appetite setting and management practices, AC on ensuring adequate internal control against climate risks, and the GNRC on Board-level climate competency, among others. Refer to page 77 of this report for further details.

Chaired by the Group Chief Sustainability Officer and comprised of regional and cross-functional representatives, the GSC is responsible for formulating and monitoring, among others, the Group's climate change strategy, action plans, projects and initiatives, in line with the direction set by the GTC and the Board.

Key climate-related matters addressed at various board- and management-level committee meetings in 2021 included the following, which are discussed either as a standalone topic, or as part of a broader discourse on related topics:

- The Group's strengthened sustainability commitments including net zero targets and plan, and our GSSIPS commitments
- Appetite for and exposure to high sustainability risk sectors and clients
- Key sector requirements and policies, such as No Deforestation, No Peat, No Exploitation (NDPE) requirements
- The Group's Sustainability Risk Management Framework
- Updates on climate-related regulatory developments and trends
- Progress on ongoing and planned climate-related risk projects including CCPT implementation in Malaysia, scenario analysis pilot, and financed emissions baselining



#### Board-Level Forums

	Meeting frequency	Climate-related discussions
Group Board	Bi-monthly	2
Group Sustainability and Governance Committee	Quarterly	1 <sup>^</sup>
Board Risk and Compliance Committee	Quarterly	1
Audit Committee	Quarterly	1
Group Nomination and Remuneration Committee	As required	2



#### Management-Level Forums

Group Transformation Committee	Monthly	5
Group Sustainability Council	Bi-monthly	5

<sup>^</sup> Only one meeting was held as the committee was only set up in September 2021.



## CLIMATE STRATEGY IMPLEMENTATION

At the working level, the Group Sustainability Division is responsible for driving the execution and implementation of group-wide climate measures, in collaboration with Business Units and Enablers. For instance, the Group Administration and Property Management team is responsible for reducing CIMB's operational impacts on the climate, and the vulnerability of our facilities to physical climate risks. Supported by Group Sustainability, the team drives reduction of our environmental footprint, including GHG from energy use, water and waste.

## BUILDING CLIMATE COMPETENCE

To build knowledge and capability, as well as to keep abreast with the developments and insights, Board members, senior management and project execution teams pursued various in-house training and external capacity building events in 2021, such as:

- NZBA Board briefing by Ms. Sarah Kemmitt, UNEP FI
- Global Summit of the Climate Governance Initiative (including the Malaysia Chapter)
- JC3's *FinanceforChange* flagship conference, which included sessions on COP26 and Private Finance; Environmental and Social Risk Management at Transaction Level; Resilient and Sustainable Portfolios; and TCFD
- JC3 Climate Change Workshops, including Climate-Related Disclosures; Climate Risk Management; and Climate Scenario Analysis
- CIMB's The Cooler Earth Sustainability Summit, which included sessions on Climate Action and Rethinking Value Creation; Fireside Chat: Can Board of Directors be Held Responsible for Contributing to Climate Change?; The Race Towards a Low Carbon Economy: Implications for Business; and Managing your Energy Use
- Internally-run training sessions including on CCPT; Deep Diving Coal; and Deep Diving Peat

## CLIMATE-RELATED KPIS

As part of our organisation-wide rollout of sustainability KPIs in 2021 (refer to page 78 of this report), several climate-focused KPIs were put in place based on our sustainability aspirations, as well as country and business priorities. These included:

- Reduction in Scope 1 and 2 GHG emission intensity
- Implementation of climate scenario analysis pilot projects
- Green financing, including renewable energy financing for small and medium-sized enterprise (SME) customers, and green mortgages and green vehicle financing for retail customers

Progress vis-à-vis these KPIs are monitored by Group Sustainability, with regular reporting to GSC, GTC and GSGC.









# GOVERNANCE AND RISK

## STRATEGY








As a business, our physical assets and operations are exposed to climate-related risks, in particular physical risks, such as those arising from extreme flooding. However, as a financial institution, our greater exposure by far is indirect, primarily through our transactions and dealings with our clients, through which we are exposed to various sectors and geographies. It is therefore prudent to assess these climate-related risks, which could have significant impact to our clients, our business and the broader economy, and to take climate change considerations into account when setting our business strategies and risk appetite.

## IDENTIFYING CLIMATE-RELATED RISKS

To better understand how climate-related transition and physical risks occur, how they are transmitted, and how they translate into financial risks to us, we conducted a high-level climate risk assessment in 2020. This was done in conjunction with the various Risk Centres of Excellence, to determine the potential impact of climate change on our business. This year, we added Operational Risk as an additional risk category due to risk drivers relating to natural disasters and operational changes made to comply with increasing climate-related regulations and to fulfil our climate ambitions.

Sources of Risks		Examples of Potential Transmission Channels
Risk Category	Risk Drivers	
 <p><b>Transition Risk</b> arising in the process of adjustment towards a low-carbon economy</p>	 <p><b>Policy and Regulatory Changes</b> such as national net zero policies, carbon taxes, climate laws</p>	<p>Lower corporate profitability (e.g. due to increase in production costs, reduced agricultural yields) and increased litigation</p> <p>Corporate devaluation or premature asset write-downs (e.g. closure of coal-fired power plants due to lower cost of renewable energy)</p> <p>Rising public scrutiny on corporates' unsustainable behaviours and potential drastic loss of customers, impacting profitability</p> <p>Reduced, or complete loss of, residential and commercial property values in high risk areas such as those in floodplains, and increase in prices of property in higher elevations</p> <p>Lower household wealth and higher inflation (e.g. rising living costs due to carbon cost pass-through)</p> <p>Operational disruptions resulting in income loss (e.g. supply chain disruption, damaged machineries due to floods, heat stress and related deaths at workplaces)</p> <p>Higher government spending to adapt to climate change or lower revenue due to lower tax contributions from corporates</p>
	 <p><b>Technology Shifts</b> such as new low carbon or carbon capture technologies and related price changes</p>	
	 <p><b>Investor Expectations</b> such as portfolio-level temperature goals and increasing standards to avoid greenwashing claims</p>	
	 <p><b>Consumer Preferences</b> such as a move away from single-use items, and towards greener alternatives</p>	
 <p><b>Physical Risk</b> arising in the event of increased severity and frequency of climate change induced events</p>	 <p><b>Acute Drivers</b> such as heatwaves, wildfires, extreme rainfall and flooding, and droughts</p>	
	 <p><b>Chronic Drivers</b> such as sea level rises, sustained hot temperature, reduced rainfall, shifting seasons, and longer-term shifts in climate patterns</p>	

Potential Financial Risks to CIMB

Risk Types	Impacts	Time Horizon
 <b>Credit Risk</b>	<ul style="list-style-type: none"> <li>Impact on repayment capacity of customers, leading to a possible increase in default rates</li> <li>Impact on collateral value due to stranding of climate misaligned assets</li> </ul>	M L
 <b>Market Risk</b>	<ul style="list-style-type: none"> <li>High volatility and potential abrupt decline in the value of climate-incompatible securities underwritten or held by CIMB</li> </ul>	M L
 <b>Liquidity and Funding Risk</b>	<ul style="list-style-type: none"> <li>Inability of CIMB's customers to repay their facilities as contracted, which in turn affects the Group's cashflow requirements</li> <li>Significant withdrawals of deposits from customers to fund capital expenditures in low-carbon technology or to recover from damages caused by extreme events</li> </ul>	M L
 <b>Reputational Risk</b>	<ul style="list-style-type: none"> <li>Reputational repercussions due to CIMB's financing of carbon-intensive sectors such as coal</li> <li>Poor stakeholder confidence in CIMB's sustainability efforts and ability to manage our exposure to climate-related risks</li> </ul>	S M L
 <b>Operational Risk</b>	<ul style="list-style-type: none"> <li>Disruption to operations and damage to CIMB's physical assets (e.g. branches) due to rising frequency and impact of natural disasters such as floods</li> <li>Changes to internal policies and procedures to ensure compliance with new regulations around climate change</li> <li>Higher OPEX and CAPEX required to meet the Group's net zero ambition</li> </ul>	S M L
 <b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>Losing competitiveness, market share and attractiveness to investors due to inability to shift away from financing brown to green</li> </ul>	M L
 <b>Enterprise-wide Risk (Capital Risk)</b>	<ul style="list-style-type: none"> <li>Inadequate capital to cater for climate-related risks, which may result in the inability to absorb losses, maintain public confidence and support the competitive growth of the business</li> </ul>	M L

**Note:** S denotes "Short Term" of less than 1 year; M denotes "Medium Term" of 1 to 5 years; L denotes "Long Term" of more than 5 years. The timeframes of S, M and L are defined based on the standard practice in the market. We intend to align the timeframes based on the average life of our portfolios as well as regulatory guidance in the future.

# GOVERNANCE AND RISK

## IDENTIFYING CLIMATE-RELATED OPPORTUNITIES

There is global consensus that significant financial flows must be deployed to tackle the climate crisis, both for mitigation and for adaptation. Research commissioned by the United Nations High Level Climate Action Champions concluded that the private sector could deliver 70% of the total investments needed to meet the global Net Zero goal and keep 1.5°C within reach. The formation of private sector-led Glasgow Financial Alliance for Net Zero (GFANZ) at COP26, with a pledge of US\$130 trillion will provide greater impetus for climate finance, particularly in emerging and developing economies.

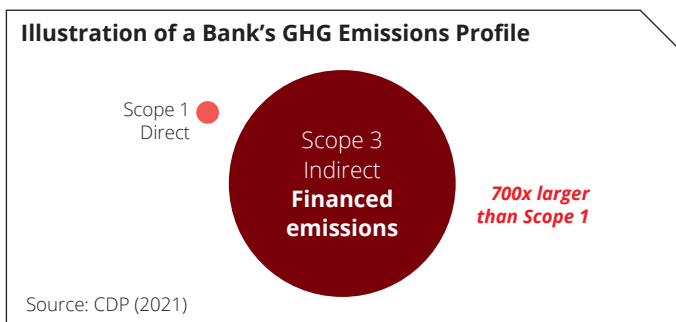
In this region, we are seeing more climate-supporting transactions, as well as new developments such as the ASEAN Catalytic Green Finance Facility by the Asian Development Bank. According to research by Ernst and Young, ASEAN markets registered an exponential growth in sustainable bonds (185% CAGR) and sukuk (278% CAGR) between 2016 and 2020.

We seek to identify and seize various climate finance opportunities, to make a positive impact, and to increase our share of wallet in future-proof and emerging sectors. Guided by our GSSIPS Framework and our RM30 billion sustainable finance target by 2024, we aim to deploy more capital towards climate supporting areas such as Renewable & Clean Energy, Energy Efficiency, Green Buildings, and Climate Adaptation, among others. We also seek to facilitate more climate-related capital raising through equities and bonds, and facilitate more green investments and deposits. For more details, refer to pages 57 to 60 on our green and climate-related GSSIPS progress achieved in 2021.

## OUR 2050 NET ZERO COMMITMENT

In 2021, we stepped up our climate pledge, by targeting to achieve net zero GHG Scope 1 and 2 emissions in our operations by 2030 and committing to overall Net Zero GHG emissions by 2050 (including scope 3 and financed emissions).

As a financial institution, the vast majority of our greenhouse gas emissions come from Scope 3 emissions, notably in the form of “financed emissions”. Considered as a Category 15 item of Scope 3 activities in the GHG Protocol, financed emissions are from financing of clients and investments that are attributable to us. The remainder of this section focuses on our plan with respect to Scope 3 financed emissions. Refer to pages 25 to 27 for information on Scope 1 and 2 related strategies and performance.



Achieving Net Zero in our Scope 3 emissions means that our attributed exposure to clients' emissions must be at least balanced by the same amount of carbon sequestration in our overall portfolio. Given that 2050 is less than 30 years away, and the portfolio shifts that this will necessitate, we must already begin the transition and transformation in the way we finance.

Additionally, while we seek to move our business and our clients towards Net Zero, we have a responsibility to ensure that we facilitate an orderly and just transition for our stakeholders. For example, while transitioning away from carbon-intensive sectors and technologies will create new green jobs, it may also result in stranding of human capital, resulting in job losses. This is particularly pertinent among blue collar and low wage workers, exacerbating social inequalities.

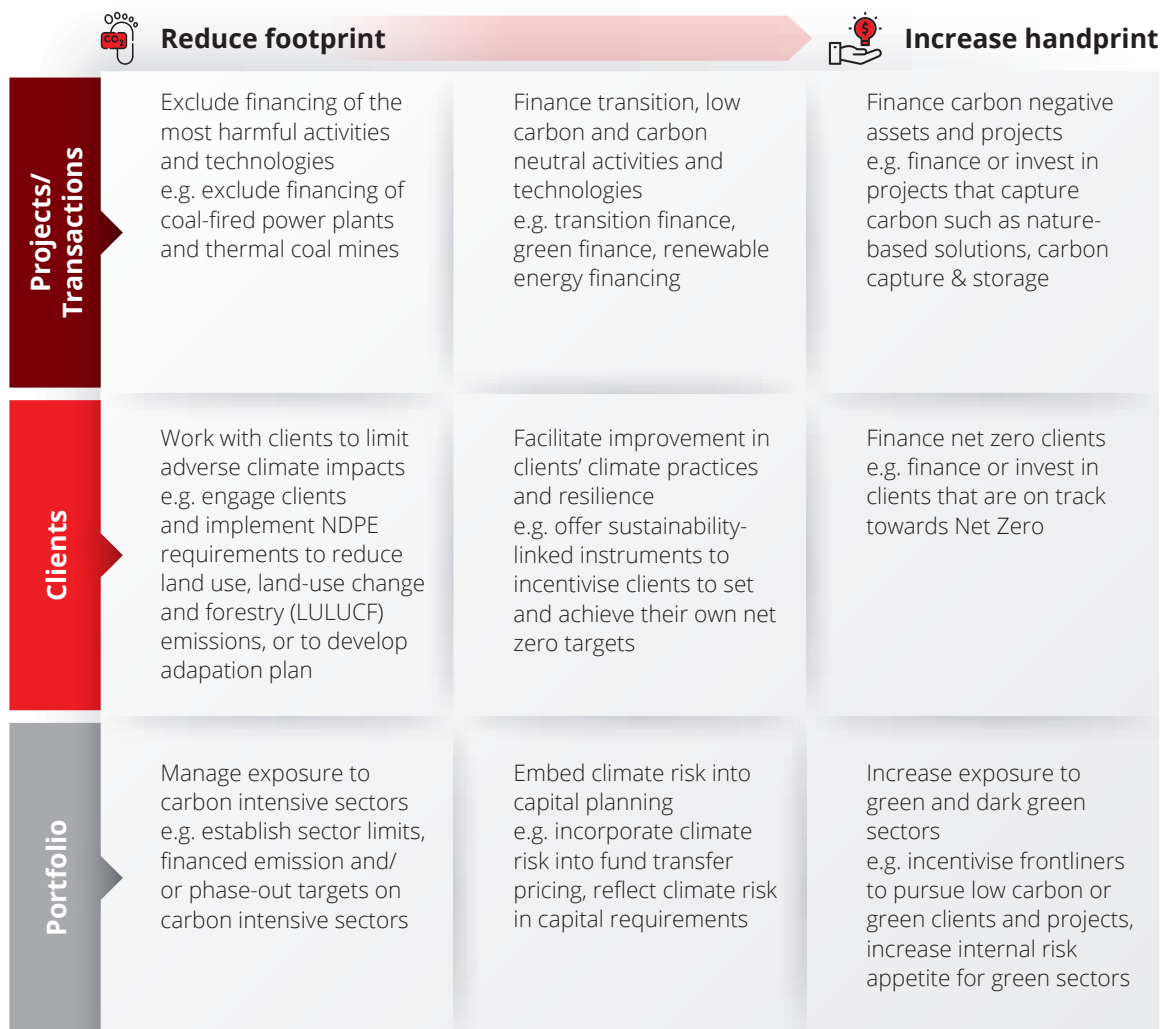
We must therefore take a measured and holistic approach to our climate strategies and policy decisions. We also have the opportunity through our portfolio transformation to address gender inequalities, including differences in gender participation and wages.

## GETTING TO NET ZERO BY 2050

Our 2050 Net Zero Plan offers a high-level view on some of the key steps and levers that we plan to undertake to put ourselves on track towards our 1.5°C ambition.



**Levers Towards our Net Zero Financed Emissions Goal**



As we perform portfolio analyses, we will continue to provide greater clarity and certainty to our plans and strategies, drawing lessons from our own and peers' climate-related initiatives, as well as feedback from internal and external stakeholders.

**TRANSITION RISK SCENARIO ANALYSIS: ASSESSING OUR FINANCING PORTFOLIO ALIGNMENT**

Climate scenario analysis provides a means for us to cut through the complexity of climate-related risks and assess our exposure to such risks under a plausible range of climate scenarios. In 2021, we embarked on our first transition risk scenario analysis pilot using the Paris Agreement Capital Transition Assessment (PACTA) for Banks tool.

This pilot was part of the Malaysia-UK PACT (Partnering for Accelerated Climate Transitions) programme implemented by WWF (UK and Malaysia) and 2 Degrees Investing Initiative (2DII), whom we worked closely with and received guidance from throughout the pilot. The programme aims to contribute to Malaysia's carbon emissions reduction by supporting investments in low-carbon sectors, building capacity of financial regulators and institutions as well as strengthening the integration of climate-related risks and opportunities into policies, decision-making processes and financial product innovations.

PACTA for Banks is a free, open-source climate scenario analysis tool which was developed by 2DII, focusing on corporate financing portfolios. Via this pilot, we assessed the alignment of our financing book to the temperature goals of the Paris Agreement, by comparing desired sectoral decarbonisation pathways or technology roadmaps with our own sector exposures and projections.




# GOVERNANCE AND RISK

## The PACTA for Banks Methodology

PACTA for Banks allows us to measure if we are channeling financial flows sufficiently towards a low-carbon economy pathway, by providing a 5-year forward looking portfolio alignment projection through a bottom-up analysis of clients' production plans, based on their physical assets in the real economy.

To derive the forward-looking alignment results, we relied on the Asset-Based Company Dataset (ABCD) provided by 2DII's data provider, Asset Resolution (AR). The ABCD contains 5-year production forecasts of approximately 40,000 companies globally, updated annually. CIMB's corporate banking clients in Malaysia and Singapore, were matched with the ABCD, based on outstanding financing amount (i.e. defined as drawn amount in PACTA for Banks) as at 31 December 2020 (Portfolio), with a match success rate of 100% for Oil & Gas (Upstream), 98% for Power (Generation) and 7% for the Automotive (Car Manufacturing) sector.

## Pilot Scope and Parameters

Sector <sup>1</sup> , Segment <sup>2</sup> , and Climate-Critical Technologies		Climate Scenarios <sup>3</sup>			Region Benchmark <sup>6</sup>	Other Important Parameters
		Scenario Name	Implied Temperature Rise <sup>4</sup> (Probability <sup>5</sup> )	Publication		
 Oil & Gas   Upstream	<ul style="list-style-type: none"> <li>Oil Extraction</li> <li>Gas Extraction</li> </ul>	Sustainable Development Scenario (SDS)	1.8°C (66%)	International Energy Agency (IEA) World Energy Outlook (WEO) (2020)	Global	Market Benchmark <sup>7</sup> : Corporate Economy
		Stated Policy Scenario (SPS)	2.7°C (50%)			
 Power   Generation	<ul style="list-style-type: none"> <li>Coal Capacity</li> <li>Oil Capacity</li> <li>Gas Capacity</li> <li>Hydro Capacity</li> <li>Renewable Capacity</li> </ul>	Sustainable Development Scenario (SDS)	1.8°C (66%)	International Energy Agency (IEA) World Energy Outlook (WEO) (2020)	Southeast Asia	Metric <sup>8</sup> : Production volume trajectory
		Stated Policy Scenario (SPS)	2.7°C (50%)			
 Automotive   Car Manufacturing	<ul style="list-style-type: none"> <li>ICE Vehicles</li> <li>Hybrid Vehicles</li> <li>Electric Vehicles</li> </ul>	Net Zero 2050 (NZE_2050)	1.5°C (50%)	IEA Net Zero by 2050 (2021)	Global	Allocation Rule <sup>9</sup> : Portfolio weight approach

1 PACTA sectors not included in the pilot were Coal, Steel, Cement, Aviation and Shipping. We intend to extend our scenario analysis to these sectors in future.

2 The PACTA methodology does not extend to the entire value chain of a given sector, but focuses on the part which controls the bulk of the sector's climate system impact, and would spur the other activities in the sector to fall into alignment.

3 Climate scenarios (preformatted by 2DII for the PACTA for Banks) were selected based on sectoral and regional coverage, as well as recognition amongst policy makers and financial institutions. For the full list of preformatted scenarios for PACTA for Banks, refer to 2DII's PACTA for Banks Scenarios document here [https://www.transitionmonitor.com/wp-content/uploads/2021/07/20210706-PACTA-for-Banks\\_Scenario-Supporting-document\\_V11.pdf](https://www.transitionmonitor.com/wp-content/uploads/2021/07/20210706-PACTA-for-Banks_Scenario-Supporting-document_V11.pdf).

4 Implied Temperature Rise in 2100 (ITR) represents the projected increase in global average temperatures above pre-industrial levels.

5 Different scenarios have different carbon budgets, as well as different probabilities of achieving the carbon budget.

6 We use regional benchmarks where possible for a more granular comparison. For example we used a regional benchmark for power, since power is produced and consumed in the same region.

7 The global and Southeast Asia corporate economy refer to all the assets in the world and in Southeast Asia within the ABCD. A comparison of our loan portfolio against the corporate economy is made to see if we outperform, underperform or are on par with the broader market's progress towards climate goals.

8 PACTA offers three main metrics of portfolio alignment: Technology Mix, Production Volume Trajectory and Emission Intensities. The Technology Mix and the Production Volume Trajectory are used for Power and Automotive, where technology roadmaps are known. Emission Intensities are used for Steel, Cement and Aviation, where technology roadmaps are less well defined. In this report, we use Production Volume Trajectory, which measures the alignment of our portfolio's projected production volumes, based on the 5-year capital plans of our clients, to those given in climate scenarios. In other words, it compares the required change in production to align with selected scenarios. Note that PACTA assumes a static balance sheet i.e. loan/financing exposures analysed (in our case as at 31 December 2020) are kept constant for 5 years (deemed as an appropriate timeframe for reliable data to be gathered). Thus, the projected figures computed, are a result of any changes in production plans of the companies we finance as captured in the ABCD rather than a change in the composition of our loan/financing book.




9 We apply a portfolio weighted approach whereby a client's alignment with a given climate metric is allocated to our loan book based on the relative exposure of our book to that client i.e. if our loan book allocates 80% of our capital to a client, 80% of that client's required alignment per a given climate metric is allocated to our loan book.

### Pilot Findings and Potential Implications

This section discusses the initial outcomes of our first pilot study, which was conducted with the primary objective of learning and refining the methodology and tools. While we aim to promote as much transparency as possible, it is important to note that these pilot results are highly preliminary, as are any potential implications that we draw from them.

Through our discussions with internal stakeholders, as well as with selected clients, we have uncovered a number of analysis limitations and data gaps. For instance, results for the Automotive (Car Manufacturing) sector cannot be taken to represent our overall sector alignment, since data for only 7% of our exposure was represented on the ABCD. As such, this section should be read as the documenting of our pilot study, rather than a conclusive and concrete plan for the pilot sectors.

The table below provides an overview of the production trajectory alignment of selected portfolios in 2025.

		Our Portfolio (CIMB)	Corporate Economy (Market benchmark)
 <p><b>Oil &amp; Gas   Upstream (Global)</b> Sector Exposure: 0.1%</p>	Oil Extraction	>2.7°C	>2.7°C
	Gas Extraction	>2.7°C	1.8 – 2.7°C
 <p><b>Power   Generation (ASEAN)</b> Sector Exposure: 0.8%</p>	Coal Capacity	<1.8°C	>2.7°C
	Oil Capacity	>2.7°C	>2.7°C
	Gas Capacity	<1.8°C	>2.7°C
	Hydro Capacity	<1.8°C	<1.8°C
	Renewable Capacity	>2.7°C	>2.7°C
 <p><b>Automotive   Car Manufacturing (Global)</b> Sector Exposure: 0.2%</p>	ICE Vehicles	>1.5°C	>1.5°C
	Hybrid Vehicles	>1.5°C	<1.5°C
	Electric Vehicles	>1.5°C	>1.5°C
	Fuel Cells	>1.5°C	>1.5°C

1 Sector exposure herein refers to total loan/financing amount booked in CIMB Bank and CIMB Singapore for the chosen sector over the Group's total gross loans, as at 31 December 2021.  
 2 Oil & Gas and Automotive sectors were not analysed at Southeast Asia level due to limited geographical coverage within the selected scenarios.



## GOVERNANCE AND RISK



### OIL & GAS SECTOR

The pilot analysis shows that our trajectory for oil and gas in the next 5 years is misaligned with both the SPS and SDS at the global level, indicating potential exposure to transition risks. As more governments take steps toward meeting their Nationally Determined Commitments (NDCs), policy shocks could happen in ASEAN. For example, implementation of national policies and mechanisms such as carbon tax and other sector policies to limit emissions in order to meet Paris commitments could impact our clients in this sector.

While for both oil and gas technologies we are on track to a more than 2.7°C warming scenario, comparison to the global corporate economy benchmark shows that we are under-weighted in gas extraction. This suggests that we should look at tilting our portfolio towards lower carbon alternatives.



### POWER SECTOR

Within the power sector, our trajectory for coal, gas and hydro capacity follows the SDS at the regional level, with CIMB's coal and gas capacity even out-pacing the regional benchmark. Continued Paris alignment of coal capacity is likely, due to our Coal Sector Guide which prohibits financing of new (and expansions of) thermal coal mines and coal-fired power plants from 2021 onwards, and our commitment to phase out coal exposure by 2040.

Given that our trajectory in oil capacity is misaligned with the SDS scenario, we may experience higher risk of discounted cash flows, probabilities of default or expected losses, if our power generation clients are unable to switch from oil-based power production to lower-carbon alternatives in a timely manner.

On the other hand, there are clear opportunities for transition and green financing with our clients, potentially from oil towards lower carbon alternatives in particular renewable capacity, where we are projected to remain flat up to 2025 (note that exposure relating to project financing is not captured during the PACTA for Banks analysis, as the tool currently only focuses on the lending/financing portfolio). Renewable energy is one of the focus areas of CIMB GSSIPS Framework, which we are actively pursuing as part of our RM30 billion sustainable finance target.



### AUTOMOTIVE SECTOR

The pilot analysis shows that the trajectory for this sector in the next 5 years is misaligned with the NZE\_2050 scenario at the global level, indicating potential exposure to transition risks. We also have the opportunity to build exposure in hybrid vehicles, where we are behind the global benchmark.



*Note that we only achieved a 7% match success rate for this segment. Results presented for this segment are therefore highly indicative*

### MOVING FORWARD

Although highly preliminary, the pilot provided useful insights into the PACTA for Banks tool, its use cases and limitations, as well as the degree of climate alignment of our loan/financing books in Malaysia and Singapore. This pilot has helped to build the groundwork for future work on portfolio-level scenario analysis, which includes among others, extending the scope of the PACTA for Banks to cover other carbon-intensive sectors and geographies such as Indonesia and Thailand.

We plan to use results from PACTA for Banks as a risk management tool to monitor our portfolio alignment, inform our sector strategies and appetite limits, as an engagement tool for meaningful conversations with our clients, and potentially as an input for our climate target-setting and stress testing, as well as other strategic planning processes in the near future.

Note that continued refinements are being made to the PACTA methodology, to improve identified limitations and enhance analytical capabilities, as the understanding, approaches and data in the area continue to mature.

## PHYSICAL RISK SCENARIO ANALYSIS: QUANTIFYING THE IMPACT OF CLIMATE EVENTS

Flooding in the ASEAN region has increased in severity and frequency over the years, in part due to an increase in extreme monsoon rains, and exacerbated by watershed disruptions. Understanding the impact of this changing phenomenon on our portfolios will help us develop a framework to integrate physical risks into client risk assessments, as well as to manage the risks to our own operating footprint.

### Pilot Study Methodology

In 2021, we conducted a study on a portion of our mortgage portfolio in the Klang Valley, using the SwissRe CatNet® Geo Risk tool and the Physical Risk – Real Estate Assessment tool, which was developed by Acclimatise, as part of the UNEP FI Phase I TCFD Banking Programme. In our pilot study, we assessed the impact of physical climate risk hazards, and in particular, flooding, which was most relevant to our geographies of operation. The tools were used to identify our mortgage properties which are “at risk” of flooding and to calculate the changes to property value and loan-to-value (LTV) in year 2040, at a 4°C warming scenario based on Intergovernmental Panel on Climate Change (IPCC) scenario RCP8.5 (Representative Concentration Pathway), which represents a “Business as Usual” scenario. 

A small randomised sample was taken of homes, including some adjacent to and some away from water bodies, to understand the return period of hazards that could potentially affect the property value of our mortgages. The return period of the hazards, which represents the probability and frequency of an event occurring at various levels was used to provide an indication of the level of risk posed by flooding. The SwissRe CatNet® flood data provides a range of return periods (50, 100, 200 and 500 years) for various locations based on coordinates. The return period was then adjusted using the country-level return period change factor for the hazard, to cater to Malaysian country differences. Encounter probability is then calculated using the adjusted return period and the remaining mortgage period of the samples.

Impacts to property values are provided within the Physical Risk – Real Estate Assessment Tool, which included three levels of property value impact due to hazards: 5%, 10% and 20%, representing a range of estimates from low impact (aggressive) to high impact (conservative). These estimates were derived based on a literature review of the impacts of extreme weather events (mainly tropical cyclone and flood events) on property value in several countries. For each sample, we choose the more conservative or aggressive ends of the impact ranges, depending on the incidence of short-return period hazards (i.e. higher risk). This estimate is then multiplied by the sample's encounter probability to estimate the potential reduction in property value.

### Pilot Results and Moving Forward

From the samples studied, we found all sampled properties to be impacted, with a potential property value reduction ranging from 0.8% to 9.2% in 2040 under a 4°C warming scenario. The most common reduction was seen to be around 4.3%.

Following the initial pilot, we are now in the process of refining the study by using more granular local data references, for example, to better understand the effect of hazards to property value. Meanwhile, we are also researching the functionality of other available tools that we can use as we incorporate physical climate risk into our overall risk assessment framework.

# GOVERNANCE AND RISK

## RISK MANAGEMENT

The unique and complex nature of climate change represents a challenge for financial institutions to determine their own climate-related risks and quantify the impact of those risks on their organisation.

### METHODOLOGIES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

At CIMB, we take a multi-faceted approach to our climate risk assessment, guided by the following principles:



Leverage and adapt existing conventional risk infrastructure (e.g. Enterprise-wide Risk Management Framework, Group Risk Library), where possible



Assess risks at both portfolio (top down) and borrower/transaction (bottom up) level, using qualitative or quantitative methods



Rely on metrics such as sector exposure as proxies for climate risk, where data and analysis is limited



Utilise forward-looking climate risk methodologies such as heatmapping, scenario analysis and stress testing



Take a risk-based approach to prioritise countries, sectors, business portfolios (e.g. financing), and financial risk types (e.g. credit risk) that are most material to us

### Our Existing Climate Risk Assessment Tools and Methodologies

Tool and Assessment Level	Risk Types Considered	How the Assessment is Conducted	How We Use the Analysis
<b>Material Risk Assessment (MRA)</b> at portfolio level	 Transition  Physical	<p>MRA is the starting point of CIMB's Internal Capital Adequacy Assessment (ICAAP) process, where Business Units and Enablers (BU/BEs) (first line of defence) perform a self-assessment of non-measurable risks (e.g. sustainability risk) and control effectiveness.</p> <p>In 2021, Group Sustainability, as the risk type owner and subject matter expert for Sustainability Risk (second line of defence), began leveraging the Group's annual MRA to ensure sustainability and climate-related risks were identified and managed by relevant BU/BEs from the point of risk-taking activities.</p>	Losses associated with non-measurable risks are estimated and an amount of capital will be set aside for that purpose.
<b>Sustainability Risk Dashboard</b> at portfolio level	 Transition	<p>In 2021, we started monitoring our financing exposure to High Sustainability Risk sectors (including carbon-intensive sectors) as a proxy indicator for our vulnerability to transition risk. We established a Sustainability Risk Dashboard and report exposure to various risk committees at Board and management level on a quarterly basis. See page 52 for our December 2021 exposure.</p> <p>In addition to risk aspects, GSSIPS performance is reported to provide a holistic picture covering both risk and opportunity perspectives.</p>	The medium-term plan is to leverage the dashboard and establish risk appetite indicators and thresholds for sustainability/climate thereafter.
<b>Scenario Analysis</b> at portfolio level	 Transition  Physical	Refer to pages 86 to 89, where our methodologies are discussed.	Refer to pages 86 to 89.
<b>Sustainability Due Diligence</b> at borrower and transaction level	 Transition  Physical	<p>In late 2021, we enhanced our Basic Sustainability Due Diligence (BSDD) to include climate-specific questions to gauge the impact of climate change risks facing our non-retail financing clients. The expanded BSDD is currently being piloted and will be rolled out across Corporate Banking and Commercial Banking starting 2022.</p> <p>Refer to pages 50 to 55 for more information about our due diligence process.</p>	Depending on the BSDD outcome, we may need to form a view of sustainability and climate risks associated with a borrower or transaction via Enhanced Sustainability Due Diligence (ESDD), and provide our recommendations on whether the deal should proceed. Action plans may be recommended to ensure the borrower address the identified risks.

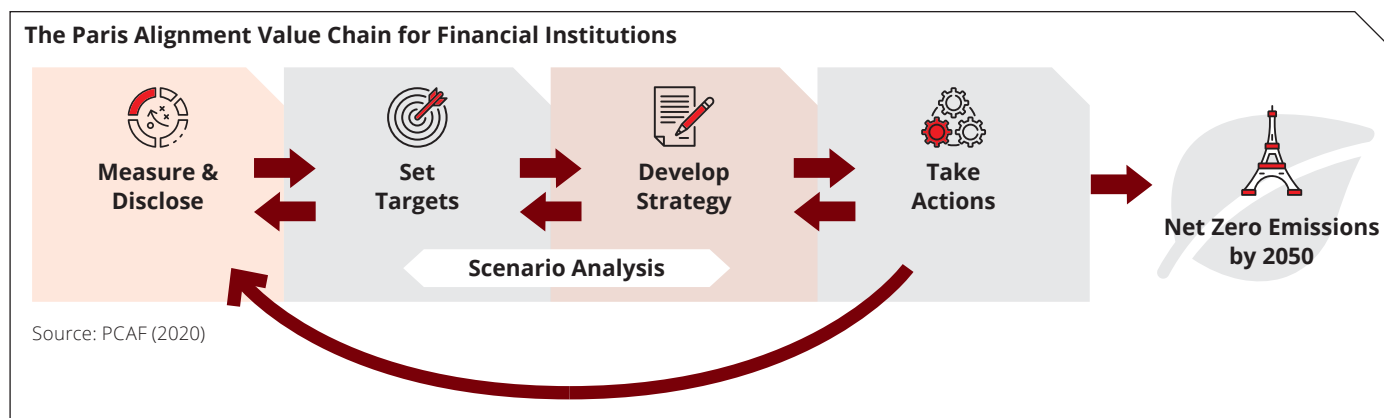
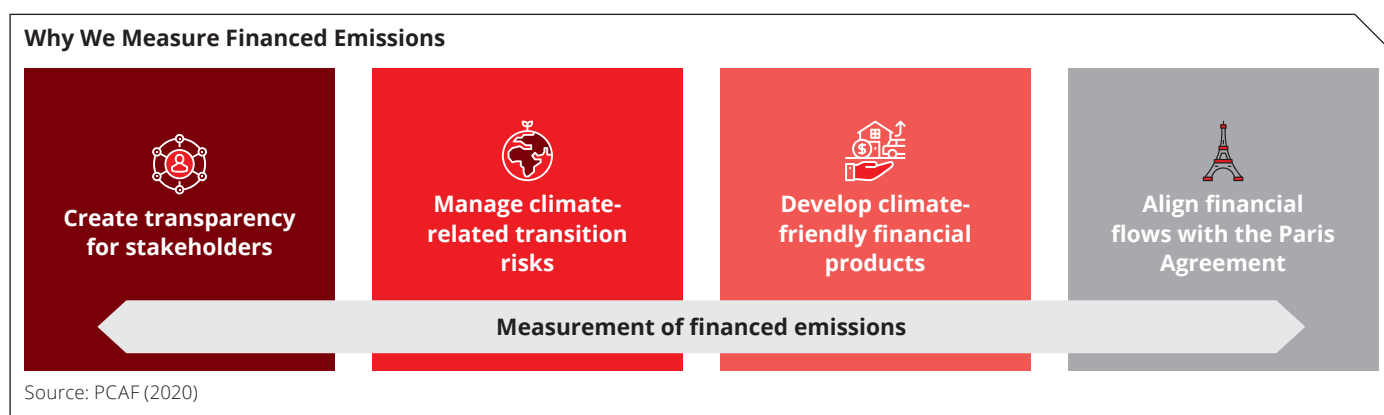
## Improving Our Suite of Tools for Assessing Climate-Related Risk

We are currently working on two projects that would complement our existing climate risk assessment processes:



### Creating a Financed Emissions Baseline

As part of our journey to achieve Net Zero by 2050, measuring and understanding our financed emissions, which represent by far the largest portion of our overall GHG emissions, is central to our climate actions. Our financed emissions baseline will serve as a foundation for strategic direction and target setting, and will also give us a view of our own financed emission profiles which can be used as a proxy for our own exposure to transition risk, among other benefits.



We have committed as part of CCCA and NZBA to develop a financed emissions baseline by 2022. To help us achieve this, we signed up to be a member of the Partnership for Carbon Accounting Financials (PCAF) in September 2021. Membership of PCAF, along with the tools and data that PCAF provides, is free. However, PCAF members must commit to disclose their GHG emissions associated with financing and investment portfolios within a period of three years of joining, to ultimately enable the alignment of portfolios with the Paris Climate Agreement.

# GOVERNANCE AND RISK

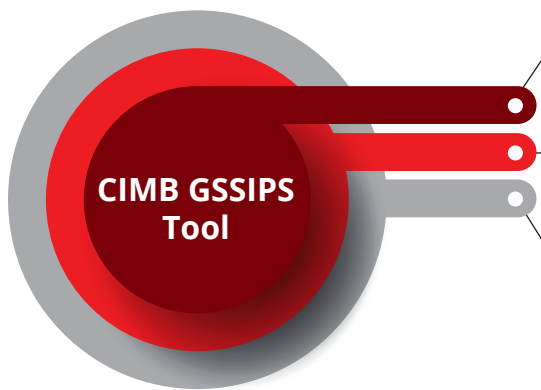


## **Implementing Tools and Procedures to Comply with Bank Negara Malaysia's Climate Change and Principle-based Taxonomy**

In April 2021, the Malaysian central bank issued its inaugural Climate Change and Principle-based Taxonomy (CCPT), to facilitate standardised classification and reporting of climate-related exposures to support risk assessments at the institution and systemic levels, strengthen accountability and market transparency, and encourage financial flows towards supporting climate objectives.

Since then, we have embarked on the development of an internal tool, the GSSIPS Tool, to provide a common and consistent language on financing and investment assets that are considered in line with the CCPT and CIMB's own GSSIPS Framework. Meant for group-wide application, the GSSIPS Tool is a living document that will be regularly reviewed and expanded to cater to multiple taxonomies such as the ASEAN Taxonomy and the Green Taxonomy by Otoritas Jasa Keuangan, the financial services authority of Indonesia.

We target to roll out the GSSIPS Tool in phases across the region starting 2022, with a view to ensure that the first official half-yearly reporting of our assets is provided to BNM by July 2022.



**To harmonise our definitions**  
Provide a common and consistent language on GSSIPS and climate-aligned assets across the Group, and to avoid greenwashing

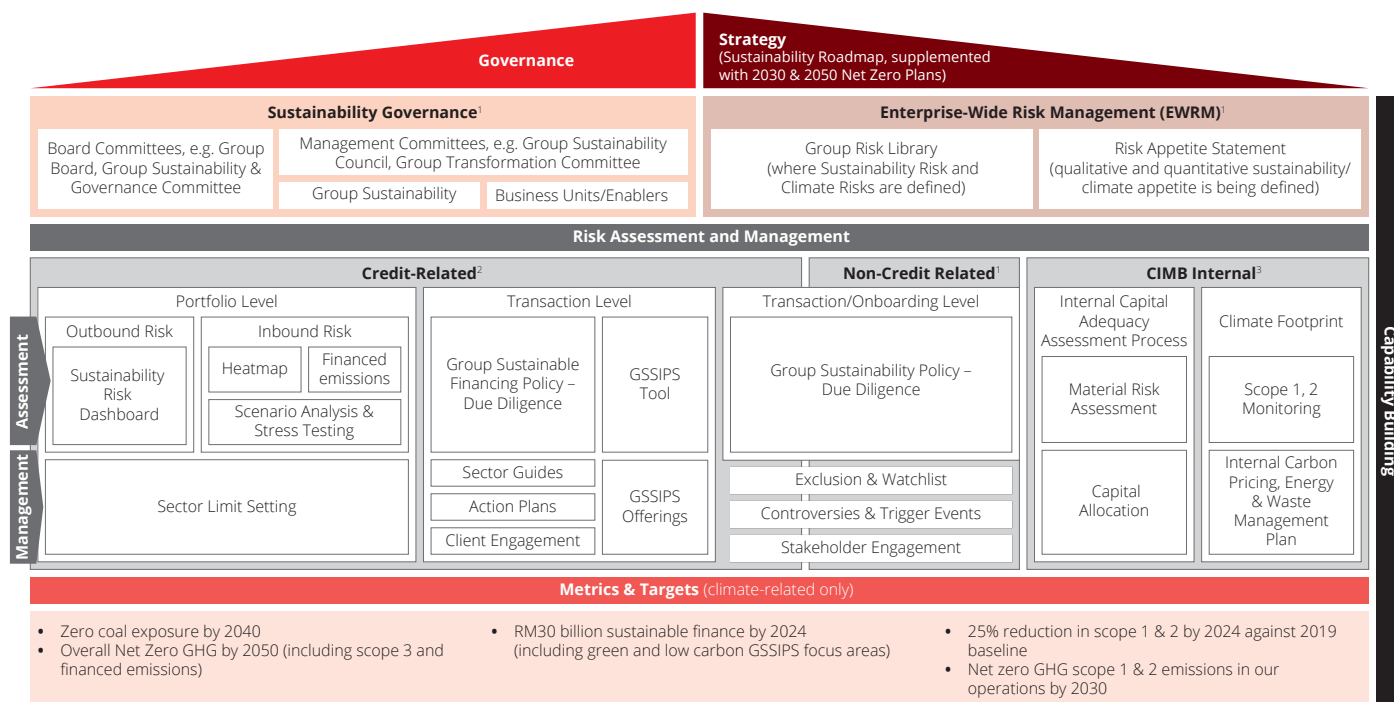
**To measure and track our progress**  
Facilitate business units to identify and classify financing and investment assets that could count towards the group-wide target of RM30 billion of sustainable finance by 2024

**To meet regulatory requirements**  
e.g. BNM CCPT requirements (for Malaysia), OJK Green Taxonomy (for Indonesia), ASEAN Taxonomy

## OUR APPROACH TO MANAGING CLIMATE-RELATED RISKS

A key sub-component of Sustainability Risk, climate-related physical and transition risks are currently managed at different levels as part of our Sustainability Risk Management Framework, via relevant policies, procedures, tools and measures.

### SUSTAINABILITY RISK MANAGEMENT FRAMEWORK



<sup>1</sup> Managed under Pillar 4 Governance & Risk  
<sup>2</sup> Partly managed under Pillar 2 Sustainable Business and Pillar 4 Governance & Risk  
<sup>3</sup> Partly managed under Pillar 1 Sustainable Action and Pillar 4 Governance & Risk

### Our Current Approaches

As we are still in the nascent stages of our climate journey, our current approach is predominantly focused on the following:

- Managing our own outbound impacts on the climate by reducing our operational carbon footprint (refer to pages 26 to 27 for further details)
- Managing climate-related risks associated with our lending and financing for clients, covering both outbound impacts by clients on the climate, as well as inbound impacts on our clients, which could have knock on impacts to us as a financier

At the borrower and transaction level, we continue to leverage our existing sustainability policies and procedures, in particular the Group Sustainable Financing Policy and Sector Guides as our primary climate risk management tool. Time-bound action plans are issued to clients who are not in compliance with our sector guide requirements or are found to have ongoing environmental and social concerns or controversies. Concurrently, we remain steadfast in our pursuit of new GSSIPS growth to help facilitate our clients' transition. Refer to pages 50 to 55 for more information on GSFP, and pages 56 to 60 for more information on GSSIPS.

### Reinforcing Our Climate Credibility through Global Partnerships

We believe that a global threat such as climate change requires global collective action, where all parties must be part of the solution, and work together to achieve humanity's climate goals.

In this regard, we are a member and signatory to various leading climate coalitions and pledges such as UNEP FI PRB, CCCA, NZBA, PCAF and TCFD. Via these platforms, we are able to learn from peers about their own climate journeys, experiences and how they overcame specific challenges. It also allows us to stay informed of the latest best practices, methodologies, and tools offered by subject matter experts which we can then use to strengthen our own practices and avoid greenwashing. As we learn together, we collaborate to develop further tools, methodologies and guidance to help others along the way.

# GOVERNANCE AND RISK

## Developments in 2021 and our plans moving forward

In late 2021, a climate overlay focusing on sector sensitivity to transition risks was integrated by Group Sustainability into Group Risk's 2022 Country Sector Limit Methodology. This initiative marked our first attempt to manage our portfolio exposure to climate-related risks at the onset. The overlay, which referred to the Transition Risk Heatmap from the United Nations Environment Program Finance Initiative (UNEP-FI) TCFD Phase II banking pilot, was used as the final sector appetite cap. If the sensitivity of a sector to transition risks was high or unsatisfactory, the sector appetite may be adjusted to "Restricted" if the existing appetite (without the climate overlay) was higher. If the sensitivity was moderate, sector appetite may be adjusted to "Selective". If the sensitivity was satisfactory, no change was made to the existing appetite.

As we continue to progress, we aim to broaden and deepen our climate risk management approaches to include physical risk (for instance, mitigating clients' vulnerability to acute and chronic climatic events, developing CIMB's own adaptation plans for branches operating in high flood risk locations) and other types of financial risks such as market risk and liquidity risk that may arise as a result of climate impacts.

## METRICS AND TARGETS

We have begun to collate and report some climate-related data and targets, as shown in the initial dashboard below. Notwithstanding, we are cognisant of the necessity to build out our dashboard with more decision-useful data points for our stakeholders, especially our investors and clients.

### Key Metrics, Targets and 2021 Performance

Metric	Sub-Metric	Target <sup>1</sup>	2021 Performance	Page Reference
High Sustainability Risk Sector Overall Exposure (% of Group gross loans)	<b>Palm Oil</b>	N/A	2.8%	52
	<b>Oil &amp; Gas</b>	N/A	2.3%	
	<b>Coal</b>	Zero by 2040	0.7%	
	<b>Forestry</b>	N/A	0.7%	
	<b>Mining &amp; Quarrying</b>	N/A	0.1%	
Temperature Alignment of Selected Financing Portfolios Against the Paris Agreement Goals in 2025 using the PACTA for Banks tool <sup>2</sup>	<b>Oil &amp; Gas</b>	<1.5°C or Net Zero by 2050	<ul style="list-style-type: none"> <li>Oil Extraction &gt;2.7°C</li> <li>Gas Extraction &gt;2.7°C</li> </ul>	85 to 88
	<b>Power</b>		<ul style="list-style-type: none"> <li>Coal Capacity &lt;1.8°C</li> <li>Oil Capacity &gt;2.7°C</li> <li>Gas Capacity &lt;1.8°C</li> <li>Hydro Capacity &lt;1.8°C</li> <li>Renewable Capacity &gt;2.7°C</li> </ul>	
	<b>Automotive</b>		<ul style="list-style-type: none"> <li>ICE Vehicles &gt;1.5°C</li> <li>Hybrid Vehicles &gt;1.5°C</li> <li>Electric Vehicles &gt;1.5°C</li> <li>Fuel Cells &gt;1.5°C</li> </ul>	
Sustainable finance mobilised (RM billion)		RM30 billion between 2021-2024	RM25.9 billion	56 to 60, 104 to 105
Renewable energy financing exposure (RM million) <sup>3</sup>		N/A	RM527 million	106 to 107
GHG emissions absolute reduction (scope 1 and 2) (% from 2019 baseline) <sup>3</sup>		25% by 2024; net zero by 2030	24%	25, 118

1 N/A denotes not applicable or available.

2 Calculated from CIMB Malaysia and Singapore's corporate outstanding financing amount (i.e. defined as drawn amount in PACTA for Banks) as at 31 December 2020. Results are highly preliminary and indicative due to analysis limitations and data gaps, especially for the automotive sector, where only 7% of our automotive sector exposure was mapped and assessed.

3 The exposure only covers corporate banking and commercial banking clients in Malaysia, Indonesia, Singapore and Thailand.

We have started working on our financed emissions baseline and the first round of sector specific targets in line with the Guidelines for Climate Target Setting for Banks by the UNEP FI's CCCA. We expect to release this information publicly in the second half of 2022.





## CORPORATE CULTURE

Shared workplace values, behaviours, and underlying mindsets collectively inform culture, which shapes how an organisation operates. In our Forward23+ strategy, culture and values are critical in our ability to transform into a high performing, purpose-driven organisation to advance customers and society.

CIMB operates on a philosophy of “Value Creation, Enabling People, and Integrity”. By embodying the CIMB philosophy, we are committed towards a culture of good compliance practices, protecting the privacy of our customers, employees and business, while going the extra mile for customers. We strive to create net positive impact on the communities around us, taking an inclusive approach towards our business relations, and to positively influence their own sustainability performance.

### OUR CODE OF ETHICS AND CONDUCT

The CIMB Code of Conduct is important for maintaining and strengthening trust. The Code sets out the standards of conduct expected of all CIMB employees in our engagement with customers, business associates, regulators, colleagues and other stakeholders across the region.

We require employees to sign the Code on an annual basis, and all employees must be able to raise any and all workplace concerns through appropriate channels. These include:

- Raising concerns directly with a manager and/or supervisor, with an option to escalate to senior management directly
- Contacting a human resource representative
- Submitting a report anonymously by emailing [whistleblowing@cimb.com](mailto:whistleblowing@cimb.com)



### BRIBERY AND CORRUPTION

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

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

The Integrity and Governance Unit (IGU) fosters and upholds the principles and culture of anti-corruption, abuse of power and malpractices. The unit reports independently to the Board of Directors and the Malaysian Anti-Corruption Commission.

In 2021, the IGU established the Group Integrity and Governance Framework to manage bribery and corruption risks, and which sets out best practices to support effective prevention and mitigation of bribery and corruption. Bribery and Corruption was embedded into CIMB's Compliance Risk Assessment Methodology, where risk will be assessed annually to identify key risk areas, such that timely and appropriate measures can be taken to address material impacts.

# GOVERNANCE AND RISK

## SAFEGUARDING AGAINST FINANCIAL CRIME

CIMB takes a zero-tolerance approach towards money laundering, terrorist financing, human trafficking and any activity that is prohibited by law. We are committed to upholding the integrity of financial systems within which we operate, and take a risk-based approach to strengthening our defenses, improving data and risk intelligence on the potential occurrence of financial crimes.

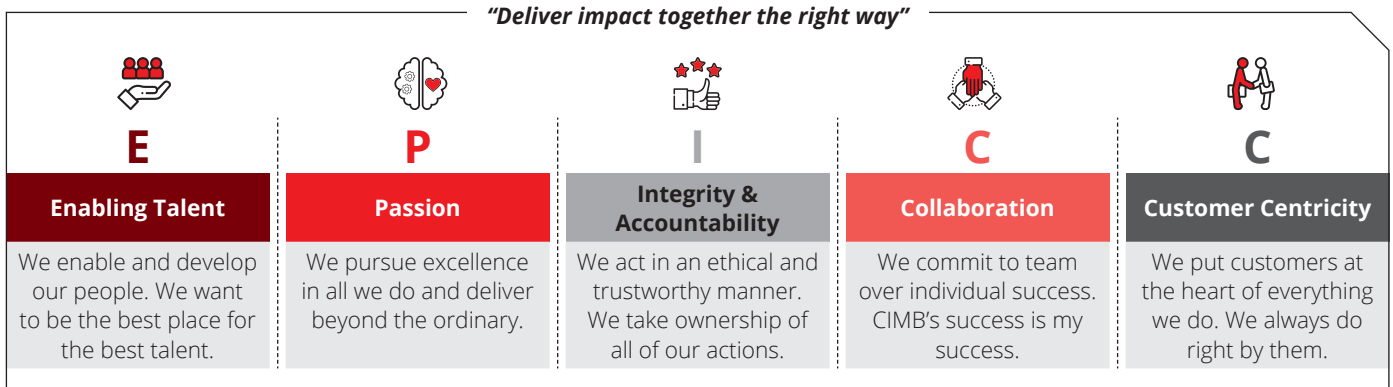
The Anti-Money Laundering (AML) Transformation Programme was established to improve financial crime prevention in the areas of AML/ and Countering Financing of Terrorism (CFT). The AML Transformation Steering Committee oversees the programme, and reports monthly to the BRCC. In 2021, the programme teams completed 31 out of 34 transformation projects across seven work streams, and delivered AML role-based training to ~87.5% of Malaysian employees.

CIMB Group's AML/CFT, financial transparency and related sanctions policies and related information are available at <https://www.cimb.com/en/who-we-are/corporate-governance/code-of-conduct.html>, as well as within the Statement on Risk Management and Internal Control on page 141 of CIMB's 2021 Integrated Annual Report.

## REFRESHED VALUES AND CULTURE

Through our various employee engagement channels, we uncovered a strong desire for a change in our values and culture. Employees were advocating for greater work-life balance, focus on career development, and a leadership style that was supportive and empathetic. We also saw the opportunity to tighten the links between our strategy, operating model and the way we work.

We distilled and narrowed down inputs following a rigorous organisation-wide engagement, and agreed on five new values aligned to our Forward23+ strategy. In late 2021, we launched EPICC, our new refreshed suite of values.



# STAKEHOLDER ENGAGEMENT & ADVOCACY

We are committed to investing in and engaging with key stakeholders to raise awareness and mobilise support for meaningful action towards sustainable development. We have a comprehensive training and engagement agenda for our employees and other stakeholder groups, as well as an extensive network of external partners to build the sustainable finance ecosystem in support of just transition to a low carbon economy.

We conducted engagement and advocacy through:



### Training and awareness

Comprehensive suite of training across the group tailored to employees and their roles, based on issues material to our business.



### Participation in working groups

Collaboration within progressive global and local working groups to drive sustainability thought leadership and adoption.



### The Cooler Earth Sustainability Summit

CIMB Group's annual sustainability summit to engage and upskill regional stakeholders on sustainability.

## MATERIAL TOPICS



### Sustainability Awareness and Participation

## 2021 ACHIEVEMENTS

Hosted the **3RD THE COOLER EARTH SUSTAINABILITY SUMMIT** with over **3,600 PARTICIPANTS**

Over **15,000** employees engaged and trained on sustainability

**67%** of senior management trained on sustainability

**ACTIVE MEMBERSHIP** in industry working groups to drive sustainable finance agenda

Hosted first **SUSTAINABILITY INVESTOR DAY** with over 90 analysts and fund managers

Co-led writing of the **TCFD APPLICATION GUIDE**, as part of JC3

Steering Committee Member and Working Group Chair of the **CEO ACTION NETWORK**

Joined the **NET-ZERO BANKING ALLIANCE**, Partnership for Carbon Accounting Financials

Became official supporter of **TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES**

Led development of the **VBI SECTOR GUIDE** for Oil and Gas

# STAKEHOLDER ENGAGEMENT & ADVOCACY

## STRENGTHENING INTERNAL SUSTAINABILITY CAPABILITY

We continuously engage with teams across the Group to develop their understanding of sustainability in the context of our business, in line with our purpose of advancing customers and society. We actively raise awareness and improve technical capacity on sustainability and sustainable finance, to enable our teams to support customers in their transition towards a greener and more equitable economy. This includes helping employees understand the fast-changing regulations and market expectations, emerging environmental and social risks as well as opportunities.


### TRAINING

Our training is designed for various employee groups, and content is tailored to specific roles and responsibilities in supporting CIMB's sustainability targets.




**BOARD TRAINING AND KEY MANAGEMENT**

Thematic training for the Board and key management on emerging sustainability risks and opportunities. This year, we conducted training on Human Rights Risk Management, and Net Zero for the Finance Sector. A total of 251 attendees were recorded for these sessions.




**SENIOR MANAGEMENT TRAINING**

These real-time online training programmes aim to equip senior employees to integrate sustainability principles into their operations. In 2021, 67% of senior management completed basic sustainability training.



**POLICY REFRESHERS**

Annual policy and process refreshers are conducted for teams responsible for implementing the Group Sustainability Policy and the Group Sustainable Financing Policy and its Sector Guides to ensure compliance and so that teams understand the broader issues at hand.



**ROLE-BASED TRAINING**

Training tailored to Wholesale and Commercial Banking relationship managers, frontliners, and risk officers to enhance their understanding of sustainability issues and how to apply this to the work they do with clients.




**EXPERT ENGAGEMENTS**

Invited technical experts to share knowledge and latest developments in their fields to increase ESG expertise within CIMB. Topics included Green Technology, Peat Soil Management, and Modern Slavery.



**SUSTAINABILITY CHAMPIONS**

Comprising over 200 staff across the region, this group serves as a change agent network for employees to share new developments, discuss emerging issues, and inspire sustainable action among members and their networks.



**SUSTAINABILITY AWARENESS 101**

Part of employee orientation, compulsory e-learning at CIMB Niaga, and PROTÉGÉ Certification Programme. We are invited to divisions and departments to present and discuss sustainability in the context of their own operations.



Conducted more than **40** in-house training sessions on sustainability

More than **15,000** employees engaged and trained on sustainability\*

\* Includes employees engaged as part of CIMB Niaga's compulsory sustainability e-learning.

## DRIVING THE SUSTAINABLE FINANCE AGENDA

We work closely with industry and regulatory bodies to accelerate the mainstreaming of the sustainable finance agenda. We are members of international and local working groups which allow us to share our experiences, and adopt best practices and tools.

### UNITED NATIONS ENVIRONMENT PROGRAMME – FINANCE INITIATIVE

With more than 300 members and 100 supporting institutions, the United Nations Environment Programme Finance Initiative (UNEP FI) engages and encourages the global financial services industry to implement sustainability principles in their strategies and at all levels of their operations. We are active members of several Principles for Responsible Banking (PRB) Working Groups, including Client Engagement and Peer Learning.

### NET-ZERO BANKING ALLIANCE

We are the first ASEAN bank to sign the industry-led, UN-convened Net-Zero Banking Alliance (NZBA), a member of the Glasgow Financial Alliance for Net Zero (GFANZ). The Alliance brings together banks representing over 40% of global banking assets, who are committed to aligning their lending and investment portfolios with Net-Zero emissions by 2050, along a 1.5 degree pathway. The Alliance works to reinforce, accelerate and support the implementation of decarbonisation strategies, providing an internationally coherent framework and guidelines, supported by peer-learning between pioneering banks.

### GLOBAL INVESTORS FOR SUSTAINABLE DEVELOPMENT ALLIANCE

The Global Investors for Sustainable Development (GISD) Alliance aims to leverage on the expertise, influence and business acumen of 30 influential corporate leaders to stimulate long-term investment in development, and accelerate progress towards achieving the SDGs. Global leaders have a mandate to free up trillions of dollars from the private sector to finance the SDGs.

### INTERNATIONAL CHAMBER OF COMMERCE SUSTAINABLE TRADE FINANCE WORKING GROUP

The International Chamber of Commerce (ICC) Sustainable Trade Finance Working Group was established in 2016 to develop tools and best practice standards to promote sustainability across the trade finance industry. CIMB was involved in the drafting of the revised Standards for Sustainable Trade and Sustainable Trade Finance positioning paper published in November 2021.

### JOINT COMMITTEE ON CLIMATE CHANGE

We play an active role in the Joint Committee on Climate Change (JC3), co-chaired by Bank Negara Malaysia and the Securities Commission Malaysia, which aims to mobilise collective action within the Malaysian financial sector towards building climate resilience in the sector and the wider economy. Inputs, insights, and recommendations are developed through JC3, which are used as critical inputs to shape sustainability policies, regulations and guidance by BNM and the SC.

#### JC3 FLAGSHIP EVENT

Leading member of the organising team of the JC3 Flagship Sustainability Summit



#### CLIMATE CHANGE AND PRINCIPLE-BASED TAXONOMY TRAINING

Conducted sharing sessions with regulator and peers on the implementation of BNM CCPT



#### RISK AND DISCLOSURES

Co-led writing of the TCFD Application Guide to be published for the industry



### VALUE-BASED INTERMEDIATION STANDARDS WORKING GROUP

BNM's Value-based Intermediation (VBI) aims to deliver the intended outcomes of Shariah through practices, conduct and offerings which generate positive and sustainable impact to the economy, community and environment, that are consistent with shareholders' sustainable returns and long-term interests. CIMB Islamic led the development of an in-depth impact-based climate and environmental risk management Sector Guide for the oil and gas sector.

### TRANSITION SUKUK WORKING COMMITTEE

CIMB Islamic was a member of the Transition Sukuk Working Committee chaired by the Capital Markets Malaysia. We anchored the Transition Sukuk report that was submitted to the Securities Commission Malaysia in February 2021, which concluded that Malaysia needs to enable transition funding for mitigation options that are outside the parameters of green funding.

# STAKEHOLDER ENGAGEMENT & ADVOCACY

## COLLABORATING WITH DIVERSE STAKEHOLDERS

Accelerating the integration of sustainability in the region requires a multi-stakeholder approach to build a supportive and viable ecosystem, in addition to support from a critical mass to create the momentum needed. We actively engage with stakeholders beyond the financial services industry to accelerate the adoption of sustainability through an inclusive approach.

### THE COOLER EARTH SUSTAINABILITY SUMMIT

The Cooler Earth Sustainability Summit is CIMB's platform to inspire business leaders, financiers, investors, policy and decision-makers to shift the paradigm of business and finance, and our way of life. Our third Summit, with the theme of "Align, Act, Accelerate" was focused on building concrete actions now, to lay a strong foundation for tomorrow.

In addition to a day of thought leadership and masterclasses, we dedicated a day of engagement with ASEAN youth, which was curated and organised by CIMB's The Complete Banker Programme participants. The day focused on issues that were relevant and of concern to the youth, ranging from sustainable consumption, inequality in education, to inspiring sustainable actions.

**3** days

**3,672** registered participants

Over **24 HOURS** of content delivered through webinars and masterclasses

**KEYNOTE**  
*Hope in Hell: A Decade to Confront the Climate Emergency*  
**SIR JONATHON ESPIE PORRITT**  
 CO-FOUNDER AND FOUNDER  
 DIRECTOR, HUMAN FOR THE FUTURE

**THE COOLER EARTH CAN 1<sup>ST</sup> ANNIVERSARY SHOWCASE**  
 COLLECTIVE COMMITMENTS

**THE COOLER EARTH**  
 STAKEHOLDER DEMANDS AND IMPLICATIONS FOR SEEKERS OF CAPITAL

Click to watch all sessions from  
**The Cooler Earth Sustainability Summit 2021**

## THE CEO ACTION NETWORK

The CEO Action Network (CAN) is a closed-door peer-to-peer informal network of over 50 CEOs and Board Members from more than 20 critical sectors, focused on sustainability advocacy, capacity building, action and performance in corporate Malaysia. Through two workstreams and active members driving bespoke initiatives, CAN aspires to catalyse its members and the broader economy towards shaping future ready and ESG-integrated business models and ecosystems.

CAN was founded by CIMB and its partner IMPACTO, and was formally established in 2020. CIMB remains an active member on the CAN Steering Committee, and is Chair of the Working Group. 



### COLLECTIVE COMMITMENTS

CIMB's Head of Group Sustainability, as the Working Group Chair for CAN, led members in developing the next step of sustainability maturity through a stepwise approach, including achieving the 14 Collective Commitments which members will need to meet by 2023 or within 3 years of joining the network.



### POLICY ADVOCACY

CAN partnered with Climate Governance Malaysia to organise a series of 15 roundtable discussions on Malaysia's Net Zero Pathway Ambition. Over 2,000 participants were engaged, covering critical sectors such as energy, agriculture and plantations, property and construction, and telecommunications.




### AWARENESS & CAPACITY BUILDING

Engaged more than 500 sustainability practitioners from CAN member organisations through four capacity building workshops. Topics covered included climate change, energy management, waste and water, and labour practices. Workshops are organised and led by various CAN members, and in 2022, will be opened up for SME suppliers of CAN members to join.

## WORLD BANK SEEDS SERIES

CIMB Group anchored the Malaysian instalment of the Sustainable Exchange Development Series organised by The World Bank Group in an effort to promote the exchange of knowledge and experience in developing sustainable finance in ASEAN.

## CIMB INVESTOR DAY

We organised our first sustainability-focused investor day in 2021. Attended by over 90 investors, fund managers and analysts, the briefing provided investors with insights into our sustainability strategies and initiatives, and an opportunity to engage on issues ranging from sustainability governance, sustainable finance goals, to climate change strategies. 

## UN ENVIRONMENT PROGRAMME SEA OF SOLUTIONS

CIMB was invited by the Ministry of Environment and Water Malaysia and the United Nations Environment Programme to represent Malaysia at the SEA of Solutions 2021 – Reducing Marine Plastic Litter conference. CIMB was represented on the Sustainable Financing for a Waste-free Future panel, which discussed innovative financing solutions to enable a waste-free future.

## SUSTAINABILITY FESTIVAL

CIMB Niaga presented at a virtual sustainability festival organised by AICON, to discuss best practices and methodologies in implementing sustainability to support low-carbon economic growth and achieving the SDGs in Indonesia.





# PERFORMANCE DATA

## CUSTOMERS

### ACCESS TO FINANCIAL SERVICES

#### NUMBER OF BRANCHES, SELF SERVICE TERMINALS AND CUSTOMERS

	Malaysia			Indonesia			Singapore		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Number of Branches	234	234	<b>230</b>	376	352	<b>324</b>	2	2	<b>1</b>
Total Self-Service Terminals (SSTs)	3,250	3,228	<b>3,107</b>	5,598	5,250	<b>4,481</b>	6	6	<b>2</b>
Automated Teller Machines (ATM)	1,824	1,792	<b>1,717</b>	4,500	4,316	<b>3,563</b>	6	6	2
Cash Deposit Machines (CDM) and Others	1,426	1,436	<b>1,390</b>	1,098	934	<b>918</b>	-	-	0
Number of Consumer Banking Customers (million)	8.2	8.2	<b>8.1</b>	4.7	4.4	<b>4.1</b>	0.3	0.4	<b>0.4</b>

1. Malaysia branches exclude Bureau de Change, Trade Service Centres and Trade Desks

2. Indonesia branches exclude Micro, cash counters and payment points, Payment & Cash Centres, Mobile Cash Vans, Trade Service Centres

3. Singapore branches exclude Private Banking and Trade Service Centres

4. Thailand branches exclude FX Booths, Private Banking and Trade Service Centres. ATM includes passbook update & cash deposit

5. Cambodia branches exclude Trade Service Centres

#### NUMBER OF ACTIVE DIGITAL BANKING USERS (MILLION)

	Malaysia			Indonesia			Singapore		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total Clicks	3.2	3.9	<b>4.4</b>	0.8	0.9	<b>1.0</b>	0.14	0.16	<b>0.17</b>
Mobile App	1.9	2.8	<b>2.8</b>	0.5	0.6	<b>0.9</b>	0.08	0.10	<b>0.13</b>

1. The figures reported represent the total number of active digital users, excluding CIMB BizChannel

2. The figures for Malaysia (2019) and Indonesia (2019) have been restated to only include total number of active digital users at customer level

3. The figures for Malaysia (2020 & 2021) include Enterprise Banking (EB) customers

4. Tracking of digital users in Vietnam started from September 2019. The figures for Vietnam do not include customers using partner app

5. Our operations in the Philippines were established on 3 December 2018. The figures for the Philippines do not include customers using partner app

## CUSTOMER EXPERIENCE

### NET PROMOTER SCORE (NPS)<sup>1</sup>

	2019	2020	2021
Ranking for General Retail Banking	Top 48%	Within 72%	<b>Within 54%</b>

1. The indicator is calculated using a weighted average of NPS ranking across Malaysia, Indonesia, Singapore and Thailand, with reference based on CIMB's operating income

	Thailand			Cambodia			Philippines			Vietnam		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
	69	59	<b>54</b>	14	14	<b>14</b>	1	1	<b>1</b>	2	2	<b>2</b>
	98	-	-	58	60	<b>60</b>	2	2	<b>2</b>	-	-	-
	78	-	-	37	39	<b>39</b>	-	-	-	-	-	-
	20	-	-	21	21	<b>21</b>	2	2	<b>2</b>	-	-	-
	0.5	0.5	<b>0.5</b>	0.04	0.04	<b>0.04</b>	1.7	3.0	<b>5.0</b>	0.1	0.2	<b>0.5</b>

	Thailand			Philippines			Vietnam		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
	0.03	0.15	<b>0.14</b>	0.03	0.38	<b>1.36</b>	0.02	0.04	<b>0.12</b>
	0.03	0.15	<b>0.14</b>	0.03	0.38	<b>1.36</b>	0.02	0.04	<b>0.12</b>



## PERFORMANCE DATA

### SUSTAINABLE FINANCE

#### GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES

Products and Services	Definitions and Notes	Malaysia (RM mil)		
		2019	2020	2021
<b>Consumer Banking</b>				
<b>Financial Inclusion<sup>1</sup></b>				
Home Financing	Financing disbursed <sup>2</sup>	1,602.7	1,839.0	<b>2,039.1*</b>
Car/motorcycle Financing	Financing disbursed	2,557.0	2,509.7	<b>2,390.0*</b>
Personal Financing	Financing disbursed	907.2	205.8	<b>224.6*</b>
Unit Trust Financing	Financing disbursed	2,652.8	1,953.6	<b>2,533.9*</b>
<b>Green and Social Financing</b>				
Green Savings Account	Growth in balances	300.0	477.8	<b>622.3</b>
	<i>Deposits in account</i>	730.3	1,208.1	<b>1,830.4</b>
Social Savings Account	Growth in balances	-	-	-
Green Home Financing	Financing disbursed <sup>3</sup>	N/A	148.1	<b>236.2</b>
Green Car/motorcycle Financing	Financing disbursed	-	20.1	<b>39.3</b>
<b>Wealth Management</b>				
Private Banking ESG Funds	New fund sales	N/A	N/A	<b>17.0</b>
Preferred Banking ESG Funds	New fund sales	-	24.3	<b>217.9</b>
<b>Commercial Banking</b>				
Micro and Small Enterprise Financing	Financing disbursed	N/A	1,162.0	<b>723.9</b>
Green, Social, and Sustainable Financing	Financing disbursed	-	31.0	<b>30.1</b>
<b>Wholesale Banking</b>				
Sustainable Bonds/Sukuk	Issuance amount	N/A	100.0	<b>5,321.4</b>
Green, Social and Sustainable Financing	Financing accepted <sup>4</sup>	-	970.0	<b>4,450.2</b>

N/A - Data Not Available

1. Refer to page 61 for information on financing of various products (e.g. home, car) to lower income individuals. Number for 2019 and 2020 have been restated due to revised definition of B40 by Malaysia government agency.

2. Home financing for B40 in Malaysia excluded home prices above RM500,000; for Indonesia it was defined as B50

3. Some green homes may also be captured under B40 financing, although the incidence is low

4. Includes sustainability-linked loans accepted by Corporate Banking clients

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

	Indonesia, Singapore, Thailand (RM mil)			Total (RM mil)		
	2019	2020	2021	2019	2020	2021
	N/A	248.6	<b>317.4</b>	1602.7	2,087.6	<b>2,356.5</b>
	N/A	220.1	<b>138.4</b>	2,557.0	2,729.7	<b>2,528.4</b>
	N/A	N/A	<b>N/A</b>	907.2	205.8	<b>224.6</b>
	N/A	N/A	<b>N/A</b>	2,652.8	1,953.6	<b>2,533.9</b>
	-	-	-	300.0	477.8	<b>622.3</b>
	-	-	-	730.3	1,208.1	<b>1,830.4</b>
	-	1.8	<b>43.3</b>	-	1.8	<b>43.3</b>
	-	11.1	<b>16.2</b>	N/A	159.2	<b>252.4</b>
	-	4.3	<b>9.0</b>	-	24.4	<b>48.3</b>
	N/A	105.0	<b>61.4</b>	N/A	105.0	<b>78.4</b>
	-	0.3	<b>0.6</b>	-	24.6	<b>218.5</b>
	N/A	800.9	<b>1,329.9</b>	N/A	1962.9	<b>2,053.8</b>
	N/A	47.6	<b>92.3</b>	N/A	78.6	<b>122.4</b>
	-	-	<b>3,491.4</b>	N/A	100.0	<b>8,812.8</b>
	-	N/A	<b>1,541.9</b>	-	970.0	<b>5,992.1</b>



## PERFORMANCE DATA

### RENEWABLE ENERGY FINANCING

Products and Services	Definitions and Notes	Malaysia (RM mil)		
		2019	2020	2021
Renewable Energy Financing	Financing outstanding <sup>1</sup>	-	666.9	<b>433.0</b>

1. Data for this year reporting includes contingencies, while the figure in SR2020 excludes them. Includes financing to both Corporate and Commercial Banking clients

### SUSTAINABLE FINANCING POLICY, ENHANCED DUE DILIGENCE OUTCOMES

	Malaysia			Indonesia		
	2019	2020	2021	2019	2020	2021
Number of Enhanced Sustainability Due Diligence (ESDD) cases	39	125	97*	-	50	246*
<i>Cases recommended for approval based on low/mitigated sustainability risks</i>	66.7%	92.0%	<b>82.5%</b>	-	82.0%	<b>87.4%</b>
<i>Cases recommended for approval with Environmental and Social (E&amp;S) action plans</i>	28.2%	8.0%	<b>16.5%</b>	-	12.0%	<b>12.2%</b>
<i>Cases not recommended due to elevated sustainability risk</i>	5.1%	0.0%	<b>1.0%</b>	-	6.0%	<b>0.4%</b>
Clients <sup>1</sup> with E&S action plans due	-	8	<b>9</b>	-	-	-
Clients <sup>1</sup> that completed their due E&S action plans	-	87.5%	<b>88.9%</b>	-	0	<b>0</b>

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

- Numbers are counted based on ESDD cases with action plan due in order to cover various due action plans under the same client. E.g. Case 1 (Client A) with action plan due on reporting year & Case 2 (Client A) with action plan due on reporting year will be counted as 2 clients
- Sustainable Financing Policy was implemented in 2020 for Indonesia and Singapore; and in 2021 for Thailand and Cambodia

	Indonesia, Singapore, Thailand (RM mil)			Total (RM mil)		
	2019	2020	2021	2019	2020	2021
	-	132.0	94.0	-	798.9	527.0

	Singapore			Thailand			Cambodia			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
	-	4	6*	-	-	66	-	-	2	39	179	417
	-	50.0%	50.0%	-	-	95.5%	-	-	100.0%	66.7%	88.3%	87.1%
	-	50.0%	50.0%	-	-	4.5%	-	-	0.0%	28.2%	10.1%	12.5%
	-	0.0%	0.0%	-	-	0.0%	-	-	0.0%	5.1%	1.7%	0.5%
	-	-	-	-	-	-	-	-	-	-	8	9
	-	0	0	-	-	0	-	-	0	0	87.5%	88.9%



## PERFORMANCE DATA

### EMPLOYEES

#### EMPLOYEES, NEW HIRES AND TURNOVER

##### NUMBER OF EMPLOYEES, BY COUNTRY

Country	2019		2020		2021	
	Count	Turnover	Count	Turnover	Count	Turnover
Malaysia	15,820	44.9%	15,516	45.4%	<b>16,056</b>	<b>48.3%</b>
Indonesia	13,276	37.7%	12,902	37.7%	<b>12,022</b>	<b>36.1%</b>
Singapore	1,279	3.6%	1,173	3.4%	<b>907</b>	<b>2.7%</b>
Thailand	4,042	11.5%	3,756	11.0%	<b>3,340</b>	<b>10.0%</b>
Cambodia	388	1.1%	419	1.2%	<b>449</b>	<b>1.3%</b>
Vietnam	144	0.4%	150	0.4%	<b>152</b>	<b>0.5%</b>
Others	283	0.8%	267	0.8%	<b>339</b>	<b>1.0%</b>
<b>Total</b>	<b>35,232</b>	<b>100%</b>	<b>34,183</b>	<b>100%</b>	<b>33,265</b>	<b>100%</b>

1. The data is inclusive of CIMB branches, entities and subsidiaries within Category 1 to 3 of the Group's Entity Governance Policy

2. Based on 31 December headcount

3. 2021 figures include employees whose cost are borne by third party

##### HIRES, BY COUNTRY, GENDER AND AGE

Categories		2019		2020		2021	
		Count	Turnover	Count	Turnover	Count	Turnover
Country	Malaysia	2,211	14.0%	1,640	10.6%	<b>1,657</b>	<b>10.3%</b>
	Indonesia	2,889	21.8%	1,736	13.5%	<b>976</b>	<b>8.1%</b>
	Singapore	308	24.1%	108	9.2%	<b>163</b>	<b>18.0%</b>
	Thailand	684	16.9%	178	4.7%	<b>218</b>	<b>6.5%</b>
	Cambodia	74	0.2%	76	0.2%	<b>82</b>	<b>0.3%</b>
	Others	220	0.6%	100	0.3%	<b>233</b>	<b>0.7%</b>
Gender	Male	3,177	9.0%	1,950	5.7%	<b>1,679</b>	<b>5.0%</b>
	Female	3,209	9.1%	1,888	5.5%	<b>1,650</b>	<b>5.0%</b>
Age	<30	3,587	10.2%	2,256	6.6%	<b>1,775</b>	<b>5.3%</b>
	30-50	2,710	7.7%	1,529	4.5%	<b>1,514</b>	<b>4.6%</b>
	> 50	89	0.3%	53	0.2%	<b>40</b>	<b>0.1%</b>
<b>Overall</b>		<b>6,386</b>	<b>18.10%</b>	<b>3,838</b>	<b>11.2%</b>	<b>3,329</b>	<b>10.0%</b>

1. The data is inclusive of CIMB branches, entities and subsidiaries within Category 1 to 3 of the Group's Entity Governance Policy

2. N/A data not available



**TURNOVER, BY COUNTRY, GENDER AND AGE**

Categories		2019		2020		2021	
Country	Malaysia	2,717	16.7%	1,899	12.0%	<b>1,702</b>	<b>10.6%</b>
	Indonesia	2,980	22.4%	2,108	16.2%	<b>1,857</b>	<b>15.0%</b>
	Singapore	266	21.2%	214	17.2%	<b>429</b>	<b>41.9%</b>
	Thailand	779	19.1%	462	11.8%	<b>631</b>	<b>18.1%</b>
	Cambodia	53	14.4%	45	11.1%	<b>49</b>	<b>11.5%</b>
	Others	136	37.9%	106	25.1%	<b>155</b>	<b>35.7%</b>
Gender	Male	3,404	9.7%	2,393	7.0%	<b>2,355</b>	<b>7.0%</b>
	Female	3,527	10.0%	2,441	7.1%	<b>2,468</b>	<b>7.3%</b>
Age	<30	2,309	6.6%	1,396	4.1%	<b>1,634</b>	<b>4.8%</b>
	30-50	3,576	10.1%	2,698	7.9%	<b>2,746</b>	<b>8.1%</b>
	> 50	1,046	3.0%	740	2.2%	<b>443</b>	<b>1.3%</b>
<b>Overall</b>		<b>6,931</b>	<b>19.0%</b>	<b>4,834</b>	<b>13.9%</b>	<b>4,823</b>	<b>14.3%</b>
<i>Voluntary turnover</i>		5,330	15.1%	3,709	10.9%	<b>3,820</b>	<b>11.3%</b>

1. The data is inclusive of CIMB branches, entities and subsidiaries within Category 1 to 3 of the Group's Entity Governance Policy

2. Total employee turnover is a sum of voluntary (e.g. resignation) and involuntary (e.g. end of contract, dismissal, death, retirement) turnover, excluding transfers to other CIMB entities which is outside of the scope of this table

3. Turnover rate is calculated based on average headcount

**DIVERSITY AND INCLUSION****NUMBER OF EMPLOYEES, BY JOB CATEGORY AND GENDER**

Job Category	Gender	2019		2020		2021	
Non-Management	Male	3,060	44.7%	2,799	45.4%	<b>2,590</b>	<b>47.1%</b>
	Female	3,791	55.3%	3,371	54.6%	<b>2,905</b>	<b>52.9%</b>
Junior Management	Male	9,263	41.1%	9,024	40.6%	<b>8,773</b>	<b>39.9%</b>
	Female	13,294	58.9%	13,176	59.4%	<b>13,220</b>	<b>60.1%</b>
Middle Management	Male	2,176	50.5%	2,163	50.7%	<b>2,165</b>	<b>50.7%</b>
	Female	2,135	49.5%	2,101	49.3%	<b>2,102</b>	<b>49.3%</b>
Senior Management	Male	782	54.4%	842	56.7%	<b>819</b>	<b>56.5%</b>
	Female	655	45.6%	644	43.3%	<b>630</b>	<b>43.5%</b>
Key Management	Male	57	75.0%	49	77.8%	<b>45</b>	<b>73.8%</b>
	Female	19	25.0%	14	22.2%	<b>16</b>	<b>26.2%</b>
<b>Total</b>		<b>35,232</b>		<b>34,183</b>		<b>33,265</b>	



## PERFORMANCE DATA

### PERSON WITH DISABILITIES (PWD) WORKFORCE

	2019	2020	2021
Hired Workforce	13	13	13

1. 2019 and 2020 data have been restated following internal review to refine the categorisation scope

### PERCENTAGE OF EMPLOYEES, BY NATIONALITY

Job Category	2021											
	Malaysian		Indonesian		Thai		Singaporean		Cambodian		Others	
Non-Management	2,127	13.1%	2,799	23.3%	344	10.3%	4	0.6%	106	23.6%	115	19.8%
Junior Management	11,042	68.2%	7,569	63.0%	2,397	72.0%	392	56.6%	289	64.4%	304	52.4%
Middle Management	2,028	12.5%	1,422	11.8%	478	14.4%	198	28.6%	43	9.6%	98	16.9%
Senior Management	948	5.9%	222	1.8%	112	3.4%	96	13.9%	10	2.2%	61	10.5%
Key Management	50	0.3%	6	0.0%	-	0.0%	2	0.3%	1	0.2%	2	0.3%
<b>Total<sup>1</sup></b>	<b>16,195</b>	<b>48.7%</b>	<b>12,018</b>	<b>36.1%</b>	<b>3,331</b>	<b>10.0%</b>	<b>692</b>	<b>2.1%</b>	<b>449</b>	<b>1.3%</b>	<b>580</b>	<b>1.7%</b>

1. Total percentages by nationality are based on 31 December headcount (33,265)

### MANAGEMENT EMPLOYEES IN REVENUE GENERATING FUNCTIONS, BY COUNTRY AND GENDER

Country	Gender	2020		2021*	
Malaysia	Male	316	52.2%	322	53.2%
	Female	289	47.8%	283	46.8%
Indonesia	Male	490	53.1%	441	52.4%
	Female	433	46.9%	401	47.6%
Singapore	Male	34	69.4%	27	71.1%
	Female	15	30.6%	11	28.9%
Thailand	Male	72	54.5%	101	53.4%
	Female	60	45.5%	88	46.6%
Cambodia	Male	13	50.0%	15	53.6%
	Female	13	50.0%	13	46.4%
<b>Total</b>	<b>Male</b>	<b>925</b>	<b>53.3%</b>	<b>906</b>	<b>53.2%</b>
	<b>Female</b>	<b>810</b>	<b>46.7%</b>	<b>796</b>	<b>46.8%</b>

1. Management employees refer to employees within junior to key management job categories with supervisory roles

\* The number of female management representative in revenue generating positions is assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

**RATIO OF REMUNERATION BETWEEN MALE AND FEMALE, BY JOB CATEGORY**

Job Category	Gender	2020*	2021				
		Malaysia	Malaysia	Indonesia	Singapore	Thailand	Group
Non-Management	Male	1.00	1.00	1.00	N/A	1.00	1.00
	Female	1.00	0.99	1.04	N/A	1.02	1:00
Junior Management	Male	1.00	1.00	1.00	1.0	1.00	1.00
	Female	1.06	1.07	1.01	1.0	1.02	1.04
Middle Management	Male	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.94	0.94	1.00	0.99	1.02	0.97
Senior Management	Male	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.97	0.96	1.05	0.97	0.95	0.97
Key Management	Male	1.00	1.00	1.00	N/A	N/A	1.00
	Female	1.00	1.00	0.72	N/A	N/A	1.00
<b>Overall</b>	<b>Male</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
	<b>Female</b>	<b>1.01</b>	<b>1.01</b>	<b>1.01</b>	<b>0.98</b>	<b>1.01</b>	<b>1.01</b>

1. Pay ratios are shown as men's pay: women's pay, with men's pay indexed to 1, and weighted average across business units, business enablers and population size
  2. Excludes iCIMB/Touch n Go entities (Malaysia) and subsidiaries of CIMB Niaga
  3. Excludes secondees/expatriates/country CEOs/GCEO/contract staff
  4. N/A if there are no employees in this category, or only employees of one gender
- \* 2020 Malaysia data was restated due to change in methodology to use weighted salary averages across business units, business enablers and population size

**TRAINING****TRAINING INVESTMENT IN RM MILLION**

Country	2019	2020	2021
Malaysia	55.4	46.2	<b>36.2</b>
Indonesia	81.5	43.6	<b>42.4</b>
Singapore	0.8	-0.2 <sup>1</sup>	<b>0.9</b>
Thailand	3.3	4.2	<b>2.3</b>
Cambodia	0.1	0.2	<b>0.02</b>
<b>Total</b>	<b>141.1</b>	<b>94.0</b>	<b>81.8</b>

1. The negative training investment amount for SG is mainly due to the reimbursement of Financial Sector Development Fund (FSDF) and Institute of Banking and Finance Singapore (IBF) fundings and training allowance grants and SkillsFuture Singapore (SSG) subsidies received. Some of the reimbursements were for 2019's training

## PERFORMANCE DATA

### TRAINING HOURS IN '000, BY COUNTRY

Country	2019	2020	2021
Malaysia	1,270	1,160	1,088
Indonesia	1,565	1,601	1,094
Singapore	35	58	40
Thailand	124	178	175
Cambodia	14	11	17
<b>Total</b>	<b>3,008</b>	<b>3,008</b>	<b>2,413</b>

### AVERAGE TRAINING HOURS PER EMPLOYEE, BY COUNTRY

Country	2019	2020	2021*
Malaysia	80	75	69
Indonesia	118	124	88
Singapore	28	49	39
Thailand	31	47	50
Cambodia	34	26	40
<b>Total</b>	<b>86</b>	<b>89</b>	<b>73</b>

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

### AVERAGE TRAINING HOURS PER EMPLOYEE, BY JOB CATEGORY AND GENDER<sup>1</sup>

Job Category	Gender	2019	2020	2021
Non-Management	Male	51	51	34
	Female	77	74	45
Junior Management	Male	95	104	85
	Female	94	101	81
Middle Management	Male	80	70	65
	Female	84	70	71
Senior Management	Male	68	52	67
	Female	72	60	76
Key Management	Male	59	61	87
	Female	54	49	99
<b>Overall</b>	<b>Male</b>	<b>83</b>	<b>86</b>	<b>72</b>
	<b>Female</b>	<b>89</b>	<b>91</b>	<b>74</b>

1. Malaysia, Indonesia, Singapore, Thailand and Cambodia  
 2. 2019 data was restated

**EMPLOYEES TRAINED/BRIEFED<sup>1</sup> ON SUSTAINABILITY ISSUES**

Country	2019	2020	2021
Malaysia	1,736	658	<b>2,692</b>
Indonesia	447	215	<b>422</b>
Singapore	85	210	<b>210</b>
Thailand	N/A	55	<b>111</b>
Cambodia	N/A	49	<b>30</b>
Other	N/A	36	<b>29</b>
<b>Total</b>	<b>2,268</b>	<b>1,223</b>	<b>3,494</b>

1. Excluding compulsory e-learning

2. N/A data not available

**KEY COMPULSORY E-LEARNING MODULES**

Course Title	Compliance Frequency	Percentage of Staff Completed		
		2019	2020	2021
Anti-Money Laundering / Counter Financing of Terrorism (AMLA/CFT) (Malaysia, Indonesia, Singapore, Thailand)	Annual	99.1	93.2	<b>93.3</b>
Financial Services Act / Islamic Financial Services Act (FSA/IFSA) (Malaysia)	Half-yearly	97.9	96.1	<b>97.8</b>
Introduction to Competition Act 2010 (Malaysia)	One-off	96.2	96.5	<b>99.0</b>
Shariah Governance Framework (Malaysia)	One-off	99.9	99.7	<b>99.6</b>
Risk Appetite Principles (Malaysia and Singapore)	One-off	99.9	99.8	<b>99.7</b>
Operational Risk Management	One-off	99.8	99.8	<b>99.3</b>
Data Protection (Malaysia and Singapore)	One-off	98.6	99.3	<b>99.1</b>
Information Security Awareness	Annual	98.4	99.3	<b>99.0</b>
Business Continuity Management (BCM)	Every 2 years	N/A	99.4	<b>98.9</b>
Introduction to Customer Experience (CX)	One-off	99.9	99.8	<b>98.5</b>
3D (Digital, Data, Design) Compulsory Learning	One-off	N/A	97.7	<b>98.7</b>

1. N/A data not available

2. Malaysia, Indonesia, Singapore and Thailand, unless otherwise stated

## PERFORMANCE DATA

### HEALTH, SAFETY AND WELL-BEING ABSENTEEISM RATE, BY COUNTRY

Country	2020	2021*
Malaysia	1.68%	<b>1.63%</b>
Indonesia	0.08%	<b>0.16%</b>
Singapore	1.67%	<b>1.59%</b>
Thailand	0.64%	<b>0.70%</b>
Cambodia	0.32%	<b>0.67%</b>
<b>Total</b>	0.95%	<b>0.97%</b>

\* This data was assured by KPMG. Please refer to Statement of Assurance on pages 142 to 146

### OCCUPATIONAL SAFETY AND HEALTH INDICATORS<sup>1</sup>

Indicators	2019	2020	2021
Accident with fatality	0	0	<b>0</b>
Accident with lost work days	2	1	<b>0</b>
Accident without lost work days	0	0	<b>0</b>
<b>Total number of accidents</b>	<b>2</b>	<b>1</b>	<b>0</b>
Total work days lost	10	34	<b>0</b>
Fatality rate	0	0	<b>0</b>
Number of safety and health training sessions	18	5	<b>3</b>
Number of employees trained on safety and health	430	96	<b>146</b>

1. 2019 figures cover Malaysia only, while 2020 and 2021 figures cover the Group

### EMPLOYEE ASSISTANCE, WORK-LIFE BENEFITS AND THEIR TAKE-UP RATES

Initiatives	2019	2020	2021
Staff Rejuvenation Programme	83	45	<b>57</b>
Medical Leave without Medical Certificate	2,332	3,693	<b>8,297</b>
Financial Assistance for Staff with Special Needs Children	135	124	<b>120</b>
Financial Support for Single Parents	29	16	<b>13</b>
0% Home Financing	293	70	<b>65</b>
Flex4All	309	223	<b>1,295</b>
Reduced Work Week	5	4	<b>7</b>
Flex4Sustainability	2	0	<b>1</b>
Extended Maternity Leave	133	89	<b>24</b>
Paternity Leave	90	250	<b>296</b>
Flex4Moms	35	15	<b>1</b>
Child Care Subsidy	3,845	1,267	<b>1,149</b>

**SUPPLIERS****NUMBER OF SUPPLIERS, BY COUNTRY**

Country	2019	2020	2021
Malaysia			
Total suppliers	819	1,242	<b>783</b>
Local suppliers	88%	89%	<b>89%</b>
Indonesia			
Total suppliers	435	430	<b>454</b>
Local suppliers	97%	93%	<b>92%</b>
Singapore			
Total suppliers	N/A	248	<b>322</b>
Local suppliers	N/A	75%	<b>76%</b>
Thailand			
Total suppliers	N/A	319	<b>470</b>
Local suppliers	N/A	90%	<b>90%</b>

1. 2019 and 2020 numbers stated include all suppliers registered on our e-Procurement Portal
2. In 2021, the total number of suppliers in Malaysia only includes actively engaged suppliers with Purchase Orders issued during the year
3. Number of suppliers in 2021 for Singapore only includes active suppliers on our e-Procurement Portal
4. N/A data not available

**COMMUNITY****CORPORATE SOCIAL RESPONSIBILITY INVESTMENTS  
CONTRIBUTION IN RM MILLION, BY COUNTRY**

Country	2019	2020	2021
Malaysia	38.2	22.9	<b>25.9</b>
<i>CIMB Foundation</i>	21.9	11.1	14.0
<i>Non-CIMB Foundation</i>	16.3	11.8	11.9
Indonesia	4.7	4.8	<b>2.3</b>
Singapore	1.7	-0.1	<b>0.1</b>
Thailand	1.1	1.3	<b>0.2</b>
Cambodia	N/A	N/A	<b>0.2</b>
Vietnam	N/A	N/A	<b>0.1</b>
Others	0.1	0.4	-
<b>Total</b>	<b>45.8</b>	<b>29.3</b>	<b>28.7</b>

1. Contribution from Malaysia includes Zakat contribution from CIMB Islamic
2. Singapore contribution in 2020 was negative despite donations made to the local communities. This is due to the adjustment to the running cost made in that year
3. N/A data not available
4. 2019 and 2020 figures reflect total amount approved, while 2021 figure represents disbursements, and excludes operating costs. We have updated our reporting definitions to more closely align to impacts created





## PERFORMANCE DATA

### TOTAL CONTRIBUTION, BY STRATEGIC PILLAR IN RM MILLION

Programme	2019	2020	2021
Education	15.1	11.1	17.1
Health and Community Well-being	29.1	17.7	9.1
Economic Empowerment	0.6	0.3	0.8
Climate and Environment	1.0	0.2	1.7
<b>Total</b>	<b>45.8</b>	<b>29.3</b>	<b>28.7</b>

1. 2019 and 2020 data have been restated to fit the newly reclassified Strategic Pillars implemented in 2021

2. 2021 data excludes operating costs

3. 2019 and 2020 figures reflect total amount approved, while 2021 figure represents disbursements. We have updated our reporting definitions to more closely align to impacts created.

### SOCIAL IMPACT VIA FINANCIAL LITERACY PROGRAMMES

	2019			2020			2021*		
	AMDB	TDB	Be\$mart	AMDB	TDB	Be\$mart	AMDB	TDB	Be\$mart
Total participants	5,217	998	6,013	7,451	2,960	3,811	1,765	1,201	1,458
Improvement in financial literacy awareness (%)	67%	78%	149%	7% <sup>3</sup>	11% <sup>3</sup>	142%	12%* <sup>3</sup>	10%* <sup>3</sup>	133%*

1. AMDB - Ayo Menabung dan Berbagi

2. TDB - Tour De Bank

3. Improvements in financial literacy awareness via AMDB and TDB were significantly lower in 2020 and 2021 due to challenges associated with online sessions and limited connectivity which in turn impacted the learning experience of our participants

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

### EMPLOYEE VOLUNTEERISM

	2019 <sup>1</sup>	2020	2021
Total Employee Volunteers	1,170	1,563	12,051
Total Volunteer Hours	6,580	4,216	67,278
Average Volunteer Hours/Employee	0.2	0.1	2.0
Flex4Sustainability Take-Up for Volunteering Purposes	2	0	1

1. Covers data from CIMB Foundation

2. Coverage expanded to include Malaysia, Indonesia, Singapore and Thailand from 2020 onwards

3. Flex4Sustainability is only available in Malaysia

## ENVIRONMENT

### GREENHOUSE GAS (GHG) EMISSIONS

#### ORGANISATIONAL BOUNDARY

Our methodology takes into account the following GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). CH<sub>4</sub>, N<sub>2</sub>O, 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 2021, we have included direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) for Malaysia, Indonesia, Singapore, Thailand and Cambodia. For other indirect GHG emissions (Scope 3), only the purchased water emissions was taken into account in the calculation.

## PROPERTIES WITHIN THE OPERATIONAL BOUNDARY

Country	2019	2020	2021
<b>Malaysia</b>	Menara CIMB Menara Southern Bank Akademi CIMB Putra Menara UAB Bangunan CIMB Wisma CIMB Menara Bumiputra Commerce (CIMB vacated in April 2019)	Menara CIMB Menara Southern Bank Akademi Nazir Razak Menara UAB Bangunan CIMB Wisma CIMB	Menara CIMB Menara Southern Bank Akademi Nazir Razak Menara UAB-CIMB Bangunan CIMB Wisma CIMB
	259 branches in Peninsular, Sabah, Sarawak and Labuan	233 branches in Peninsular, Sabah, Sarawak and Labuan	230 branches in Peninsular, Sabah, Sarawak and Labuan
<b>Indonesia</b>	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Gedung CIMB Niaga Cikarang Pondok Indah Icon Sentraya	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Gedung CIMB Niaga Cikarang Pondok Indah Icon Sentraya	Graha CIMB Niaga Puri Indah Financial Tower Menara Sudirman Alam Sutera Icon Bintaro Griya Niaga 1 Bintaro Griya Niaga 2 Menara Sentraya Berita Satu Plaza Dynaplast Building
	451 branches (including mobile branches)	451 branches (including mobile branches)	412 branches in Indonesia (including mobile branches)
<b>Singapore</b>	Singapore Land Tower Park Hotel Orchard Changi @ Plaza 8	Singapore Land Tower Park Hotel Orchard Changi @ Plaza 8	Singapore Land Tower Park Hotel Orchard (closed in July 2021) Changi @ Plaza 8 30 Raffles Place (starting November 2021)
	2 branches	2 branches	1 branch
<b>Thailand</b>	CIMB Thai Langsuan Building 5 & 6 Floor ThaiSri 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza CIMB Thai DR site Suksawat Gen set 1 and 2 (removed)	CIMB Thai Langsuan Building 5 & 6 Floor ThaiSri 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza	CIMB Thai Langsuan Building CIMB Thai DR-Site Suksawat 5 & 6 Floor ThaiSri (Closed in June 2021) 26, 27, 33 & 34 Floor Phyathai 7 Floor Century Plaza
	61 branches	53 branches	54 branches
<b>Cambodia</b>	GT Tower Norodom North Exchange Square	GT Tower Norodom North Exchange Square	GT Tower Norodom North Exchange Square
	14 branches	14 branches	14 branches



## PERFORMANCE DATA

### TOTAL ENERGY CONSUMPTION

Type of Energy Consumption (MWh)	2019	2020	2021
Purchased Electricity	129,484.1	117,375.5	<b>107,089.4</b>
Fuel Consumption - Gen set <sup>1</sup>	1,481.7	646.3	<b>350.8</b>
Fuel Consumption - Transportation <sup>1,2</sup>	16,974.8	7,614.4	<b>18,597.9</b>
<b>Total</b>	<b>147,940.6</b>	<b>125,636.2</b>	<b>126,038.1</b>

1. Petrol and diesel consumption: Gross calorific values for liquid fuels used for energy conversion was based on Carbon Trust (2020)

2. This covered diesel and petrol used in company-owned vehicles

### TOTAL GHG EMISSIONS

Scope (tCO <sub>2</sub> e)	2019	2020	2021	Absolute Reduction in GHG Emissions (%) 2021 vs 2019
Direct GHG emissions (Scope 1)	4,997.9	2,195.8	<b>5,023.9</b>	<b>24.1%</b>
Indirect GHG emissions (Scope 2)	89,835.9	81,754.5	<b>66,941.0</b>	
Other indirect GHG emissions (Scope 3)	161.4	165.2	<b>189.4</b>	<b>-17.4%</b>
<b>Total</b>	<b>94,995.2</b>	<b>84,115.4</b>	<b>72,154.4</b>	<b>24.0%</b>

### DIRECT GHG EMISSIONS (SCOPE 1) (tCO<sub>2</sub>e)

Country	Genset Emissions			Transportation Emissions			Refrigerant Emissions			Total Direct Emissions (Scope 1)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Malaysia</b>	22.6	17.6	<b>12.1</b>	155.8	65.6	<b>40.8</b>	14.4	72.6	<b>79.6</b>	192.8	155.9	<b>132.5*</b>
<b>Indonesia</b>	334.6	133.3	<b>67.1</b>	3,110.6	1,086.3	<b>4,245.9<sup>1</sup></b>	N/A	N/A	<b>N/A</b>	3,445.2	1,219.6	<b>4,313.0</b>
<b>Singapore</b>	0.3	0.1	<b>0.3</b>	20.9	3.8	<b>N/A</b>	N/A	N/A	<b>N/A</b>	21.2	3.9	<b>0.3*</b>
<b>Thailand</b>	6.4	7.9	<b>8.0</b>	1,213.8	709.9	<b>443.6</b>	N/A	N/A	<b>40.4</b>	1,220.2	717.9	<b>492.0</b>
<b>Cambodia</b>	11.3	5.2	<b>1.3</b>	107.4	93.4	<b>84.7</b>	N/A	N/A	<b>N/A</b>	118.6	98.6	<b>86.1</b>
<b>Total</b>	<b>375.1</b>	<b>164.2</b>	<b>88.8</b>	<b>4,608.4</b>	<b>1,959.0</b>	<b>4,815.1</b>	<b>14.4</b>	<b>72.6</b>	<b>120.0</b>	<b>4,997.9</b>	<b>2,195.8</b>	<b>5,023.9</b>

1. Higher transportation emissions due to Indonesia's branches returning to business as usual with more mobility compared to the lockdown period of 2020

2. N/A data not available

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

#### Petrol and diesel:

- Malaysia, Singapore, Thailand, and Cambodia: Default emission factors for Direct (Scope 1) GHG emissions from diesel and motor gasoline combustion are taken from IPCC Guidelines for National Greenhouse Gas Inventories (2006). Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) were converted into CO<sub>2</sub> equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Indonesia: Emission factor was adopted from Ministry of Environment and Forestry (2012). Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) were converted into CO<sub>2</sub> equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006)

#### Refrigerants:

- Global Warming Potential rate by GHG Protocol based on IPCC Fifth Assessment Report and Guidelines

## INDIRECT GHG EMISSIONS (SCOPE 2)

Country	Electricity Purchased (MWh)			Purchased Electricity Emissions (tCO <sub>2</sub> e)		
	2019	2020	2021	2019	2020	2021
Malaysia	74,598.7	64,113.2	<b>63,013.1*</b>	49,020.2	42,164.3	<b>41,367.7*</b>
Indonesia	40,315.1	39,004.3	<b>31,091.2</b>	33,784.0	32,685.6	<b>19,587.5</b>
Singapore	2,488.7	2,173.4	<b>1,861.5*</b>	1,017.9	887.8	<b>775.3*</b>
Thailand	10,982.1	10,794.2	<b>9,696.6</b>	5,458.1	5,364.7	<b>4,489.5</b>
Cambodia	1,099.7	1,290.4	<b>1,427.0</b>	555.7	652.0	<b>721.1</b>
<b>Total</b>	<b>129,484.1</b>	<b>117,375.5</b>	<b>107,089.4</b>	<b>89,835.9</b>	<b>81,754.5</b>	<b>66,941.0</b>

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146

## Sources of emission factors:

- Malaysia: Default emission factors for grid electricity were obtained from GreenTech Malaysia, 2017 CDM Electricity Baseline for Malaysia
- Indonesia: Emission factors were obtained from the Ministry of Mineral Resources Economy (2016) method
- Singapore: Default emission factors were obtained from Singapore Energy Market Authority
- Thailand: Default emission factors were obtained from the Energy Policy and Planning Office (EPPO)
- Cambodia: Default emission factors were obtained from the Institute for Global Environmental Strategies (IGES) (2011), Grid Emission Factor of the Phnom Penh Electricity Grid

## GHG EMISSIONS INTENSITY (SCOPE 1 AND SCOPE 2)

Country	GHG Emissions (Scope 1 and 2) (tCO <sub>2</sub> e)			Revenue (RM mil)			GHG Emissions Intensity (tCO <sub>2</sub> e/RM mil)			Reduction in GHG Emissions Intensity (%) <sup>1</sup>
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2021 vs 2019
Malaysia	49,213.0	42,320.2	<b>41,500.2*</b>	9,382.0	9,130.0	<b>10,089.0</b>	5.2	4.6	<b>4.1</b>	21.6%
Indonesia	37,229.3	33,905.2	<b>23,900.5</b>	4,655.0	4,613.0	<b>5,020.0</b>	8.0	7.3	<b>4.8</b>	40.5%
Singapore	1,039.0	891.8	<b>775.5*</b>	1,373.0	1,171.0	<b>1,277.0</b>	0.8	0.8	<b>0.6</b>	19.7%
Thailand	6,678.2	6,082.6	<b>4,981.6</b>	1,869.0	1,836.0	<b>1,707.0</b>	3.6	3.3	<b>2.9</b>	18.3%
Cambodia	674.3	750.6	<b>807.1</b>	170.0	180.0	<b>203.0</b>	4.0	4.2	<b>4.0</b>	-0.2% <sup>2</sup>
<b>Total</b>	<b>94,833.8</b>	<b>83,950.3</b>	<b>71,964.9</b>	<b>17,551.1</b>	<b>16,930.0</b>	<b>18,296.0</b>	<b>5.4</b>	<b>5.0</b>	<b>3.9</b>	<b>27.2%</b>

1. Slight variance due to decimal points rounding in intensity column

2. Minor negative value shows that emission was slightly elevated compared to 2019 baseline

\* This data was assured by KPMG. Please refer to the Statement of Assurance on pages 142 to 146



## PERFORMANCE DATA

### OTHER INDIRECT GHG EMISSIONS (SCOPE 3) - WATER CONSUMPTION AND EMISSIONS FROM PURCHASED WATER

Country	Water Consumption (m <sup>3</sup> )			Purchased Water Emissions (tCO <sub>2</sub> e)		
	2019	2020	2021	2019	2020	2021
Malaysia	365,595.0	251,339.2	<b>231,154.6</b>	124.3	86.5	<b>79.5</b>
Indonesia	N/A	136,904.7	<b>249,214.7<sup>1</sup></b>	N/A	47.1	<b>85.7</b>
Singapore	5,481.0	4,181.0	<b>2,633.0</b>	1.9	1.4	<b>0.9</b>
Thailand	96,059.9	81,673.8	<b>61,460.6</b>	32.7	28.1	<b>21.1</b>
Cambodia	7,395.0	6,040.0	<b>6,246.3</b>	2.5	2.1	<b>2.1</b>
<b>Total</b>	<b>474,530.9</b>	<b>480,138.8</b>	<b>550,709.1</b>	<b>161.4</b>	<b>165.2</b>	<b>189.4</b>

1. Increased water consumption due to Indonesia's branches returning to business as usual compared to the lockdown period of 2020 with the addition of extra washbasins for customers' improved hygiene

2. N/A data not available

#### Sources of emission factors:

- Water consumption emission factor was obtained from the UK Government Conversion Factors for Company Reporting (2020)

### PAPER RECYCLED IN KG

Country	2019	2020	2021
Malaysia	173,579	7,184	<b>32,922</b>
Indonesia	N/A	N/A	<b>N/A</b>
Singapore	N/A	20,280	<b>34,140</b>
Thailand	216,400	112,644	<b>59,103</b>
Cambodia	N/A	N/A	<b>N/A</b>
<b>Total</b>	<b>389,979</b>	<b>140,108</b>	<b>126,165</b>

1. N/A data not available

# GRI CONTENT INDEX

CIMB's sustainability reporting has been prepared "In Accordance" with GRI Standards: Core Option. All references are to be found within this report (CIMB Group Sustainability Report 2021) 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: PAGES 3 - 5</b>	-
102-3	Location of headquarters	Kuala Lumpur, Malaysia	-
102-4	Location of operations	<b>GROUP PROFILE: PAGES 4 - 5</b>	-
102-5	Ownership and legal form	CIMB Group Holdings Berhad	-
102-6	Markets served	<b>GROUP PROFILE: PAGES 4 - 5</b>	-
102-7	Scale of the organisation	<b>GROUP PROFILE: PAGES 3 - 5</b>	-
102-8	Information on employees and other workers	<b>PERFORMANCE DATA: PAGES 108 - 114</b> Information on employees were derived from our internal database.	-
102-9	Supply chain	<b>SUSTAINABLE SUPPLY CHAIN: PAGE 28</b>	-
102-10	Significant changes to the organisation and its supply chain	In 2021, there were no significant changes to the organisation's size, structure, ownership, or supply chain. The scope and boundary of this report mainly covers our initiatives in Malaysia, Indonesia, Singapore, Thailand, Cambodia and other markets, where applicable.	-
102-11	Precautionary Principle or approach	The Group's approach to Sustainability (including its risk management) is guided by five key principles, one of which is the 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 AND ADVOCACY: PAGES 97 - 101</b>	-
102-13	Membership of associations	<a href="https://www.cimb.com/en/sustainability/stakeholder-engagement-and-advocacy-cimb.html">https://www.cimb.com/en/sustainability/stakeholder-engagement-and-advocacy-cimb.html</a>	-

## STRATEGY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-14	Statement from senior decision-maker	<b>SUSTAINABILITY PROGRESS REPORT BY GROUP CHAIRMAN AND GROUP CEO: PAGES 10 - 11</b>	-

## GRI CONTENT INDEX

### ETHICS AND INTEGRITY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-16	Values, principles, standards, and norms of behaviour	<b>CORPORATE CULTURE: PAGES 95 - 96</b>	–

### GOVERNANCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-18	Governance structure	<b>CORPORATE GOVERNANCE: PAGE 75</b>	–

### STAKEHOLDER ENGAGEMENT

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-40	List of stakeholder groups	<b>ENGAGING STAKEHOLDERS: PAGES 16 - 17</b>	–
102-41	Collective bargaining agreements	<b>HEALTH, SAFETY AND WELL-BEING: PAGE 34</b>	–
102-42	Identifying and selecting stakeholders	<b>ENGAGING STAKEHOLDERS: PAGES 16 - 17</b>	–
102-43	Approach to stakeholder engagement	<b>ENGAGING STAKEHOLDERS: PAGES 16 - 17</b>	–
102-44	Key topics and concerns raised	<b>ENGAGING STAKEHOLDERS: PAGES 16 - 17</b>	–



## REPORTING PRACTICE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
102-45	Entities included in the consolidated financial statements	<b>INTEGRATED ANNUAL REPORT (FINANCIAL STATEMENTS)</b> CIMB Foundation and CIMB Group Entities: No entities were not covered by the report.	-
102-46	Defining report content and topic boundaries	The scope of this report is limited to key strategies, initiatives and programmes that have been implemented in Malaysia, Indonesia, Singapore, Thailand, Cambodia and other markets, where applicable.  In developing this report, we have taken into account the principles of: <ul style="list-style-type: none"> <li>• Stakeholder Engagement Framework (pages 16 - 17);</li> <li>• Materiality (page 18);</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>MATERIAL ESG MATTERS: PAGE 18</b>	-
102-48	Restatements of information	<b>SUSTAINABILITY PRINCIPLES: PAGE 20</b> 2020 data for women in leadership and gender pay gap  <b>PERFORMANCE DATA: PAGE 102</b> 2019 Malaysia and Indonesia number of active digital banking users  <b>PERFORMANCE DATA: PAGE 104</b> 2019 and 2020 amount disbursed for financial inclusion financing  <b>PERFORMANCE DATA: PAGE 110</b> 2019 and 2020 number of person with disabilities hired  <b>PERFORMANCE DATA: PAGE 111</b> 2020 Malaysia ratio of remuneration between males and females  <b>PERFORMANCE DATA: PAGE 116</b> Total contribution for 2019 and 2020 by strategic pillar	-
102-49	Changes in reporting	<b>MATERIAL ESG MATTERS: PAGE 18</b>	-
102-50	Reporting period	<b>ABOUT CIMB GROUP SUSTAINABILITY REPORT 2021: PAGE 8</b> The CIMB Group Sustainability Report 2021 includes information for the period 1 January 2021 to 31 December 2021, unless specified otherwise.	-
102-51	Date of most recent report	Sustainability Report 2020 was published in March 2021.	-
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	<b>GRI CONTENT INDEX: PAGE 121</b>	-
102-55	GRI content index	<b>GRI CONTENT INDEX: PAGES 121 - 129</b>	-
102-56	External assurance	<b>STATEMENT OF ASSURANCE: PAGES 142 - 146</b> 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.	-

## GRI CONTENT INDEX

## 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: OPERATIONAL EMISSIONS: PAGE 25</b> <b>CLIMATE CHANGE: STRATEGY AND RISKS: PAGE 79</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: OPERATIONAL EMISSIONS: PAGE 25 - 27</b> <b>CLIMATE CHANGE: STRATEGY AND RISKS: PAGES 79 - 94</b>	–
103-3	Evaluation of the management approach	<b>CLIMATE CHANGE: OPERATIONAL EMISSIONS: PAGES 25 - 27</b> <b>CLIMATE CHANGE: STRATEGY AND RISKS: PAGES 79 - 94</b>	–
302-1	Energy Consumption within Organisation	<b>PERFORMANCE DATA: PAGE 118</b>	–
305-1	Direct (Scope 1) GHG emissions	<b>CLIMATE CHANGE: OPERATIONAL EMISSIONS: PAGE 25</b> <b>PERFORMANCE DATA: PAGE 118</b> 5,023.9 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore, Thailand and Cambodia)	–
305-2	Energy indirect (Scope 2) GHG emissions	<b>CLIMATE CHANGE: OPERATIONAL EMISSIONS: PAGE 25</b> <b>PERFORMANCE DATA: PAGE 119</b> 66,941.0 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore, Thailand and Cambodia)	–
305-3	Other indirect (Scope 3) GHG emissions	<b>PERFORMANCE DATA: PAGE 120</b> 189.4 tCO <sub>2</sub> e (Malaysia, Indonesia, Singapore, Thailand and Cambodia)	–
<b>MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN</b>			
103-1	Explanation of the material topic and its Boundary	<b>SUSTAINABLE SUPPLY CHAIN: PAGE 28</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 28</b>	–
103-3	Evaluation of the management approach	<b>SUSTAINABLE SUPPLY CHAIN: PAGE 28</b>	–
308-1	New suppliers that were screened using environmental criteria	<b>SUSTAINABLE SUPPLY CHAIN: PAGE 28</b>	–
414-1	New suppliers that were screened using social criteria	<b>SUSTAINABLE SUPPLY CHAIN: PAGE 28</b>	–

**TOPIC-SPECIFIC DISCLOSURES (CONTINUED)**

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: DIVERSITY AND INCLUSION</b>			
103-1	Explanation of the material topic and its Boundary	<b>DIVERSITY AND INCLUSION: PAGE 29</b> Topic Boundary: Entities in the organisation and employees impacted by CIMB's activities	-
103-2	The management approach and its components	<b>DIVERSITY AND INCLUSION: PAGES 29 - 30</b>	-
103-3	Evaluation of the management approach	<b>DIVERSITY AND INCLUSION: PAGES 29 - 30</b>	-
405-1	Diversity of governance bodies and employees	<b>DIVERSITY AND INCLUSION: PAGE 29</b> <b>CORPORATE GOVERNANCE: PAGE 75</b> <b>PERFORMANCE DATA: PAGE 109</b>	-
405-2	Ratio of the basic salary and remuneration of female to male (Gender pay gap)	<b>DIVERSITY AND INCLUSION: PAGE 30</b> <b>PERFORMANCE DATA: PAGE 111</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 31</b> Topic Boundary: Entities in the organisation, employees and other stakeholders impacted by CIMB's operations	-
103-2	The management approach and its components	<b>HEALTH, SAFETY AND WELL-BEING: PAGES 31 - 34</b>	-
103-3	Evaluation of the management approach	<b>HEALTH, SAFETY AND WELL-BEING: PAGES 31, 33</b>	-
403-9 (2018)	Work-related injuries	<b>PERFORMANCE DATA: PAGE 114</b>	-
<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 35</b> Topic Boundary: Entities in CIMB and employees impacted by CIMB's activities	-
103-2	The management approach and its components	<b>TALENT ATTRACTION, GROWTH AND RETENTION: PAGES 35 - 37</b>	-
103-3	Evaluation of the management approach	<b>TALENT ATTRACTION, GROWTH AND RETENTION: PAGES 35 - 37</b>	-
401-1	New employee hires and employee turnover	<b>PERFORMANCE DATA: PAGES 108 - 109</b>	-



## GRI CONTENT INDEX

### TOPIC-SPECIFIC DISCLOSURES (CONTINUED)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: TALENT ATTRACTION, GROWTH AND RETENTION: (CONTINUED)</b>			
401-2	Benefits provided to full-time employees	<b>HEALTH, SAFETY AND WELL-BEING: PAGES 32 - 33</b> <b>PERFORMANCE DATA: PAGE 114</b>	–
404-1	Average hours of training per year per employee	<b>PERFORMANCE DATA: PAGE 112</b>	–
404-2	Programmes for upgrading employee skills and transition assistance programs	<b>TALENT ATTRACTION, GROWTH AND RETENTION: PAGES 35 - 37</b>	–
<b>MATERIAL TOPIC: CUSTOMER EXPERIENCE</b>			
103-1	Explanation of the material topic and its Boundary	<b>CUSTOMER EXPERIENCE: PAGE 39</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's operations	–
103-2	The management approach and its components	<b>CUSTOMER EXPERIENCE: PAGES 39 - 44</b>	–
103-3	Evaluation of the management approach	<b>CUSTOMER EXPERIENCE: PAGES 39 - 44</b>	–
Non GRI disclosure	Net Promoter Score (NPS)	<b>CUSTOMER EXPERIENCE: PAGE 40</b> <b>PERFORMANCE DATA: PAGE 102</b>	–
<b>MATERIAL TOPIC: SUSTAINABLE FINANCE</b>			
103-1	Explanation of the material topic and its Boundary	<b>SUSTAINABLE FINANCE: MANAGING RISK: PAGE 50</b> <b>SUSTAINABLE FINANCE: DRIVING POSITIVE IMPACTS: PAGE 56</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's sustainable financing policy and GSSIPS Framework	–
103-2	The management approach and its components	<b>SUSTAINABLE FINANCE: MANAGING RISK: PAGES 50 - 55</b> <b>SUSTAINABLE FINANCE: DRIVING POSITIVE IMPACTS: PAGES 56 - 60</b>	–
103-3	Evaluation of the management approach	As part of the Group Sustainable Financing Policy (GSFP), we are required to carry out control testing every 6 months to review samples of facilities and ensure compliance to the policy. In addition, the Board and management will periodically review the adequacy and effectiveness of the GSFP.	–
G4-FS10*	Number of companies engaged on environmental or social issues	<b>SUSTAINABLE FINANCE: MANAGING RISK: PAGES 52 - 55</b>	–
G4-FS8*	Monetary value of products and services designed to deliver a specific environmental benefit	<b>PERFORMANCE TABLE: PAGES 104 - 105</b>	–
Non GRI disclosure: SASB FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	<b>SUSTAINABLE FINANCE: MANAGING RISK: PAGES 50 - 55</b>	–

\*G4 Sector Supplement: Financial Services

**TOPIC-SPECIFIC DISCLOSURES (CONTINUED)**

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: TECHNOLOGY</b>			
103-1	Explanation of the material topic and its Boundary	<b>TECHNOLOGY: PAGE 45</b> Topic Boundary: Entities in CIMB including customers impacted by CIMB's operations	-
103-2	The management approach and its components	<b>TECHNOLOGY: PAGES 45 - 49</b>	-
103-3	Evaluation of the management approach	<b>TECHNOLOGY: PAGES 45 - 49</b>	-
Non GRI disclosure: SASB FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<b>TECHNOLOGY: PAGES 48 - 49</b>	-
<b>MATERIAL TOPIC: FINANCIAL LITERACY, INCLUSION AND WELL-BEING</b>			
103-1	Explanation of the material topic and its Boundary	<b>FINANCIAL INCLUSION AND WELL-BEING: PAGE 61</b> Topic Boundary: Entities in the organisation as well as customers and communities impacted by CIMB's operations	-
103-2	The management approach and its components	<b>FINANCIAL INCLUSION AND WELL-BEING: PAGES 61 - 63</b>	-
103-3	Evaluation of the management approach	<b>FINANCIAL INCLUSION AND WELL-BEING: PAGES 61 - 63</b>	-
Non GRI disclosure: SASB FN-CB-240a.4	Number of participants in financial literacy	<b>CORPORATE SOCIAL RESPONSIBILITY: PAGES 66 - 67</b> <b>PERFORMANCE DATA: PAGE 116</b>	-
Non GRI disclosure: SASB FN-CB-240a.1	Amount of loans outstanding qualified to programmes designed to promote small business and community development	<b>PERFORMANCE TABLE: PAGES 104 - 105</b>	Number of such loans

# GRI CONTENT INDEX

## TOPIC-SPECIFIC DISCLOSURES (CONTINUED)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: CORPORATE CITIZENSHIP AND VOLUNTEERISM</b>			
103-1	Explanation of the material topic and its Boundary	<b>CORPORATE SOCIAL RESPONSIBILITY: PAGE 64</b> Topic Boundary: Entities in the organisation as well as communities impacted by CIMB's operations and CSR activities	-
103-2	The management approach and its components	<b>CORPORATE SOCIAL RESPONSIBILITY: PAGES 64 - 73</b>	-
103-3	Evaluation of the management approach	<b>CORPORATE SOCIAL RESPONSIBILITY: PAGES 64 - 73</b>	-
203-1	Infrastructure investments and services supported	<b>PERFORMANCE DATA: PAGE 116</b>	-
413-1	Operations with local community engagement, impact assessments and development programs	<b>CORPORATE SOCIAL RESPONSIBILITY: PAGES 64 - 73</b> <b>PERFORMANCE TABLE: PAGE 116</b>	-
<b>MATERIAL TOPIC: GOVERNANCE</b>			
103-1	Explanation of the material topic and its Boundary	<b>CORPORATE GOVERNANCE: PAGE 74</b> Topic Boundary: Entities in CIMB impacted by CIMB's operations	-
103-2	The management approach and its components	<b>CORPORATE GOVERNANCE: PAGES 74 - 78</b>	-
103-3	Evaluation of the management approach	<b>CORPORATE GOVERNANCE: PAGE 78</b>	-
205-2	Communication and training about anti-corruption policies and procedures	<b>PERFORMANCE DATA: PAGE 113</b>	-
Non GRI disclosure: SASB FN-CB-510a.2	Description of whistleblower policies and procedures	<b>CORPORATE GOVERNANCE: PAGE 95</b> <b>CIMB GROUP WEBSITE</b> <a href="https://www.cimb.com/en/who-we-are/corporate-governance/code-of-conduct/whistle-blowing.html">https://www.cimb.com/en/who-we-are/corporate-governance/code-of-conduct/whistle-blowing.html</a>	-

**TOPIC-SPECIFIC DISCLOSURES (CONTINUED)**

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
<b>MATERIAL TOPIC: CORPORATE CULTURE</b>			
103-1	Explanation of the material topic and its Boundary	<b>CORPORATE CULTURE: PAGE 95</b> Topic Boundary: Entities in CIMB impacted by CIMB's operations	-
103-2	The management approach and its components	<b>CORPORATE CULTURE: PAGES 95 - 96</b>	-
103-3	Evaluation of the management approach	<b>CORPORATE CULTURE: PAGE 96</b>	-
Non GRI disclosure	Employee engagement score	<b>HEALTH, SAFETY &amp; WELL-BEING: PAGE 34</b>	
<b>MATERIAL TOPIC: SUSTAINABILITY AWARENESS AND PARTICIPATION</b>			
103-1	Explanation of the material topic and its Boundary	<b>STAKEHOLDER ENGAGEMENT &amp; ADVOCACY: PAGE 97</b> Topic Boundary: Entities in CIMB and key stakeholders impacted by CIMB's activities	-
103-2	The management approach and its components	<b>STAKEHOLDER ENGAGEMENT &amp; ADVOCACY: PAGES 97 - 101</b>	-
103-3	Evaluation of the management approach	<b>STAKEHOLDER ENGAGEMENT &amp; ADVOCACY: PAGES 97 - 101</b>	-
415-1	Political contributions	<a href="https://www.cimb.com/en/sustainability/stakeholder-engagement-and-advocacy-cimb.html">https://www.cimb.com/en/sustainability/stakeholder-engagement-and-advocacy-cimb.html</a>	-



# TCFD INDEX

Core Element	Recommended Disclosures	Page References
<b>Governance</b>		
Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities.	77, 80 - 81
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	78, 80 - 81
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	82 - 84
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	25 - 27, 56 - 60, 84 - 85
	c. Describe the resilience of the organisation' strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.	85 - 89
<b>Risk Management</b>		
Disclose how the organisation identifies, assesses and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	18, 90 - 92
	b. Describe the organisation's processes for managing climate-related risks.	25 - 27, 50 - 60, 80 - 81, 84 - 85, 93 - 94
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	25 - 27, 50 - 60, 80 - 81, 84 - 85, 93 - 94
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	94
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	94, 116 - 120
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	94

# PRB INDEX

## PRINCIPLES FOR RESPONSIBLE BANKING (PRB) REPORTING AND SELF-ASSESSMENT FOR YEAR 2021

In line with our commitments as a Signatory of the UNEP FI Principles for Responsible Banking (PRB), this is CIMB's third reporting and self-assessment on our implementation of the Principles. All information in this disclosure is referenced to the CIMB Group Sustainability Report 2021 (Report), unless stated otherwise.

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to 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 High-level description of your bank's business model</p>	<p>CIMB Group is a leading focused ASEAN bank headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and wealth management products and services. It is the second largest banking group in Malaysia and fifth largest by assets in ASEAN. As at the end of 2021, CIMB Group had around 33,000 employees and more than 18 million retail and institutional customers from 15 countries including Malaysia, Indonesia, Thailand, Singapore, Cambodia, Laos, Brunei, Vietnam, Myanmar, the Philippines, China and Hong Kong, the United Kingdom, India, Korea, as well as the United States of America. The Group has a market capitalisation of RM55.3 billion with total assets of RM621.9 billion as at 31 December 2021.</p>	<p><i>CIMB at a Glance, Page 3</i></p>
<p>1.2 Strategic alignment to society's goals</p>	<p>CIMB Group's purpose is to advance customers and society. This is embodied in our organisation's purpose statement, the Forward23+ strategy and our sustainability strategy and framework. Our sustainability philosophy is described in five key principles.</p> <p>We have identified eight highly material issues and a further five important topics based on our stakeholder engagements and our ability to impact.</p> <p>Our sustainability efforts are aligned with seven prioritised SDGs. We collaborate with peers and are committed to global initiatives, including the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB), and are a signatory to the Collective Commitment to Climate Action (CCCA) as well as the Net-Zero Banking Alliance (NZBA). We are committed to achieve net zero greenhouse gas (GHG) scope 1 and 2 emissions in our operations by 2030 and overall Net Zero GHG by 2050 (including scope 3 and financed emissions), in line with Nationally Determined Contributions (NDCs) and the 1.5 degrees scenario of the Paris Climate Agreement.</p>	<p><i>Forward: ASEAN's Sustainable Banking Agenda, Page 7</i></p> <p><i>Sustainability Principles, Pages 14 - 15</i></p> <p><i>Material ESG Matters, Page 18</i></p> <p><i>Our Roadmap, Page 19</i></p>

# PRB INDEX

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p><b>Principle 2: Impact and Target Setting</b>                      We will work to 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</p>	<p>Through CIMB's core businesses, we work with a diverse set of clients and industries primarily across ASEAN. CIMB's impact analysis is driven by multiple factors, including:</p> <ul style="list-style-type: none"> <li>• Our geographies of operation, with focus on Malaysia, Indonesia, Singapore, Thailand and Cambodia, which make up 99% of our revenue</li> <li>• Our stakeholders' material matters, and an internal assessment of our ability to impact them. Our stakeholder engagement process provides key input into our materiality analysis where we have identified our most significant positive and negative impacts</li> <li>• The nature and scale of our direct operational footprint in various markets, including impacts on stakeholders such as employees, suppliers and communities</li> <li>• The major sectors that we are exposed to through our business lending and capital market activities, including agriculture, construction &amp; real estate, oil &amp; gas, manufacturing, technology, financial institutions, utilities, as well as Small and Medium-sized Enterprises. We see our Wholesale and Commercial Banking segments as the most direct and impactful sectors we can influence through:                             <ul style="list-style-type: none"> <li>o <b>Risk Management:</b> Sector Guides have been implemented considering the level of risk in the sector, as well as our exposure to the sector</li> <li>o <b>Encouraging Positive Impact:</b> Our Green, Social, Sustainable Impact Products and Services Framework is designed taking into account the key needs and opportunities in our various markets</li> </ul> </li> <li>• The number and nature of individual customers in our core geographies. The focus here is in terms of both green and social products (financing, deposits, investments) as well as financial inclusion for disadvantaged communities (home ownership, vehicle ownership, access to credit, access to basic savings and opportunity to invest)</li> </ul>	<p><i>CIMB at a Glance, Page 3</i></p> <p><i>Material ESG Matters, Page 18</i></p> <p><i>Sustainable Finance, Pages 50 - 60</i></p> <p><i>Financial Inclusion, Page 61</i></p>

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
	<ul style="list-style-type: none"> <li>We support financial literacy programmes that empower youths and communities in the region. We also continue to support impacted individuals and businesses during pandemic including provision of financial relief assistance.</li> </ul> <p>Overall, taking into account the above, we judge that our two most important areas of impact are Climate Change and Financial Inclusion.</p>	<p><i>Championing Financial Literacy, Pages 66 - 67</i></p>
<p>Statement on fulfilment of the requirements regarding Principle 2.1: Impact Analysis</p>		
<p><b>Through the implementation of an in-depth stakeholder engagement and materiality assessment including analysis of our sector exposure and needs, the bank has fulfilled its requirements regarding impact analysis on its areas of positive and negative impact through our risk management approach and positive impacts framework.</b></p>		
<p>2.2 Target setting</p>	<p>In 2021, we continue to disclose our measurable indicators to track sustainability progress. Furthermore, two additional targets were included i.e. suppliers engaged and employees completed sustainability e-learning. We are reporting on these 17 targets.</p> <p>We have set a number of measurable targets/commitments to be achieved by 2024, including on:</p> <ul style="list-style-type: none"> <li><b>Sustainable Action:</b> GHG Scope 1 and 2 Emissions; Diversity &amp; Inclusion; Suppliers Engaged on Sustainability Issues</li> <li><b>Sustainable Business:</b> Relative Net Promoter Score; Clients with E&amp;S Action Plans; Clients Implemented E&amp;S Action Plans; Green, Social, Sustainable Impact Products &amp; Services; Financial Inclusion</li> <li><b>Community:</b> CSR Investments; Employee Volunteerism</li> <li><b>Governance:</b> Improvement in Governance scores; Material Issues Supported by Policy; Board Diversity</li> <li><b>Stakeholders:</b> Employees trained on Sustainability</li> </ul> <p>In addition, we have set a number of longer-term targets including:</p> <ul style="list-style-type: none"> <li>Net zero Scope 1 and 2 GHG emissions in our operations by 2030, overall Net Zero GHG by 2050 (including scope 3 and financed emissions), including exiting from coal entirely by 2040</li> <li>Mobilisation of RM30 billion of sustainable finance from 2021-2024, including financial inclusion</li> <li>Community investments of RM150 million from 2021-2025</li> </ul>	<p><i>Our Scorecard, Pages 20 - 22</i></p>
<p>Statement on fulfilment of the requirements regarding Principle 2.2: Target Setting</p>		
<p><b>The Bank has set and published targets on most key areas of material positive and negative impact and identified baseline years for measurement of progress. These targets have been developed to maximise potential positive impact and endeavour to minimise negative impacts.</b></p>		

## PRB INDEX

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>2.3 Plans for target implementation and monitoring</p>	<p>Our Sustainability Roadmap 2019-2024 outlines our near-term objectives and longer-term goals and commitments to raise awareness, build capacity and achieve impact. Our plans are underpinned by the targets laid out in our Sustainability Scorecard.</p> <p>Sustainability implementation is undertaken by Group Sustainability in partnership with business units and enablers, and is monitored by the Board, the Group Sustainability and Governance Board Committee (GSGC), the Group Transformation Committee (GTC), as well as the Group Sustainability Council (GSC). The Board Risk and Compliance Committee, the Audit Committee and the Group Nomination and Remuneration Committee also provide oversight on sustainability matters. The Sustainability Programme is tracked and monitored under the Forward23+ strategic transformation initiative and its robust governance structure.</p> <p>Sustainability KPIs are carried by the Group CEO as well as approximately 100 top management members in key countries, business units and enablers that contribute towards the advancement of sustainability in CIMB.</p> <p>We report our Sustainability progress to our stakeholders annually. Selected reported information for topics material to CIMB are subject to a limited independent assurance by KPMG PLT.</p>	<p><i>Sustainability Roadmap, Page 19</i></p> <p><i>Our Scorecard, Pages 20 - 22</i></p> <p><i>Governance of Sustainability, Pages 76 - 78</i></p> <p><i>Organisation-wide Sustainability KPIs, Page 78</i></p> <p><i>Statement of Assurance, Pages 142 - 146</i></p>
<p>Statement on fulfilment of the requirements regarding Principle 2.3: Plans for Target Implementation and Monitoring</p>		
<p><b>The Bank has developed a clear implementation roadmap, with sustainability KPIs that are linked to senior management compensation, and ensured that the governance structure encourages and provides oversight on progress towards achieving sustainability targets.</b></p>		

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
2.4 Progress on implementing targets	<p>In 2019, CIMB focused on laying the foundations of a sustainable bank, including developing governance and oversight structures, engaging with key internal stakeholders, collecting data on our operational footprint, and developing commitments, policies and procedures to operationalise sustainability. Subsequently in 2020, we focused on establishing KPIs and embarking on a target-setting exercise against baselines. Sustainability KPIs are carried by the Group CEO as well as approximately 100 top management members in key countries, business units and enablers that contribute towards the advancement of sustainability in CIMB.</p> <p>Our implementation progress in 2021 is summarised in the Sustainability Scorecard, with detailed discussions, examples and metrics discussed in the various sections of this Report.</p> <p>In particular, Climate Change is discussed in the following sections - Climate Change: Operational Emissions; Sustainable Finance: Managing Risks and Driving Positive Impacts through Green, Social, Sustainable Impact Products &amp; Services (GSSIPS) and Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>Financial Inclusion is discussed in the section on Financial Inclusion and Well-being.</p>	<p><i>Sustainability Roadmap, Page 19</i></p> <p><i>Our Scorecard, Pages 20 - 22</i></p> <p><i>Climate Change: Operational Emissions, Pages 25 - 27</i></p> <p><i>Sustainable Finance: Managing Risks, Pages 50 - 55</i></p> <p><i>Sustainable Finance: Driving Positive Impacts, Pages 56 - 63</i></p> <p><i>Task Force on Climate-related Financial Disclosures (TCFD) Index, Page 130</i></p> <p><i>Championing Financial Literacy, Inclusion and Well-being, Pages 61 - 63, 66 - 67</i></p>

Statement on fulfilment of the requirements regarding Principle 2.4: Progress on Implementing Targets

**The Bank has fulfilled the requirements regarding Progress on Implementing Targets through reporting on key indicators and performance data in 2021.**

# PRB INDEX

Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<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 Overview of the policies and practices to promote responsible relationships with its customers.</p>	<p>Our relationships with customers are governed through our sustainability principles and are guided by policies and procedures as shown below. Our customers are broadly divided between individuals and businesses that have different engagement priorities and material sustainability matters.</p> <p><b>Customer Experience</b> The Group Customer Experience Policies set out overarching principles and standards of our commitment to individual customer experiences. Our customer experience framework prioritises safeguarding the interests of customers while meeting regulatory requirements and manages risks arising from potential complaints and mishandling. Our Treating Customers' Fairly (TCF) principles are embedded in our processes and demonstrate our commitment to strengthen customer relationships on the basis of trust. Our Personal Data Protection Policy, Notice and Procedures (Privacy Policy) aims to safeguard our customers' data and privacy, with the Group Technology Risk Management Framework and Group IT Security Policy to enhance the cybersecurity culture within CIMB.</p> <p><b>Group Sustainability Policy</b> The Group Sustainability Policy (GSP) was rolled out in 2019 in Malaysia, Indonesia, Singapore, Thailand and the Philippines in 2020 and other international branches in 2021. The policy outlines the Group's approach to sustainability including risk management.</p> <p><b>Group Sustainable Financing Policy</b> The Group Sustainable Financing Policy (GSFP) lays out our commitment and approach to identifying, assessing, managing and mitigating risks arising from financing and capital raising activities of our non-individual clients. In 2021, the policy is fully implemented in Thailand, Cambodia, and international offices including Hong Kong, Shanghai and Labuan. Investment banking deals such as Initial Public Offerings (IPO) and bond/sukuk issuances were included in the policy coverage. The purpose of the GSFP is to integrate environmental and social considerations into CIMB's financing decisions, in order to manage risks arising directly or indirectly from CIMB financed clients and activities. Investment banking deals such as Initial Public Offerings (IPOs) and bond/sukuk issuances were included in the policy coverage since 2021.</p> <p><b>Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework</b> CIMB Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework provides a guide and an internal taxonomy for the Group to deliver impactful sustainable finance. In 2021, we embarked on the development of a user-friendly tool for our Relationship Managers. The tool provides clarity and guidance on the eligibility criteria for each focus area of our GSSIPS Framework, to help our frontliners identify financing and investment that support sustainable development, and mitigate the risk of greenwashing. The GSSIPS Framework is expandable, whereby additional focus areas could be added to cater to emerging needs and the national agenda. Moving forward, we aim to champion and strengthen our handprint via GSSIPS focus areas.</p>	<p><i>Engaging Stakeholders, Pages 16 - 17</i></p> <p><i>Customer Experience, Pages 39 - 44</i></p> <p><i>Data Governance, Privacy, Cybersecurity, Pages 48 - 49</i></p> <p><i>Group Sustainability Policy, Page 78</i></p> <p><i>Group Sustainable Financing Policy, Pages 50 - 55</i></p> <p><i>Sustainable Finance: Driving Positive Impacts, Pages 56 - 63</i></p>



Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>3.2 Description of how the bank has worked with clients and customers to encourage sustainable practices and enable sustainable economic activities.</p>	<p><b>Group Sustainable Financing Policy</b> CIMB's Group Sustainable Financing Policy (GSFP) lays out our commitment and approach to identifying, assessing, managing and mitigating risks arising from financing and capital raising activities of our non-individual clients.</p> <p>All financing and capital raising transactions for businesses (excluding SMEs), including annual reviews of financing facilities, are subjected to a Basic Sustainability Due Diligence (BSDD) by our Relationship Managers. Clients that are identified as exposed to high environmental or social risk are subject to an Enhanced Sustainability Due Diligence (ESDD), which is conducted by the Group Sustainability team. Clients who do not meet our requirements are asked to commit to time-bound action plans to meet our sector requirements, with progress checkpoints at least once a year.</p> <p>In 2021, we have conducted one-on-one engagements with financing clients from various sectors, specifically to discuss progress in relation to earlier-agreed sustainability action plans and CIMB's new policies and requirements in relation to topics such as NDPE and human rights. CIMB Group has also initiated a human rights risk assessment in among our financing clients across all geographies to gauge policies and measures that had been put in place by our clients to mitigate and address human rights risk.</p> <p>In 2021, a total of 417 transactions were subjected to in-depth due diligence on Environmental and Social risks, of which:</p> <ul style="list-style-type: none"> <li>• 2 cases were not recommended due to elevated sustainability risks</li> <li>• 52 cases were recommended with Action Plans</li> <li>• Additionally, 8 out of 9 clients (89%) with Action Plans due in 2021 completed them.</li> </ul> <p><b>Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework</b> The GSSIPS Framework includes coverage of all our banking services, including wholesale, commercial, SMEs and retail. CIMB developed the framework for Sustainability-linked Loans (SLLs) and as of end-2021, we had committed RM1.2 billion of the RM3.0 billion earmarked for SLLs until 2024. Other offerings for individuals, SMEs, and commercial clients are detailed in the Report, including green savings accounts and investment funds, sustainable financing for SME customers, financing for green homes and vehicles, and financial services for low-income and underbanked individuals, among others.</p>	<p><i>Group Sustainable Financing Policy, Pages 50 - 55</i></p> <p><i>Financial Inclusion Pages 61 - 63</i></p> <p><i>Sustainability Risk Engagement with Our Clients, Pages 54 - 55</i></p> <p><i>Enhanced Sustainability Due Diligence, Pages 52 - 53</i></p> <p><i>Sustainable Finance: Driving Positive Impacts, Pages 56 - 59</i></p>



Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
	<p><b>Role of Board of Directors</b> The Board is the highest governance body accountable for CIMB's sustainability strategy, material ESG issues, as well as opportunities and risks. The Group Sustainability and Governance Committee (GSGC) convenes on a quarterly basis, provides oversight on implementation of the Group's sustainability and climate change strategy. The committee also oversees the management of bribery, corruption and other related risks.</p> <p><b>Group Transformation Committee and Group Sustainability Council</b> The Group Transformation Committee (GTC) was established in 2020 to assist the Group Chief Executive Officer (Group CEO) in directing and steering CIMB's overall strategy, including sustainability, which is a key programme under CIMB's Forward23+ strategy.</p>	<p><i>Board-Level Accountability, Page 77</i></p> <p><i>Management Oversight of Sustainability, Page 78</i></p> <p><i>Our Scorecard, Pages 20 - 22</i></p>
5.2 Description of the initiatives and measures the bank has implemented or is planning to implement to foster a culture of responsible banking among its employees.	<p>Sustainability KPIs are carried by the Group CEO as well as approximately 100 top management members in key countries, business units and enablers that contribute towards the advancement of sustainability in CIMB.</p> <p>We continuously engage with teams across the Group to share perspectives on sustainability in the context of our business and CIMB's purpose of advancing customers and society. We continue to raise awareness and build technical capacity across divisions on sustainability and sustainable finance.</p> <p>In 2021, we have rolled out Group-wide targeted sustainability training for different levels of employees and the Board. We aim to have 95% of employees trained in sustainability by 2024 through the implementation of training for members of the Board, senior management, relationship managers and risk officers. We also continued expanding the Sustainability Champions group comprising of more than 200 employees across divisions and countries that advocate adoption of sustainability best practices. CIMB ACTS (Advancing #teamCIMB Towards Sustainability) is another internal programme that empowers employees to ideate and implement simple and impactful sustainability initiatives.</p>	<p><i>Organisation-wide Sustainability KPIs, Page 78</i></p> <p><i>Strengthening Internal Sustainability Capability, Page 98</i></p>

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Reporting and Self-Assessment Requirements	High-level Summary of Bank's Response	Reference(s)/ Link(s) to Relevant Information
<p>5.3 Governance structure for implementation of the principles</p>	<p>The Board is the highest governance body accountable for sustainability strategy around material Economic, Environmental, Social and Governance (EES&amp;G) issues, opportunities and risks, including but not limited to climate risks.</p> <p>Our targets have been disclosed in 2021 as part our Sustainability Scorecard where key reference points and indicators have been tied to quantitative and qualitative 2024 goals and commitments. Actions related to these targets are described in relevant thematic sections of this Report.</p> <p>Governance and oversight on these targets are described as part of our Forward23+ strategy and overseen by the Board, the Group Sustainability and Governance Board Committee (GSGC), the Group Transformation Committee (GTC) and the Group Sustainability Committee (GSC) with implementation by the Group Sustainability Division.</p> <p>Reporting on targets are tied to our disclosures that are guided by GRI Standards and selected performance indicators are externally assured.</p>	<p><i>Governance of Sustainability, Pages 76 - 78</i></p> <p><i>Our Scorecard, Pages 20 - 22</i></p>

Statement on fulfilment of the requirements regarding Principle 5: Governance Structure for Implementation of the Principles

**The Bank has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.**





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**Independent Limited Assurance Report to CIMB Group Holdings Berhad and its subsidiaries (“the Group”) on the Selected Sustainability Information for the year ended 31 December 2021 as published in the Sustainability Report 2021**

We, KPMG PLT (“KPMG”), were engaged by the Board of Directors of the Group to provide limited assurance on the Selected Sustainability Information, the (“Subject Matter”), listed below, for the year ended 31 December 2021 as published in the Sustainability Report 2021 (“the Report”), in the form of an independent limited assurance conclusion as to whether the Subject Matter is in all material respects in accordance with Global Reporting Initiative (“GRI”) Standards, as well as the Group’s definition and calculation methodologies which are disclosed in the Report including any significant inherent limitations, the (“Applicable Criteria”).

**Subject Matter**

The Selected Sustainability Information covered by our limited assurance engagement are:

- (i) Absenteeism Rate (%);
- (ii) Average Training Hours per Employee (no);
- (iii) Clients screened on Environmental & Social (E&S) Risks (no.);
- (iv) Female Management Representation in Revenue Generating Position (%);
- (v) Financial Literacy Awareness from Corporate Responsibility (CR) Programmes (%);
- (vi) Financing to B40 Communities (RM);
- (vii) GHG Emissions (Scope 1) (tCO<sub>2</sub>e);
- (viii) GHG Emissions (Scope 2) (tCO<sub>2</sub>e); and
- (ix) Total Energy Consumption (MWh)

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.





**CIMB Group Holdings Berhad and its subsidiaries**  
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The boundary of the limited assurance engagement by KPMG represents the Group's operations in Malaysia, Indonesia, Singapore, Thailand, and Cambodia ("MISTC"), except for the following indicators:

- Financial Literacy Awareness from Corporate Responsibility (CR) Programmes, covering operations in Malaysia and Indonesia;
- Clients screened on Environmental & Social (E&S) Risks, covering operations in Malaysia, Indonesia and Singapore;
- Financing to B40 Communities (RM), covering operations in Malaysia; and
- Total Energy Consumption (MWh) and GHG Emissions (Scope 1 and 2), covering operations in Malaysia and Singapore.

### **Board of Directors and Management's Responsibilities**

The Board of Directors and Management of the Group are responsible for the preparation and presentation of the Subject Matter in accordance with the Applicable Criteria, and the information and assertions contained within it; for determining the objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

The Board of Directors and Management of the Group are responsible for the prevention and detection of fraud and error mainly through the implementation and continued operation of an adequate system of internal control.

The Board of Directors and Management of the Group are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter and the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors and Management of the Group are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter and the Report; and (ii) allegations of or suspected fraud or dishonesty committed against the Group.

The Board of Directors and Management of the Group are responsible to make available to us draft the Subject Matter and the Report and any other information timely to facilitate the completion of the engagement within the required time frame.

The Board of Directors and Management of the Group are responsible for disclosing to us facts that may affect the Subject Matter and the Report, of which they may become aware during the period from the date of the assurance report to the date the Subject Matter and the Report are issued.





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## Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a limited assurance opinion based on the work performed and evidence obtained.

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 and ISAE 3410, Assurance Engagement on Greenhouse Gas Statements, as adopted by the Malaysian Institute of Accountants (“MIA”). ISAE 3000 (Revised) requires that we comply with the requirements of the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA including independence, and implement quality control procedures that are applicable to the individual engagement in accordance with the requirements of International Standard on Quality Control (“ISQC”) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* as adopted by the MIA and plan and perform our engagement to obtain limited assurance that nothing has come to our attention that causes us to believe that the Subject Matter, in all material respects, is not prepared in accordance with the Applicable Criteria.

We have complied with the independence and other relevant ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (*including International Independence Standards*) (“IESBA Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Those standards require that we comply with ethical requirements. We exercise professional judgement and maintain professional scepticism throughout the audit.

## Procedures Performed

Our limited assurance engagement on the Subject Matter consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matter presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Enquiries of management to gain an understanding of the processes for determining material issues for key stakeholder groups;
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the Subject Matter in the Report;
- Interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Identify the risks of material misstatement of the Subject Matter and the Report, whether due to fraud or error, design and perform limited assurance procedures to address those risks, and obtain limited assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



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- Obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Compare the Subject Matter presented in the Report to corresponding information in the relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- Evaluate the Subject Matter presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Group;
- Evaluate the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### **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.

### **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the limited assurance procedures performed and evidence obtained, as described above, nothing has come to our attention that would lead us to believe that the Subject Matter included in the Report of the Group for the year ended 31 December 2021, in all material respects, is not prepared in accordance with the Applicable Criteria.

### **Purpose of our report**

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for the Group and for no other purpose or in any other context.





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### Restriction of use of our report

Our report should also not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than CIMB Group Holdings Berhad, for any purpose or in any other context. Any party other than CIMB Group Holdings Berhad who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than CIMB Group Holdings Berhad for our work, for this report, or for the conclusion we have reached.

Our report is released to CIMB Group Holdings Berhad on the basis that it shall not be copied, referred to or disclosed, in whole (save for CIMB Group Holdings Berhad's own internal purposes) or in part, without our prior written consent.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya,

11 March 2022



Our Integrated Annual Report cover, featuring CIMB’s chevron, shows CIMB advancing as we help customers and society move Forward into the future. The hexagon on the cover of our Financial Statements depicts a firm foundation that supports our growth on multiple fronts. Finally, our Sustainability Report cover features a blue circle that represents our awareness of our place in and responsibility to a greater world.

Together the three covers of CIMB’s 2021 Integrated Annual Report convey our journey of moving Forward, achieving sustainable growth and delivering value for all stakeholders.



#### SIMPLICITY

We have gone sparse – replacing full scale and massive images with more icons, and limited the use of colours, keeping it rich.



#### CLEAN LINES

We optimised use of line-drawings, non-filled bar graphs/charts, and clean lines for clarity and visually more pleasing and easier to decipher.



#### MONOCHROMATIC COLOR PALETTE

By using a single base colour, and its variant shades and tones, we minimised the use of multiple colours that require more ink, with potential wastage.



#### MINIMAL ART

Our design this year balances between a clever play of space, creative design, and icons and tighter leadings and margins for text to reduce number of pages.



#### REDUCTIVISM

Where possible, we have avoided and reduced the need for heavy texts, fonts, and design elements including photographs etc.

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