

MOVING FORWARD WITH YOU

**SUSTAINABILITY
REPORT
2023**



PUBLISHED 2030 PARIS-ALIGNED TARGETS
for our Palm Oil and Power portfolios

page 50

COMPLETED CLIMATE SCENARIO ANALYSIS
proof-of-concept to quantify climate-driven
credit impacts

page 52

SET FINANCIAL INCLUSION TARGETS
to improve financial health of B40 customers
in Malaysia

page 92



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.

You too can contribute towards this. Did you know that the equivalent of **one football field of forest is cut down every second?**

Download the soft copy of CIMB's Integrated Annual Report, Financial Statements and Sustainability Report, instead of requesting for a hard copy.



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Our covers depict various moments in an individual's journey. Through the headline "**Moving Forward with You**", these covers showcase our commitment to helping individuals achieve their aspirations.



Integrated Annual Report

A daughter joyfully celebrates her graduation and hugs her mother. Her graduation symbolises growth, while her mother's unwavering support shines through their embrace. This moment is a shared journey of their

progress and resilience, and CIMB's commitment to moving forward hand in hand with you to support and celebrate every step of your journey.



Financial Statement

A small business owner beams with gratitude while completing a transaction with a customer. Their exchanged smiles symbolise shared success. This cover embodies progress, partnership, and the

fulfillment of aspirations – a partnership CIMB takes pride in as we continue to move forward with you.



Sustainability Report

A mother watches appreciatively as her family embraces sustainable practices. This cover portrays a family moving forward together towards a sustainable future with the aid of innovative banking solutions provided by CIMB.

These covers exemplify shared aspirations that connect our employees, customers, and communities, highlighting our commitment to fostering meaningful relationships and making a positive impact on society. Moreover, our covers celebrate #teamCIMB and their families. Each of the talents featured on our covers and inside layouts are our very own CIMB employees and their children, showcasing the diversity and talent within our organisation while emphasising our strong sense of community and EPICC values.

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View our report online and on-the-go at: <https://www.cimb.com/en/sustainability/sustainability-report-2023.html>
Other information about CIMB can be found on our website at www.cimb.com

About the CIMB Group Sustainability Report 2023

The CIMB Group Sustainability Report 2023 provides our stakeholders with a detailed view of our sustainability efforts, challenges and performance. We illustrate these in the way we address our material matters. Through this report, we also reflect on what we have done well and where we can improve. This allows us to continuously strengthen our approach in creating positive impacts and minimising any negative effects.

This report supplements the CIMB Group Integrated Annual Report 2023  and the information available on the Sustainability section of our website. 

COMPLEMENTARY RESOURCES

In this year's report, we aim for greater conciseness. For more detailed information, please click on the accompanying buttons.

 Takes you to CIMB or other websites where you can find more information online

 Navigates within the CIMB Annual Integrated Report and Sustainability Report 2023

Explore the interactive report with clickable buttons for easy navigation.

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SCOPE: REPORTING COVERAGE AND PRINCIPLES

All information disclosed in this statement covers the calendar year 1 January 2023 to 31 December 2023, unless otherwise stated. It covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia. We disclose four years of all quantitative information for relevant indicators, wherever feasible. As much as possible, we have applied the reporting principles of balance, comparability, clarity, completeness, reliability and accuracy. Our last report was published in March 2023.

REPORTING STANDARDS: AN ACCURATE ACCOUNT TO STAKEHOLDERS

This report is prepared with the aim of providing our stakeholders with meaningful disclosures to make well-informed decisions. It has been developed according to best practices and standards, adhering to international and local sustainability guidelines and frameworks. These include:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting (refer to pages 114 to 133 .
- Global Reporting Initiative (GRI) Standards 2021 (refer to pages 134 to 141 .
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations (refer to page 142 .
- The United Nations Environment Programme Finance Initiative Principles for Responsible Banking (refer to pages 143 to 164 .

We also benchmark our disclosures against the indicators of the S&P Global Corporate Sustainability Assessment, Sustainability Accounting Standards Board (SASB), and International Sustainability Standards Board (ISSB) – IFRS S1 and IFRS S2.

RELIABILITY: ASSURANCE OF QUALITY

We continuously review and deliberate on the degree of transparency and level of disclosure across various functions of the Group. The reporting framework, key updates and the Sustainability Report are presented, discussed, and approved in line with our sustainability governance framework. In strengthening the credibility of this Sustainability Report, selected sustainability indicators have been subjected to an independent assurance by KPMG PLT (KPMG) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The Subject Matter, Scope and Conclusion can be found in KPMG's limited assurance report set out on pages 165 to 167. 

FEEDBACK AND REVIEW FOR CONTINUOUS IMPROVEMENT

We are always looking for ways to improve our sustainability efforts and disclosures. We welcome all feedback, questions or suggestions on the CIMB Group Sustainability Report 2023.

Please contact:

Ms Luanne Sieh
Group Chief Sustainability Officer
sustainability@cimb.com

CIMB at a Glance

One of the top banks in ASEAN

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 December 2023, had over 33,000 staff and around 25 million customers.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has market capitalisation of RM62.4 billion as at 31 December 2023. As at 31 December 2023, total assets stood at RM733.6 billion, with total shareholders' funds of RM69.8 billion and total Islamic assets of RM205.7 billion. At the end of December 2023, the substantial shareholders were Khazanah Nasional Berhad with 23.0%, Employees Provident Fund with 12.3% and Kumpulan Wang Persaraan (Diperbadankan) with 6.0%.

LEADING

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

FOCUSED

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

ASEAN

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

Our Values

"Deliver impact together the right way"



E Enabling Talent

We enable and develop our people. We want to be the best place for the best talent.



P Passion

We pursue excellence in all we do and deliver beyond the ordinary.



I Integrity and Accountability

We act in an ethical and trustworthy manner. We take ownership of all our actions.



C Collaboration

We commit to team over individual success. CIMB's success is our success.



C Customer Centricity

We put customers at the heart of everything we do. We always do right by them.

Net Profit

RM6.98

Billion

Total Assets

RM733.6

Billion

Market Capitalisation

RM62.4

Billion

How we will win



Lead the market on **customer experience** and **service** for focused customer segments

Stay competitive in **providing value** to customers by becoming more efficient

Leverage our **ASEAN footprint** as a **differentiator** where relevant

Invest in **technology, digital and analytics** to lead on service, experience and value

Be **brilliant at the basics**; end to end risk management, controls, performance orientation

How we will compete



Universal in appeal:
Focus across all segments

Focused Bank:
Consumer and SME; high quality Wholesale

ASEAN focus:
ASEAN Wholesale and Preferred; niche in Commercial

Focused player:
ASEAN Wholesale and Preferred; niche in Consumer finance

Strong position:
Community-focused bank

Selective investments:
Digital attacker leveraging on partnerships to create a hedge for the future



CIMB at a Glance

Our Retail and Institutional Customers: Around



25 Million

Our Self-Service Access Points:



6,889

Our Retail Branches:

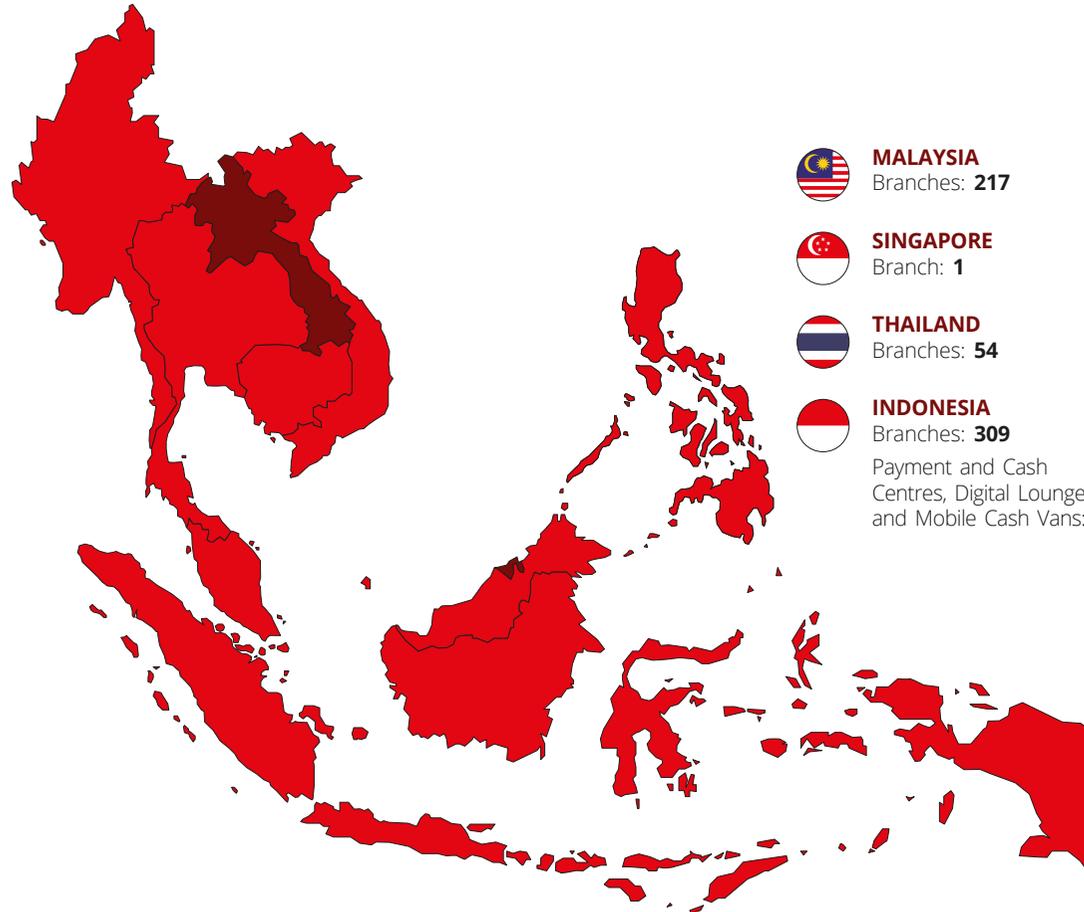


601

Our Workforce: Over



33,000



MALAYSIA
Branches: **217**



SINGAPORE
Branch: **1**



THAILAND
Branches: **54**



INDONESIA
Branches: **309**
Payment and Cash Centres, Digital Lounges and Mobile Cash Vans: **90**



PHILIPPINES
Branch/Office: **1**



VIETNAM
Branches/Offices: **2**



CAMBODIA
Branches/Offices: **14**



MYANMAR
Representative Office: **1**

OTHER MARKETS



GREATER CHINA
Branches: **2**
(Shanghai, Hong Kong)



UNITED KINGDOM
Branch: **1**

OUR PROFILE

CIMB BANK

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

CIMB INVESTMENT BANK

CIMB Investment Bank is a licensed entity offering curated advice and services to a number of client segments such as corporates, public sector, institutions and high-net worth individuals. CIMB Securities, which provides institutional stockbroking and equity research, is a wholly owned subsidiary of CIMB Investment Bank.

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.

OUR PRODUCTS AND SOLUTIONS



CIMB NIAGA

CIMB Niaga is the Group's banking franchise in Indonesia. It is the 2nd largest private bank and 7th largest bank in Indonesia by assets. CIMB Niaga offers a comprehensive portfolio of conventional and Shariah banking services in Indonesia with over 300 branches across the country.

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 8th largest bank in Thailand by assets, with 54 branches nationwide.

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 a digital bank model. It is today recognised as one of Vietnam's most innovative and emerging digital banks.

CIMB at a Glance

SUSTAINABILITY HIGHLIGHTS

- Established the Group Sustainability Department as a regional function
- Developed the Group Sustainability Policy, Group Sustainable Financing Policy, as well as Sector Guides for Palm Oil, Construction and Real Estate, Oil and Gas, and Forestry
- Founding signatory to The United Nations Environment Programme Finance Initiative Principles for Responsible Banking

- Established our board-level sustainability committee, the Group Sustainability and Governance Committee
- Committed to carbon neutrality (net zero GHG Scope 1 and 2 emissions in our operations) by 2030 and overall Net Zero GHG by 2050 (including Scope 3 financed emissions)
- Announced target to mobilise RM30 billion towards sustainable finance by 2024
- Committed to invest RM150 million over five years and 100,000 annual volunteering hours by 2024
- First ASEAN bank to join the Net-Zero Banking Alliance

2019

2020

2021

2022

2023

- Established the Group Sustainability Division and appointed a Group Chief Sustainability Officer
- Committed to no longer finance new coal-fired power plants and new thermal coal mines, and to phase out coal from our portfolio by 2040
- Developed the Green, Social, Sustainable Impact Products and Services Framework

- Established an Integrated Sustainability Operating Model which put full-time sustainability specialists and part-time champions within business units and enabling functions to drive sustainable finance from the forefront
- Developed the Group Human Rights Policy
- Established and published our Scope 3 Financed Emissions inventory
- Set 2030 Paris-aligned targets for Cement and Thermal Coal Mining portfolios
- Doubled our sustainable finance target to RM60 billion



Mobilised over **RM86.2 BILLION in GREEN, SOCIAL, SUSTAINABLE IMPACT** Products and Services since 2021. Tripled our sustainable finance target to **RM100 BILLION** by 2024



Published **2030 PARIS-ALIGNED TARGETS** for our Power and Palm Oil Portfolios. **FIRST BANK GLOBALLY** to announce Paris-aligned Net Zero targets for **PALM OIL**, and **FIRST IN MALAYSIA** for **POWER**



Launched Malaysia's first comprehensive **SUSTAINABILITY-LINKED FINANCING PROPOSITION** for SMEs



Set **FINANCIAL INCLUSION TARGETS** for low-income groups in Malaysia, with a goal to improve financial health and wellbeing



RANKED 12/150 among Financial Institutions, and **TOP FOR PALM OIL** for the strength and implementation of our commitments on our **DEFORESTATION AND HUMAN RIGHTS POLICIES** by Forest 500



INVESTED RM32.9 MILLION and **OVER 203,000 VOLUNTEER HOURS** in local communities



Achieved

CARBON NEUTRALITY IN SINGAPORE for our Scope 1 and 2 GHG emissions



Included in the S&P Global **SUSTAINABILITY YEARBOOK 2023**, with an achievement of **88TH PERCENTILE** in the S&P Global Corporate Sustainability Assessment



CIMB Investment Bank was the **TOP LEAD ARRANGER FOR ESG BONDS** in Malaysia by amount issued



AWARDS HIGHLIGHTS

Alpha Southeast Asia Deal and Solution Awards 2023

- Best ESG Green Financing Deal of the Year in Malaysia
- Best Sovereign Green Sukuk of the Year in Southeast Asia

Alpha SEA Best FI Awards 2023

- Best Bond House for Sustainable Finance in Malaysia

Asian Banking and Finance Wholesale Banking Awards 2023

- Domestic Sustainability Initiative of the Year in Malaysia
- Domestic Sustainability Initiative of the Year in Indonesia

The Asset Islamic Finance Awards 2023

- Best Green Sukuk in Indonesia
- Best Social Sukuk in Malaysia
- Best SRI Sukuk in Malaysia
- Best Sustainability Sukuk (Corporate) in Malaysia
- Best Sustainability Sukuk (SMEs) in Malaysia
- Best Sustainability Sukuk (Bank Capital) in Malaysia
- Best Sustainability Sukuk (Transport) in Malaysia

Asiamoney Asia Private Banking Awards 2023

- Best for ESG Investing in Malaysia

Asian Banking and Finance Retail Banking Awards 2023

- Banking for Women Initiative of the Year in Indonesia

National Annual Corporate Reward Awards (NACRA) 2023

- Gold in the Best Sustainability Reporting Award in Malaysia

PwC Malaysia's Building Trust Awards 2023

- Special Mention in PwC Malaysia's ESG Reporting Benchmarking Analysis

Sustainability Progress Report by Group Chairman and Group CEO

Dear Stakeholders,

At CIMB, we lead with a difference because we believe that the long-term prosperity of the communities we serve is intrinsically linked to the health of our planet. The stability of economies, the wellbeing and security of our customers and the legacy we leave for our future generations are material in every business decision we make.

The journey through 2023 has been marked by resilience and proactive engagement for CIMB Group. Amidst the headwinds of a global economic slowdown, heightened by regional unrest and the ripple effects of inflation, we have stood firm in our commitment to sustainability.

The extreme weather events we have encountered – from record-breaking heatwaves to devastating natural disasters causing crop failures, supply chain disruptions, and widespread economic hardship – tested our resolve, while amplifying the urgency for climate action. Yet, awareness and rhetoric are not enough. In September, the Global Stocktake Synthesis (Stocktake) report left no room for doubt – the world is falling short in limiting warming to 1.5 degree Celsius.

The Stocktake has underscored the interdependence of environmental health and economic stability, catalysing our efforts and fortifying our dedication to responsible banking. It has also united the international community in a shared mission. The Glasgow Financial Alliance for Net Zero's commitment to a low-carbon economy, the Kunming-Montreal Global Biodiversity Framework's biodiversity conservation goals and the EU Corporate Social Reporting Directive's push for transparent supply chains have all been pivotal in propelling our sustainability journey forward.

In ASEAN, the shift towards a sustainable future is gaining remarkable speed. Countries are setting out detailed plans

for energy transition. Concurrently, a wave of corporate consciousness is sweeping through our markets, evident in the increasing number of companies that are pledging to adopt science-based decarbonisation strategies and actively integrating these frameworks into their operations. These initiatives, reflective of a broader awakening to the urgent demands of climate stewardship, resonate deeply with CIMB's aspirations.

This collective wave of efforts regionally has provided strong tailwinds to help accelerate our Forward23+ sustainability strategy, which is built on CIMB's intrinsic motivation for environmental and social responsibility. Beyond just reaching our ambitious sustainability targets, we are surpassing them, often ahead of schedule. This progress is a testament to the robustness of our approach and the dedication of our teams. It signals to our stakeholders – customers, investors, partners and the communities we serve – that our commitment to sustainability is not just a promise; it is a guiding principle embedded in every decision we make and action we take.

We are pleased to share our key achievements over the past year.



We aim to expand our sustainable finance solutions guided by our GSSIPS framework as we strive to deliver net positive impact across ASEAN.

STRONG TRACTION IN SUSTAINABLE FINANCE

We made progress in advancing sustainable finance under our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. Having surpassed our target this year to mobilise RM60 billion by 2024, we are encouraged to raise the bar even higher. Our new 2024 sustainable finance target is now RM100 billion, more than triple our initial target announced in 2021.

In 2023, we mobilised RM32.4 billion in sustainable finance to support our clients in their journeys towards a low-carbon and sustainable economy. Financing was channelled towards improving operational efficiencies to reduce greenhouse gas emissions, ramping up energy transition measures, as well as investing in affordable housing, low-carbon transportation solutions and supporting our customers' aspirations for a more sustainable lifestyle.

We aim to expand our sustainable finance solutions guided by our GSSIPS framework as we strive to deliver net positive impact across ASEAN.

DRIVING AN EQUITABLE TRANSITION TO NET ZERO

Our sustainability journey in 2023 was marked by two key accomplishments that share a common thread – our commitment to an equitable and sustainable future, exemplifying how we are leading with a difference in the industry and fostering positive change that extends beyond our organisation.

First, we published an in-depth whitepaper which crystallises our Net Zero 2050 pathway in key sectors that we finance. “Our Path to Net Zero: Charting a Course to Decarbonisation” whitepaper  provides an overview of the approach and methodologies taken to set our 2030 Net Zero targets that are aligned to science-based pathways, in line with a 1.5 degree Celsius scenario, and outlines high-level transition strategies for our Palm Oil, Power, Coal and Cement portfolios.

Secondly, we made history as the first bank globally to set and publish a science-based decarbonisation strategy for Palm Oil and the first Malaysian bank to establish one for the Power sector. By 2030, we aim to reduce the emissions intensity in our Palm Oil and Power portfolios by 16% and 38% respectively.

We firmly believe that the required transition to a low-carbon world must be compatible with positive economic, environmental and social outcomes. Balancing inclusive development with broader environmental sustainability goals lies at the heart of our approach, to ensure that the wider benefits of our sustainability efforts can be distributed more equitably across society.

The commitment to a just transition is why we actively engage with our clients, seek partnerships with like-minded organisations and promote the necessity and benefits of decarbonisation to clients who have not yet embarked on their sustainability journeys.

EMPOWERING SMEs

Our sustainability efforts are geared towards inclusive development, with a focus on Small and Medium-sized Enterprises (SMEs), which make up over 90% of businesses and nearly half of the GDP in Southeast Asia. Recognising the vital role of SMEs in employment and economic development, we continue to encourage them to adopt sustainable practices, especially as large multinational companies now demand greater transparency in supply chains.

In 2023 we enhanced our GreenBizReady™ programme, which gives SMEs access to partners and resources to enhance their competitiveness and promotes cost savings through sustainable practices. We launched a Sustainability-Linked Financing programme specifically for SMEs in Malaysia, which provides financial incentives to encourage their sustainability disclosures and improve sustainability performance. As global businesses increase their accountability on human rights risks in their supply chain, we forged strategic partnerships to help SME clients with high potential human rights risks to increase their awareness and to address these risks with best practices.

Sustainability Progress Report by Group Chairman and Group CEO

ADVANCING FINANCIAL INCLUSION

Financial inclusion is a cornerstone of global sustainable development and a material matter for CIMB. Our presence in many ASEAN markets equips us with opportunities to build an inclusive financing ecosystem, ultimately reducing inequality from multiple perspectives.

Aligned with our commitment to the UN Principles of Responsible Banking, we have set ambitious targets to improve the financial health of prioritised groups. By 2026, our goal is to expand access to a range of wealth-building financial services, starting in Malaysia. We are actively working on setting similar targets for our other markets in 2024. Our dedication to advancing financial inclusion underscores our commitment to creating value for our stakeholders and fostering equitable development across the communities we serve.

KEEPING OUR CUSTOMERS SAFE

Safeguarding the security and trust of our customers has always been mission-critical at CIMB. As we continue to make banking simpler, better and faster, technology has become central to our mission. While it offers unparalleled convenience and efficiency, technology in the digital era also presents new and ever-evolving challenges. Our customers and the Bank itself are now exposed to increasingly sophisticated cyber threats and financial scams.

To this end, we have proactively implemented a robust suite of cybersecurity measures. These measures fortify our defences against unauthorised access to our customers' accounts and also empower our customers with greater control, enabling them to respond effectively and prevent potential scams. The tangible impact of these efforts is evident in the notable decline in reported cases of financial scams since the introduction of our enhanced security measures.



Our new 2024 sustainable finance target now stands at

RM100 BILLION



We mobilised

RM32.4 BILLION

in sustainable finance to support our clients in their journeys towards a low-carbon and sustainable economy in 2023

EMPOWERING OUR EPIC WORKFORCE

With over 33,000 dedicated individuals across the region, we prioritise the wellbeing and professional growth of our workforce. Our goal is to cultivate a workplace that promotes engagement, empowers success and prepares for the future. As we strive to achieve our purpose of becoming a high-performing, sustainable organisation that creates net positive impact for our customers and society, our employees are united by our EPICC values: Enabling Talent, Passion, Integrity, Collaboration and Customer Centricity.

We are committed to building a world-class workforce that delivers exceptional results. This year, we introduced three signature leadership programmes in collaboration with the best business schools in the world, such as the International Institute for Management Development Business School. These programmes cater to emerging leaders at all levels within the Group. Our aim is to nurture future leaders who will drive positive change and innovation for the greater good.

To build the required capabilities and to embed a sustainability mindset, we established the Sustainability Academy in 2022. In 2023, we built development trajectories for 10 roles that are pivotal to sustainable finance at CIMB. We also continued equipping our top and middle management, including Board members and over 500 key leaders across the Group, with specialised training through the Cambridge Institute for Sustainability Leadership. We aim to extend our training programmes in stages in 2024, reinforcing our vision of sustainability across every level of the organisation.

SUPPORTING LOCAL COMMUNITIES

As a banking leader in ASEAN, we have the responsibility as a corporate citizen to use our reach, resources and influence for good and to bring about wide-ranging impacts on communities in the markets where we operate. The commitment drives us to make a positive difference through our products and services. One such initiative is the CIMB Islamic EcoSave Savings Account-i. Since its inception in 2008, we have channelled over RM8 million ringgit towards environmental projects that impact local communities. This year, we expanded our efforts and onboarded our first partner in Sabah to work on protecting watersheds that supply water to the city of Kota Kinabalu, a metropolis with a population of over 250,000.

Through CIMB Foundation, the Group disbursed RM32.9 million in grants to community-based organisations and those in need. These grants support a wide range of programmes that drive meaningful social and environmental benefits. We focus our efforts where help is most needed, and where we are best placed to provide support. For example, one of our flagship programmes focuses on enhancing financial literacy among young adults and underserved communities – an essential life skill in today's digital economy.

Our commitment extends beyond financial support. We are humbled by the generosity of our employees who invest their time and effort into local causes in their own capacity. Across the region, our teams have contributed over 203,000 hours to local causes that are important to them.

Through our strategic partnerships and targeted initiatives, we strive to build a sustainable future where local communities flourish, with the businesses within them prioritising social justice and ethical business principles for the betterment of society.



In 2024, we will embark on the journey to develop our next six-year sustainability roadmap, which will lead us to 2030, when the Sustainable Development Goals are due to be achieved, marking a significant milestone towards achieving Net Zero by 2050.



EMBRACING THE JOURNEY AHEAD

Over the past four years, purpose-driven sustainability has been at the forefront of our Forward23+ strategic plan. We have celebrated numerous milestones along the way, but as we move forward, the expectations of our stakeholders will continue to increase, along with our own determination to do more. We recognise the urgent need for action as the climate crisis looms large, further exacerbating the state of other important planetary boundaries such as biodiversity and freshwater availability. Without effective intervention, we face the grim prospects of more displaced communities, rising sea levels and the severe disruptions caused by extreme weather. Such challenges will lead to economic slowdowns, affecting lives and supply chains alike. This is why we will continue to focus our efforts to enable and support the systemic changes needed to ensure a future where humanity continues to thrive.

In 2024, we will embark on the journey to develop our next six-year sustainability roadmap, which will lead us to 2030, when the Sustainable Development Goals are due to be achieved, marking a significant milestone towards achieving Net Zero by 2050. It is a moment to pause and reflect on how far we have come and to chart the course for scaling up and accelerating our efforts. We cannot express enough gratitude to our valued customers, dedicated employees, trusted vendors, and supportive business partners, regulators as well as investors, for their partnership on our sustainability journey. This is a journey that none of us can undertake alone, but together, we can make a difference that resonates farther and wider.

As we persist in actively catalysing and championing environmentally and socially-responsible practices within the Group and our spheres of influence, we eagerly look forward to working closely with our key stakeholders on this critical mission. Together, let us lead with a difference, creating meaningful, positive and impactful changes across ASEAN, enabling a brighter future for all.

Datuk Mohd Nasir Ahmad
Chairman

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

Doing Well by Doing Good



In October 2023, we welcomed Ms. Ho Yuet Mee as the new Chair of the Group Sustainability and Governance Committee (GSGC). In this interview, Ms. Ho shares her vision on sustainability for CIMB and provides a glimpse of what can be expected in the next leg of the Bank's contributions towards building a more resilient and sustainable world.

Q: AS THE NEW CHAIR OF GSGC, WHAT ARE YOUR ASPIRATIONS FOR THE ORGANISATION, AND WHAT WOULD THE GUIDING PRINCIPLES BE FOR YOURSELF AND CIMB?

First, I would like to thank and recognise the work of Ms. Teoh Su Yin, the first Chair of GSGC. Under her leadership, CIMB forged new ground in our sustainability journey, and we will miss her valuable insights and contributions.

I firmly believe that a company does well when it does good. I define "doing well" as growing in resilience and thriving in the complex and volatile landscape of today's business environment. This means the company grows from a foundation of having a clear organisational purpose and strategy that prioritises long-term value creation and safeguards the trust of our stakeholders. Resilience also means being able to resist immediate or short-term pressure to succumb to decisions that run counter to our long view perspective; instead, it necessitates us to look beyond nominal quarter-to-quarter numbers and examine our real progress through a long-term value-creation lens. This happens when environmental, social and governance dimensions, alongside economic factors, are key drivers in our decision-making processes across the organisation.

Having people whose personal values and goals are aligned with CIMB's is essential. In this increasingly interconnected and interdependent environment, a shared sense of purpose connects individual contributions to the overall mission of the organisation, which can foster a clearer sense of direction and potentially enhance job satisfaction. To do this, we need to have a strong ecosystem of robust corporate governance to establish the nurturing conditions necessary for everyone to move in-step in the right direction, in the right way, towards the same purpose. This includes ensuring that we have effective processes and structures in place. When our purpose, people, and culture are aligned, it establishes a foundation for a cohesive and purpose-driven workplace. We become more resilient.

Q: IN TODAY'S INCREASINGLY SUSTAINABILITY-FOCUSED BUSINESS ENVIRONMENT, WHAT DOES STRIKING A BALANCE BETWEEN BEING A GREAT COMPANY AND A COMPANY THAT IS GREAT AT ESG LOOK LIKE TO YOU?

The two are not mutually exclusive. They are both about investing in the long term and creating value for stakeholders. If you look at what makes a company great, the basic drivers are quality management, quality people, and quality leadership across the organisation that makes quality decisions. These are intangible assets that create long-term financial and social returns. That we must run our businesses sustainably – a critical element to sustain long-term value creation – is yet another driver in this variety of things that are important for running a great company.

The difference is sustainability is a new development in recent decades in response to our collective awakened consciousness to urgent issues such as extreme climate change, dramatic biodiversity loss, and continuing social inequities – giving rise to a whole body of language, science, nuances, approaches, and technical solutions. This focus is constructive as we now have a common frame of reference and can have more meaningful conversations about it with, for example, our clients and employees. But sustainability really should not be treated any differently from any other important intangible assets that affect both financial and social value, such as a strong company culture of integrity and innovative capability. This also implies that sustainability should be mainstreamed to become a ubiquitous consideration, just as how other key drivers of long-term value are considered by decision makers across an organisation.

Q: HOW DO YOU SEE THE GROWING EMPHASIS ON STAKEHOLDER ENGAGEMENT AS A PIVOTAL SUSTAINABILITY TREND THIS YEAR?

We have always acted knowing that stakeholder engagement positively contributes towards long-term meaningful impact. For plans to succeed, it is essential to have the buy-in of all

vested parties. This is particularly crucial in what we are trying to achieve at CIMB, which is to build a resilient organisation that can withstand the test of time for our shareholders and all other stakeholders. This requires a comprehensive and long-term view, which sometimes needs stakeholders to adjust their lenses to look beyond immediate returns.

We proactively search for and create opportunities to engage stakeholders on our vision, medium- and long-term goals and plans, as well as solicit their input. For example, our latest net zero interim target for Palm Oil, and the corresponding solutions, were set in discussion with our clients. We also have flagship calendar events such as The Cooler Earth Sustainability Summit and CIMB Group Investor Day to interact and exchange insights with our clients and industry colleagues. For our people, we hold regular town halls both locally and regionally, as well as create opportunities that encourage and empower bottom-up solutions to address improvement areas within the Bank, such as through the CIMB Innovator programme. We are also exploring ways to create stronger alignment to our shared purpose.

Q: WHEN IT COMES TO REGULATORY AND INDUSTRY DEVELOPMENTS, WHAT DO YOU SEE ON THE HORIZON THAT CAN IMPACT CIMB'S BUSINESS AND JOURNEY?

On the global level, the ISSB (International Sustainability Standards Board) has released the IFRS S1 and S2 standards as a common language to disclose sustainability risks and opportunities. In our Southeast Asian backyard, Bursa Malaysia and the London Stock Exchange Group are rolling out a new platform to allow companies to calculate the impact of their carbon emissions. The Indonesian Financial Services Authority has officially released regulations on carbon trading via the Indonesia Carbon Exchange, and Singapore is looking at making climate reporting mandatory for listed and large non-listed companies. These are just a few of several important developments in the immediate and medium-term horizon. We are examining and

monitoring them closely to ensure that our policies and practices are, accordingly, up-to-date.

Of particular interest to me, in part because of my own passion in the subject of biodiversity, are the final recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD) that were published in September 2023. The paper has emphatically stressed that nature must be considered "a core and strategic risk management issue, alongside climate change". I know that the implications are daunting, but this is a necessary move in the right direction that addresses shortcomings in accounting for the social and environmental externalities associated with biodiversity loss, resulting from underpricing of biodiversity risks and misinformed investment and policy decisions.

Q: WHAT ARE SOME OF THE OPPORTUNITIES AND CHALLENGES THAT YOU HAVE IDENTIFIED FOR 2024 AND HOW DO YOU SEE CIMB ADDRESSING THEM?

One thing that continues to stand out is that there are many businesses – large and small – which are keen to embark on the decarbonisation process but lack the knowledge on how to do so. Financial institutions such as CIMB sit in a unique position, directing capital across the real economy. We can meaningfully direct and leverage our influence to work with these companies to encourage science-based Net Zero transitions and provide the necessary financial support. To advance this, CIMB has in the past year, prioritised and published sector specific guidelines for sectors with high sustainability risks to enable us to have more comprehensive engagements with our clients on their transition plans and financing requirements. We expect this will also spur innovation in financial structures that can better serve our clients' particular needs as they progress on their unique transition journeys.

One area I would like to see continued attention on is financial inclusion and health. We are all aware that in recent years, inflation has been soaring and real wages

falling, resulting in the cost-of-living crisis hitting hardest the most vulnerable segments in our society. I am pleased that CIMB is doing our part to help shape a just transition. We have programmes such as GOpinjam, GOinvest and GO+ to assist the affected populations take that step up the rung of financial mobility. Crucially too, a key advantage CIMB possesses is our vast network distribution reaching grassroot communities throughout the region. Our branches have the capability to engage more with local communities, fostering inclusivity in accessing financial knowledge and products. Supporting communities in need to gain essential financial literacy and access fair products is crucial for creating a more equitable playing field.

On the macro level, the issue of global warming is now at a stage of urgency. While a lot is being done on curbing emissions, experts suggest that the world collectively will not be able to limit global warming to the recommended 1.5 degrees Celsius above pre-industrial levels. Is this because we have not yet taken appropriate action to protect and restore nature? We know biodiversity and ecosystem services underpin many aspects of economic activity, yet they are deteriorating at an unprecedented level, with potentially far-reaching implications for economies worldwide. To drive critical protection and management of our biodiversity and ecosystem services, it is estimated that there is currently a biodiversity financing gap of around US\$700 billion a year. Hence, I nurse a hope to see a greater trend of private finance working together with multilateral banks and with the support of governments and regulators in this respect. I see the release of TNFD's recommendations as a catalyst for this endeavour. Just as how CIMB has made reasonably good progress in the Net Zero journey thus far, I am confident that CIMB will step up to contribute meaningfully to mobilise private finance for nature in our biodiverse region.



Ms. Ho Yuet Mee

Chairperson, Group Sustainability and Governance Committee

CIMB's Sustainability Framework and Approach

SUSTAINABILITY PRINCIPLES AND STRATEGY

At CIMB, we embrace our pivotal role in sustainability, understanding that our influence extends beyond our own efforts to empowering our clients and all our stakeholders towards positive change. Our commitment is to lead by example, encouraging practices that reduce harm and enhance wellbeing; this, we believe, is the true essence of creating a net positive impact. Beyond envisioning a better tomorrow, we actively build it, uplifting our customers, communities, and the environment along the way. Together, we are rewriting the narrative for prosperity. #ThankYouFromTomorrow for joining us in illuminating a sustainable path forward.

The following five principles guide our sustainability efforts:



These principles guide our commitments to driving sustainable finance and global development, which are aligned with the United Nations Sustainable Development Goals (SDGs) where we can have the most influence. We have mapped out our seven priority SDGs to which our material matters and corresponding policies and programmes, in particular, our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, are aligned.



SUSTAINABLE ACTION

How we embed sustainability principles into all our business operations and processes to reduce our negative impact, such as carbon footprint, while generating positive impact through our business

SUSTAINABLE BUSINESS

How we generate profits in a responsible manner, creating a net positive impact through the products and services we provide, and by assisting and encouraging our customers and clients on their own sustainability journeys

CORPORATE CITIZENSHIP

How we use a portion of our profits to enhance and contribute towards sustainable long-term positive impacts in the communities around us

STAKEHOLDER ENGAGEMENT AND ADVOCACY

How we champion, engage, build capability and capacity, raise awareness and drive participation for sustainability, both internally and externally

GOVERNANCE AND RISK

How we govern and report sustainability risks, including setting targets and tolerance levels, and how we organise and mobilise ourselves for the best results

SUSTAINABILITY RISK MANAGEMENT FRAMEWORK

SUSTAINABILITY GOVERNANCE

ENTERPRISE-WIDE RISK MANAGEMENT

HEADLINE COMMITMENTS



Top Quartile on S&P Global Corporate Sustainability Assessment



Climate Change

- Achieve net zero operational GHG emissions (Scope 1 and 2) by 2030
- Achieve Net Zero for all Scopes (including financed emissions) by 2050



Responsible Banking

- No new financing of greenfield thermal coal mines and coal fired power generation and to exit thermal coal by 2040; No Deforestation, No Peat and No Exploitation commitment required for clients in Palm Oil and Forestry (including Rubber)
- Mobilise RM100 billion of sustainable finance from 2021 to 2024



Social impact

- Increase the number of vulnerable¹ customers with insurance and wealth-building products
- Invest RM150 million in communities from 2021 to 2025
- Contribute 100,000 hours annually in employee volunteer activities to proactively impact lives, communities and businesses

¹ Economically vulnerable customers in the bottom 40% of Malaysia's population, in terms of income.

CIMB's Sustainability Framework and Approach

STAKEHOLDER ENGAGEMENT

The trust our stakeholders place in us forms the foundation for creating enduring shared value, making them integral to every step of our sustainability journey. We actively involve and solicit feedback from a diverse range of individuals and groups – from employees and customers to investors and regulators – to inform our strategies and initiatives. Guided by a robust engagement framework, this approach equips us with keen insights for crafting relevant programmes and solutions that address their concerns, whether they are environmental, social, economic, or governance-related.

<div data-bbox="114 443 188 517"></div> <div data-bbox="197 459 365 491">CUSTOMERS</div> <div data-bbox="405 451 555 475"><i>Frequency: Daily</i></div> <div data-bbox="136 531 327 560">How we engage</div> <ul data-bbox="129 568 633 767" style="list-style-type: none"> • Annual and post-interaction surveys • Frontline channels, including Relationship Managers, call centres, branches and social media • Feedback and complaints mechanisms • Ongoing customer appreciation initiatives • Regular and timely customer updates via communication channels such as SMS, emails and other informational materials 	<div data-bbox="696 531 853 560">Issues raised</div> <ul data-bbox="689 568 1142 767" style="list-style-type: none"> • Overall customer experience • Performance reliability of digital platforms • Data privacy, cybersecurity and scams • Expansion of sustainable finance products • Access to finance • Financing terms • Addressing GHG emissions, including Scope 3 financed emissions from our clients 	<div data-bbox="1254 531 1480 560">How we responded</div> <ul data-bbox="1247 568 2011 743" style="list-style-type: none"> • Improved stability of Clicks and BizChannel • Reengineered processes for a faster turn-around time • Enhanced security features on digital channels • Increased customer education and awareness on scams • Broadened our suite of sustainable finance products and services • Leveraged data analytics to ensure solutions provided are relevant and effective • Hosted client engagement events to support their sustainability initiatives
<div data-bbox="114 791 188 865"></div> <div data-bbox="197 807 358 839">EMPLOYEES</div> <div data-bbox="405 799 555 823"><i>Frequency: Daily</i></div> <div data-bbox="136 879 327 908">How we engage</div> <ul data-bbox="129 916 645 1195" style="list-style-type: none"> • Employee engagement and appreciation events • Regional town halls, skip-level meetings and targeted group engagements with Group CEO and Group EXCO members • Quarterly market-specific town halls and department meetings • Organisation-wide surveys such as the Organizational Health Index (OHI) survey and mid-year Pulse survey • Performance reviews and regular check-ins between employees and supervisors • Employee unions engagement sessions 	<div data-bbox="696 879 857 908">Issues raised</div> <ul data-bbox="689 916 1153 1118" style="list-style-type: none"> • Corporate culture, values and leadership • Workplace wellness • Diversity and Inclusion • Compensation and benefits • Talent attraction, growth and retention • Improvements in internal processes and technological enablement • Labour rights, including freedom of association 	<div data-bbox="1254 879 1480 908">How we responded</div> <ul data-bbox="1247 916 2056 1246" style="list-style-type: none"> • Launched the CIMB Signature Leadership Programmes • Structured culture cascade through leadership and Change Agent Network • Launched thematic EPICC communications campaign to raise regional awareness across various platforms • Embedded EPICC values into performance management for leaders and employees • Continued to offer mental health services through a partnership with a digital healthcare provider • Introduced benefit enhancements and flexible benefits • Reviewed succession pipelines and provided Diversity and Inclusion training for managers • Rolled out OHI action plans at country levels • Undertook various projects to simplify and improve internal processes and employee experience
<div data-bbox="114 1270 188 1343"></div> <div data-bbox="197 1286 344 1318">SUPPLIERS</div> <div data-bbox="405 1278 584 1302"><i>Frequency: Monthly</i></div> <div data-bbox="136 1358 327 1386">How we engage</div> <ul data-bbox="129 1394 400 1498" style="list-style-type: none"> • Procurement processes • Virtual focus groups • Performance evaluations • Seminars and conferences 	<div data-bbox="696 1358 857 1386">Issues raised</div> <ul data-bbox="689 1394 1075 1522" style="list-style-type: none"> • Partnerships for growth • Fair remuneration and payment terms • Vendor Code of Conduct (VCOC) • Seamless procurement system • Cybersecurity and data privacy 	<div data-bbox="1254 1358 1480 1386">How we responded</div> <ul data-bbox="1247 1394 2011 1474" style="list-style-type: none"> • Held events to improve awareness and engage suppliers on sustainability issues • Ongoing requirement for new vendors to acknowledge the VCOC • Incorporated sustainability criteria into the procurement process



REGULATORS

Frequency: Quarterly

How we engage

- One-on-one engagements with regional regulators
- Audits, reviews, and regular updates, such as on Composite Risk Rating matters
- Group engagement sessions such as Bank Negara Malaysia (BNM) town hall with financial institution CEOs
- Participation in industry initiatives, such as the Joint Committee on Climate Change (JC3) and its various sub-committees
- Working groups and consultation forums such as the CEO Action Network

Issues raised

- Driving the sustainable finance ecosystem
- Sustainability-related guidelines, such as the Value-Based Intermediation and Investment Impact Assessment Framework (VBIAF) Sectoral Guides
- Climate Risk management, including alignment with the relevant policies issued by financial regulators
- Biodiversity risks and impacts to the financial system
- Financial inclusion, upskilling and enhancing income generation for micro-entrepreneurs
- Financial crime, scams, cybersecurity and privacy
- Fair dealing and conduct
- Technology and customer experience
- Governance and ethics
- Risk management and business resilience

How we responded

- Actively involved in JC3 and its subcommittees, including the CCPT Implementation Group. Co-Chair for JC3 SC1 Transition Risk Working Group and JC3 SC2 on Governance and Disclosures
- Member of the Climate Change Advisory Panel and Business Advisory Group of the Implementation of the National Policy on Biological Diversity to the Ministry of Natural Resources and Environmental Sustainability, and Consultative Group for the Advisory Committee on Sustainability Reporting
- Supported the development of VBIAF Sectoral Guide on Agriculture, Forestry and Fishing
- Supported BNM and the Securities Commission Malaysia in profiling sustainable finance in Malaysia at the UNFCCC Conference of Parties (COP28)
- Piloted CIMB Islamic Rider Entrepreneur Programme with grants matched by BNM iTekad wakaf and zakat wakalah funding sources
- Provided quarterly updates to BNM on Climate Risk Management and Anti-Money Laundering
- Established the Fraud Mitigation and Security Enhancement Programme to ensure compliance with BNM's fraud countermeasure requirements



INVESTORS

Frequency: Quarterly/Annually

How we engage

- Quarterly financial results briefings
- Investor roadshows
- One-on-one investor engagements
- Annual Sustainability Investor Day
- Annual General Meetings
- ESG and credit rating agencies

Issues raised

- Governance and ethics
- Risk management and business resilience
- Climate change targets, strategy, portfolio-level physical and transition risks and related disclosures
- Biodiversity and human rights risks and safeguards
- Sustainable finance goals and approaches
- Engagement approach with high sustainability risk clients and related sector requirements

How we responded

- Conducted gap analysis against IFRS S1 and S2 requirements
- Published a comprehensive whitepaper on decarbonisation plans, detailing sector-specific pathways for four key sectors
- Announced 2030 climate targets for Palm Oil and Power portfolios
- Developing a biodiversity strategy and roadmap
- Organised engagement sessions with investors and analysts, including dedicated sessions on sustainability and climate change



COMMUNITY/NGOs/CIVIL SOCIETY

Frequency: Monthly

How we engage

- One-on-one meetings and consultations
- Participation in forums
- Community partnerships
- Donations and sponsorships
- Employee volunteerism activities

Issues raised

- Financing sectors with potential impact on climate change and biodiversity
- Opportunities for financing innovation to support conservation and financial inclusion
- Financial inclusion and literacy
- Community development
- Human rights risks
- Programme scalability and lack of funding
- Ensuring more effective mobilisation of funds for conservation

How we responded

- Enhanced transparency in due diligence for financing high-risk sectors
- Collaborated with NGOs to develop our Net Zero pathways
- Participated in NGO engagements and benchmarking exercises
- Developed curated social finance programmes with state religious authorities to benefit "AsnafPreneurs"
- Significantly increased employee volunteerism, with over 203,000 volunteer hours recorded in 2023
- Conducted engagements with employees, high-risk clients, and suppliers to address human rights risks
- Increased conservation projects funded in line with EcoSave-i with new partners and NGOs
- Worked with new conservation partners to deliver a comprehensive positive impact for conservation areas across Malaysia
- Established end-to-end monitoring and funding mechanisms to ensure sustained programme performance with respective religious authorities

CIMB's Sustainability Framework and Approach

MATERIAL MATTERS

The environment, society and economy are continuously evolving, and with that, what it means to be a responsible bank is also changing. As a leading ASEAN bank, we are driven by our commitment to our key stakeholders – shareholders, customers, and society at large – to evolve together towards a future that benefits all. To do this, one of our key approaches is to identify the material economic, environmental and social matters for our organisation. Central to our approach is the concept of double materiality. This is where we consider the potential direct and indirect impacts of our activities on society and the environment, as well as the potential impact of societal and environmental matters on our business.

We identify our material matters through regular comprehensive materiality assessments, underpinned by inputs from our stakeholders. These critical matters inform our strategy to drive the Group's long-term value creation and competitiveness. They serve as the bedrock on which we build our sustainability strategy as a leading ASEAN bank. Our 2022 materiality refresh and the methodology used is detailed on our website [🔗](#), and we are planning to conduct a comprehensive review of our material matters in 2024.

Click on each material matter for information on why each matter is important, the key risks and opportunities associated with each matter, as well as our long-term approach to managing the issue. Our material matters are numbered based on their prioritisation within the Bank.

1 SUSTAINABLE AND RESPONSIBLE FINANCE [🔗](#)

Delivering products and services to support people, businesses and activities that create positive impacts on society, from economic, environmental and social perspectives. Managing risks and potential negative impacts arising from the activities that CIMB finances, including impacts on environment, society and the economy in general.

2 GOVERNANCE AND ETHICS [🔗](#)

Strengthening our value proposition and ability to deliver returns to investors and shareholders. Allocating resources strategically and reinforcing our ability to plan and achieve resilient value creation. Reinforcing a healthy culture of ethics, integrity and transparency throughout the organisation.

3 CYBERSECURITY AND DATA PRIVACY [🔗](#)

Safeguarding CIMB's data and systems, as well as customers' data and privacy. Protecting customers from fraud and scams.

4 FINANCIAL INCLUSION AND LITERACY [🔗](#)

Providing access to affordable financial services, and improving financial literacy and health, especially among disadvantaged communities.

5 RISK MANAGEMENT AND BUSINESS RESILIENCE [🔗](#)

Implementing controls to manage CIMB's risk exposure, meet regulatory expectations and mandate, as well as ensure commercial sustainability. Adapting to emerging trends to maintain business resilience and economic performance.

6 DIGITALISATION AND INNOVATION [🔗](#)

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

7 HUMAN RIGHTS [🔗](#)

Upholding international human rights laws and standards. Promoting fair labour practices and fair treatment of communities.

8 CLIMATE CHANGE [🔗](#)

Taking action to achieve Net Zero overall GHG emissions by 2050, managing climate-related risks and opportunities, while contributing to national and global climate goals.

9 DIVERSITY AND INCLUSION [🔗](#)

Providing and promoting equal, fair and inclusive opportunities, regardless of gender, age, background, beliefs, ethnicity, skill and abilities.

10 CUSTOMER EXPERIENCE [🔗](#)

Engaging in responsible marketing and fair dealing practices to strengthen customer trust. Going the extra mile for our customers and delivering excellent customer experience that builds long term relationships.

11 BIODIVERSITY AND ECOSYSTEM INTEGRITY [🔗](#)

Integrating biodiversity and nature (including waste and water management) considerations into financing and other business decisions.

12 TALENT ATTRACTION, GROWTH AND RETENTION [🔗](#)

Attracting and nurturing the right talent to future-proof the organisation and its business. Implementing effective mechanisms to retain talent for business continuity, productivity, performance and competitiveness.

13 CORPORATE CITIZENSHIP [🔗](#)

Supporting regional and national policies to reduce poverty, building sustainable communities. Implementing CSR initiatives that contribute to Environmental, Economic and Social (EES) wellbeing as well as address the needs of stakeholders.

- ECONOMIC
- ENVIRONMENTAL
- SOCIAL

OUR SCORECARD

CIMB's sustainability progress is charted and tracked through a series of value-creation indicators. We are committed to setting clear and quantifiable targets where feasible, complemented by qualitative commitments where numbers alone cannot capture our ambitions.

Our scorecard is aligned to our Forward23+ strategic plan, our Sustainability Roadmap 2019-2024 and support national priorities as well as relevant UN SDGs. Our targets have undergone extensive deliberations at the management and board committees that govern sustainability at CIMB.

In 2023, we refined our scorecard to reflect new material matters such as Human Rights. Additionally, over the coming months, we will be working to develop the next phase of our sustainability strategy, and will be revamping our scorecard as part of that strategic exercise.

SUSTAINABLE ACTION	Success Measures	2019 Baseline	2023 Performance	2024 Goals and Commitments
<p>Material Topics:</p> <ul style="list-style-type: none"> • Climate Change • Diversity and Inclusion 	Climate Change			
	GHG emissions reduction (Scope 1 and 2)	104,254 tonnes CO ₂ e ¹	Net GHG emissions of 77,081 tonnes CO ₂ e, reduction of 26% from baseline	25% reduction from 2019 baseline; net zero by 2030
	Diversity and Inclusion			
	Women in leadership (GCEO-2 level and above, and Key Management employees)	38% women in leadership (2020 baseline)	38%	45% women in leadership
	Gender pay gap	Overall 1.00 (M) : 1.01 (F); Key Management 1.00 (M) : 1.00 (F); Senior Management 1.00 (M) : 0.97 (F); Middle Management 1.00 (M) : 0.94 (F); Junior Management 1.00 (M) : 1.06 (F); Non-Management 1.00 (M) : 0.99 (F) (2020 baseline, Malaysia only)	Overall 1.00 (M) : 1.01 (F); Key Management 1.00 (M) : 0.91 (F); Senior Management 1.00 (M) : 0.97 (F); Middle Management 1.00 (M) : 0.98 (F); Junior Management 1.00 (M) : 1.05 (F); Non-Management 1.00 (M) : 1.00 (F) (Malaysia, Indonesia, Singapore, Thailand)	CIMB is committed to reducing the gender pay gap

¹ The baseline was restated using the latest available emission factors.

CIMB's Sustainability Framework and Approach

SUSTAINABLE BUSINESS

Material Topics:

- Customer Experience
- Digitalisation, Cybersecurity and Data Protection
- Sustainable and Responsible Finance
- Financial Inclusion and Literacy
- Climate Change



Success Measures	2019 Baseline	2023 Performance	2024 Goals and Commitments
Customer Experience			
Relative Net Promoter Score (NPS) compared to peers	Top 48%	Within 69%	Top quartile (25%)
Digitalisation, Cybersecurity and Data Protection			
CIMB Clicks ¹ Uptime	99.45%	99.74%	Continued increased uptime
CIMB BizChannel ¹ Uptime	99.86%	99.95%	
Sustainable and Responsible Finance			
CIMB financing clients with Environmental and Social (E&S) action plans	11 clients with new action plans	57 clients with new action plans	To measure and report progress annually
Clients that implemented E&S action plans	None, as E&S action plans were only due from 2020 onwards	84.2% of clients successfully completed E&S action plans due in 2023	To measure and report progress annually
Green, Social, Sustainable Impact Products and Services (GSSIPS)	Not measured	RM86.2 billion from 2021-2023	RM100 billion mobilised from 2021-2024
Financial Inclusion and Literacy			
Vulnerable ² customers with insurance and wealth-building products	352k customers (2022 baseline)	358k customers	378k customers in 2026
Vulnerable ² customers with products beyond savings accounts ³	492k customers (2022 baseline)	508k customers	560k customers in 2026
Climate Change			
Reduction in financed emissions (Scope 3)	13,811 ktCO ₂ e for nine carbon-intensive sectors, covering 61% of total gross financing ⁴	16,478 ktCO ₂ e for nine carbon intensive sectors, covering 55% of the Group's financing and investment portfolios ⁵	To measure and report progress annually towards Net Zero by 2050
	Established sectoral baselines ⁴ : <ul style="list-style-type: none"> • Cement: 0.72 tCO₂e/t cement • Thermal Coal Mining: 100% portfolio exposure 	Sectoral performance ⁵ : <ul style="list-style-type: none"> • Cement: 0.64 tCO₂e/t cement i.e., 11% reduction from baseline • Thermal Coal Mining: 63% portfolio exposure i.e., 37% reduction from baseline • Power: 439kgCO₂e/MWh⁶ • Palm Oil: 1.81 tCO₂e/tCPO⁶ 	By 2030: <ul style="list-style-type: none"> • Cement: 0.46 tCO₂e/tcement • Thermal Coal Mining: 50% reduction in portfolio exposure • Power: 272kg/CO₂e/MWh • Palm Oil: 1.52 tCO₂e/tCPO

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

² Economically vulnerable customers in the bottom 40% of the Malaysian population, in terms of income.

³ Excluding credit cards and personal loans.

⁴ As at FY2021.

⁵ As at FY2022.

⁶ New baselines established in 2023.

CORPORATE CITIZENSHIP

Material Topics:

- Corporate Citizenship



Success Measures	2019 Baseline	2023 Performance	2024 Goals and Commitments
Corporate Citizenship			
CSR investments disbursed	RM45.8 million ¹	RM32.9 million ²	To disburse RM150 million over five years, from 2021 to 2025
Employee volunteer hours	6,580 hours	203,245 hours	100,000 hours annually in employee volunteerism

¹ Total approved.
² Total disbursed. Starting in 2021, we have updated our reporting definitions to align more closely with the impact created.

GOVERNANCE AND RISK

Material Topics:

- Governance and Ethics
- Human Rights



Success Measures	2019 Baseline	2023 Performance	2024 Goals and Commitments
Governance and Ethics			
Material issues supported by policy commitments	9 out of 14 (64%) of material issues supported	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) ³	Score of 58 (based on 2018 performance)	Score of 84 (based on 2022 performance, improved by 44% vs 2019 baseline)	30% improvement from 2019 baseline
Female representation on the Board ⁴	11%	33%	At least 30%
Human Rights			
Clients that implemented action plans related to human rights	None, as our Human Rights policy and requirements were established in 2022 ⁵	83% of clients successfully completed action plans related to human rights due in 2023	75% of clients successfully completing action plans related to human rights due in 2024

³ Includes Anti-Crime Policy and Measures, Risk and Crisis Management, Codes of Business Conduct, Tax Strategy, Corporate Governance, Information Security/Cybersecurity and System Availability, Privacy Protection.
⁴ CIMB Group Holdings Berhad.
⁵ Human Rights requirements were introduced to clients in 2022 following the establishment of CIMB Group Human Rights Policy.

CIMB's Sustainability Framework and Approach

STAKEHOLDER ENGAGEMENT AND ADVOCACY	Success Measures	2019 Baseline	2023 Performance	2024 Goals and Commitments
Material Topics: • Talent Attraction, Growth and Retention  	Talent Attraction, Growth and Retention			
	Employees trained in sustainability each year	2,268	17,328	To measure and report progress annually

PARTNERSHIPS

We work closely with industry partners and regulatory bodies to encourage broader adoption of the sustainable development agenda. As members of international and local working groups, we share experiences and adopt best practices and tools. We also actively engage with a range of Non-Governmental Organisations (NGOs) to both learn from and contribute to our collective sustainability journey.

NET-ZERO BANKING ALLIANCE (NZBA)



We were the first ASEAN bank to join the NZBA, which is part of the Glasgow Financial Alliance for Net Zero (GFANZ). The NZBA consists of 142 banks from 44 countries, representing over 41% of global banking assets, that are committed to aligning their investments and financing with Net Zero emissions by 2050. This alliance aims to reinforce, accelerate and support the implementation of decarbonisation strategies, providing internationally coherent frameworks and guidelines, supported by peer learning. As a signatory of the NZBA, we mobilise our products, services and relationships to facilitate a just transition towards a climate-resilient future. 

UNITED NATIONS GLOBAL COMPACT (UNGC)



We are a participant in the UNGC and a member of the Malaysia network. Launched in 2000, the UNGC is a leading voluntary initiative that encourages global businesses to adopt sustainable and socially responsible policies based on ten principles covering human rights, labour, the environment, and anti-corruption. As of 2023, the UNGC has garnered participation from more than 24,000 companies across 167 countries. 

JOINT COMMITTEE ON CLIMATE CHANGE (JC3)



We actively participate in JC3, which is co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC). JC3 mobilises collective action in Malaysia's financial sector to promote climate resilience in both the sector and the wider economy. The inputs, insights, and recommendations arising from JC3 are used to shape sustainability policies and regulations set by BNM and SC. Currently, CIMB co-chairs the JC3 Subcommittee 1's Transition Risk Working Group (TRWG) and JC3 Subcommittee 2 on Governance and Disclosure and is an active contributor to many other subcommittees and working groups. 

VALUE-BASED INTERMEDIATION (VBI)



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

THE COOLER EARTH SUSTAINABILITY SUMMIT



Our annual flagship event, CIMB's The Cooler Earth Sustainability Summit, is a platform to inspire business leaders, financiers, investors, and policy decision-makers. Our mission is to shift the paradigm of business and finance towards sustainable actions. At our fifth Summit, titled, "Sustainability in Action: Opportunities for a Better Tomorrow", we focused on highlighting the multitude of opportunities that arise from a transition towards a greener economy and a more equitable society, with the aim of inspiring people, businesses and societies to take action towards a more sustainable future.

Looking forward to 2024, in order to better serve our clients and stakeholders' need, we plan to evolve our approach. In 2024, we plan to host a series of smaller events and workshops across regions, spread throughout the year, for continued and more targeted engagement.

Email us at sustainabilityevents@cimb.com to keep up-to-date on our events in your country.

CEO ACTION NETWORK (CAN)



We co-founded CAN with our partner, IMPACTO, in 2020 to create a closed-door peer-to-peer informal network of CEOs and board members committed to driving sustainable action in corporate Malaysia. With more than 70 members from over 20 critical sectors, CAN aspires to catalyse its members and the broader economy towards proactively shaping future-ready and ESG-integrated business models and ecosystems. CIMB is an active member of the CAN Steering Committee and is Chair of the Working Group. We have met all our Collective Commitments at Level 2¹ for 2023. We are currently working with other CAN members to develop an updated and more ambitious set of collective commitments for 2024 and beyond.

	Commitment	Status
 Governance	<ul style="list-style-type: none"> Disclose material sustainability risks and opportunities Disclose performance criteria of top management linked to ESG 	<ul style="list-style-type: none"> Completed. We refreshed our material matters, risks and opportunities in 2022 Completed. Our CEO, top management and all divisions have sustainability key performance indicators (KPIs), as described in the Governance and Risk chapter of this report. These KPIs reflect our material matters and achievement of the KPIs impact the compensation of the executive management and employees
 Environment	<ul style="list-style-type: none"> Set public targets on GHG Scope 1 and 2 Commit to implement TCFD recommendations 	<ul style="list-style-type: none"> Completed. We have committed to net zero Scope 1 and 2 GHG emissions by 2030 Completed. We are an official supporter of TCFD and have implemented the majority of its recommendations
 People	<ul style="list-style-type: none"> Set public targets on percentage of female composition in top management Conduct a human rights risk assessment across own operations and value chain 	<ul style="list-style-type: none"> Completed. We have set a public target of attaining 45% of females in top management by 2024 Completed. We implemented our human rights policy and institutionalised human rights assessments and requirements for our suppliers and financing clients

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

Governance and Risk

At CIMB, we are committed to a governance approach that centres on people and the planet. We strive to create lasting value that resonates with everyone we reach, from our shareholders to the communities we interact with. We hold ourselves to the highest standards of transparency, accountability and integrity. For us, banking is a means to empower, to protect and to build – not just wealth, but a world resilient to challenges and ready for the generations that will inherit it.

Our resilient risk and governance systems are rooted in the shared values and norms embraced by #teamCIMB. This is embedded through:



Strong governance systems that are based on transparency, accountability and integrity



An integrated risk management approach that incorporates environmental and social risks, as well as ethical considerations into daily decision-making and operations



Robust policies and processes that ensure strict compliance with corporate ethics, anti-corruption and anti-bribery regulations



Proactive sustainability risk management, including climate, biodiversity and human rights risks, for long-term value creation and that promotes a just transition towards a low-carbon economy

MATERIAL TOPICS

2023 ACHIEVEMENTS



Governance and Ethics

- Improved our S&P Global CSA Governance score by 44% since 2019
- Introduced Tax Machine Learning, significantly enhancing our tax process optimisation and accuracy, thereby reinforcing our commitment to meet tax reporting requirements more efficiently
- Implemented Risk Control Units across divisions in Malaysia to strengthen the risk management framework and ensure compliance with regulatory standards. This unit centralises risk oversight, conducts assessments, monitors compliance, enhances controls and encourages ongoing improvements in risk handling



Risk Management and Business Resilience

- Enhanced our Group Risk Appetite Statement to ensure that sustainability and climate-related aspects are considered in business planning and monitoring
- Rolled out The United Nations Environment Programme Finance Initiative Environmental and Social Risk Analysis Training programme across Malaysia, Indonesia, Singapore, Thailand and Cambodia



Climate Change: Risks and Opportunities

- Delivered our first group-wide Climate Scenario Analysis proof-of-concept
- Strengthened the Group's financed emissions calculation and estimation methodology as well as coverage
- Provided RM4.1 billion of green and sustainable financing in 2023, a year-on-year increase of RM1 billion. This is driven by green home and vehicle financing to consumers in our effort to support companies and consumers across the region to decarbonise and build climate resilience



Biodiversity and Ecosystem Integrity

- Engaged with and issued action plans to 17 clients on NDPE since the introduction of NDPE commitment requirements to the Palm Oil and Forestry (including Rubber) sectors
- Developed and commenced rollout of our Biodiversity Risk Assessment process as part of our sustainability due diligence on clients across key markets



Human Rights

- Engaged with almost 900 stakeholders (employees, clients and vendors) throughout Malaysia, Thailand and Cambodia to raise awareness of, and promote compliance with, human rights issues
- Localised and implemented the Group Human Rights Policy in Thailand, Cambodia and Vietnam¹

¹ The Group Human Rights Policy has been localised in Indonesia, and adopted fully in Malaysia and Singapore since 2022.



GOVERNANCE AND ETHICS

Financial institutions are the backbone of healthy economies, and at CIMB, we stand firm in our belief in responsible banking. We take ownership of our role and proactively champion effective corporate governance. We uphold ethical banking practices founded on the values of transparency, accountability, fairness, integrity and long-term value creation as we continue to chart the course of progressive development, prosperity and resilience for all our stakeholders.

THE BOARD: INDEPENDENT, ACCOUNTABLE AND DIVERSE

Our Board of Directors provides leadership in CIMB's corporate governance, safeguarding the Group's interests and ensuring that we place our stakeholders' interests at the top of our agenda. In providing strategic guidance, management oversight and ensuring accountability, the Board is guided by CIMB's Board Charter, which sets out, among other things, its key roles and responsibilities. These include overseeing the development and implementation of the Group's sustainability framework.

Recognising the pivotal role of Independent Directors in bolstering the Board's effectiveness, we have put in place independence criteria to ensure that CIMB's Directors are independent as per regulatory requirements. Details can be found in CIMB's Board Charter, available on our website. 

As at 31 December 2023, each independent Non-Executive Director at CIMB is considered to be independent of the Management and free from any significant business or other relationships which can interfere with the exercise of independent judgement or their ability to act in the best interests of CIMB provided that he/she:

- Is not an Executive Director or an officer of CIMB, its subsidiaries or any related corporations of CIMB within the last two years
- Is not a family member of any Executive Director, officer or major shareholder of CIMB or its subsidiaries
- Has not been engaged as a professional adviser by CIMB or is not presently a partner, Director (except as an Independent Director) or a major shareholder, as the case may be, of an entity which provides professional advisory services to CIMB
- Has not engaged in any transaction with CIMB or is not presently a partner, Director or a major shareholder, as the case may be, of an entity (other than subsidiaries of CIMB Group Holdings Berhad) that has been engaged in any transaction with CIMB
- Has not been a partner or employee of CIMB Group's external auditor during the past year
- Must not have a significant business or other contractual relationship with CIMB or any of its affiliates and
- Is not involved in any business or relationship which the Board deems may pose a conflict of interest to CIMB.

The structure of the Board of Directors at CIMB is a one-tier system with a single Board consisting of Independent and Non-Independent Directors. Our Board is composed of members with a diverse mix of skills, backgrounds and experiences, which contributes to more effective and holistic decision-making. The Board's skills, composition and diversity are actively monitored and managed according to the guiding principles in our Board Composition and Skill Set Framework , to help ensure that the Board possesses the right mix of skills and experience.



MALAYSIANS

89%



FEMALE REPRESENTATION

33%



INDEPENDENT DIRECTORS

78%

Governance and Risk

To fortify the overall efficacy of our Board, we have established a rigorous board election process:

- One-third of the Board members are required to retire at every Annual General Meeting (AGM) and be subjected to re-election by shareholders. Newly appointed Directors shall hold office until the next AGM and shall be subjected to re-election by the shareholders, on an individual basis
- The appointment and re-appointment of Directors are subject to Bank Negara Malaysia's vetting and prior approval
- The Board, as recommended by the Group Nomination and Remuneration Committee (GNRC), considers the following criteria in determining the eligibility of the Directors to stand for re-election:
 - The Director's competency in specialised areas of practice and level of contribution to the Board through their knowledge, skills and expertise
 - The level of independence demonstrated by the Directors, and their ability to act in the best interest of the company
 - Probity, personal integrity and reputation, where the Directors must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness
 - Financial integrity, where the Directors must manage their debts or financial affairs prudently
- The GNRC conducts an assessment on the independence of the Independent Directors seeking re-election based on the criteria set in the Board Charter
- The tenure of an Independent Director shall not exceed a cumulative term of nine years

In addition, our commitment to continual improvement is reflected in the Board's annual initiative, with the assistance of GNRC, to conduct an assessment on the Board as a whole, Board Committees and individual Directors ("Board Effectiveness Assessment"). In addition, the Board shall appoint an independent external party to conduct the assessment, at least once every three years.

The Board of CIMB Group Holdings Berhad met 16 times in 2023 (exceeding the requirement of at least six meetings in each financial year), with an attendance of 98% (exceeding the minimum attendance requirement of 75%).

POLICIES THAT GOVERN OUR CORPORATE ETHICS

We have put in place a comprehensive suite of policies to steer our corporate ethics, underscoring our commitment to integrity and responsible business conduct. Beyond mere compliance with regulatory standards, these internal policies shape our organisational behaviour and actively foster trust among stakeholders. This year, we tightened our Group Anti-Bribery and Corruption (ABC) Policy on gifts and entertainment, as well as the implementation of the ABC through the creation of a standardised due diligence checklist as simple guidance for all employees. Building on the Corporate Integrity Pledge signed by the Group CEO and management last year, all employees are now required to sign and submit their ABC Declaration annually.

Code of Ethics and Conduct

Our Code of Ethics and Conduct sets out the standards of behaviour expected of all CIMB employees in their engagement with customers, business associates, regulators, colleagues and other stakeholders. All employees are required to review and acknowledge the Code annually. 

Bribery and Corruption

Our Group Anti-Bribery and Corruption Policy governs our approach in tackling bribery and corruption within the Bank. From the most senior leadership of the Board to rank-and-file employees, everyone at CIMB must adhere to all local anti-bribery and corruption legislations, and remain vigilant against wrongdoing, malpractice or irregularities at the workplace. All employees are also expected to immediately report any such instances to the management. 

Whistleblowing

Our Group Whistleblowing Policy lays out the process for stakeholders to confidentially report any instances of inappropriate, unethical or unlawful behaviour and practices involving CIMB management or employees. 

Financial Crime

Our Anti-Money Laundering and Counter-Financing of Terrorism Policy outlines our approach to counter financial crime. All employees undergo yearly training on safeguarding the Bank and our customers. 

Tax Management

Our Tax Policy sets out our approach to responsible tax management. We comply with tax laws and pay all taxes legally due in all jurisdictions in which we operate. We are committed to timely and accurate registration, filing of tax returns and payment of taxes by their due dates, as well as appropriate documentation and tax reporting. 

 | Corporate Governance: Policies and Statements

 | Our Political Contributions



RISK MANAGEMENT AND BUSINESS RESILIENCE

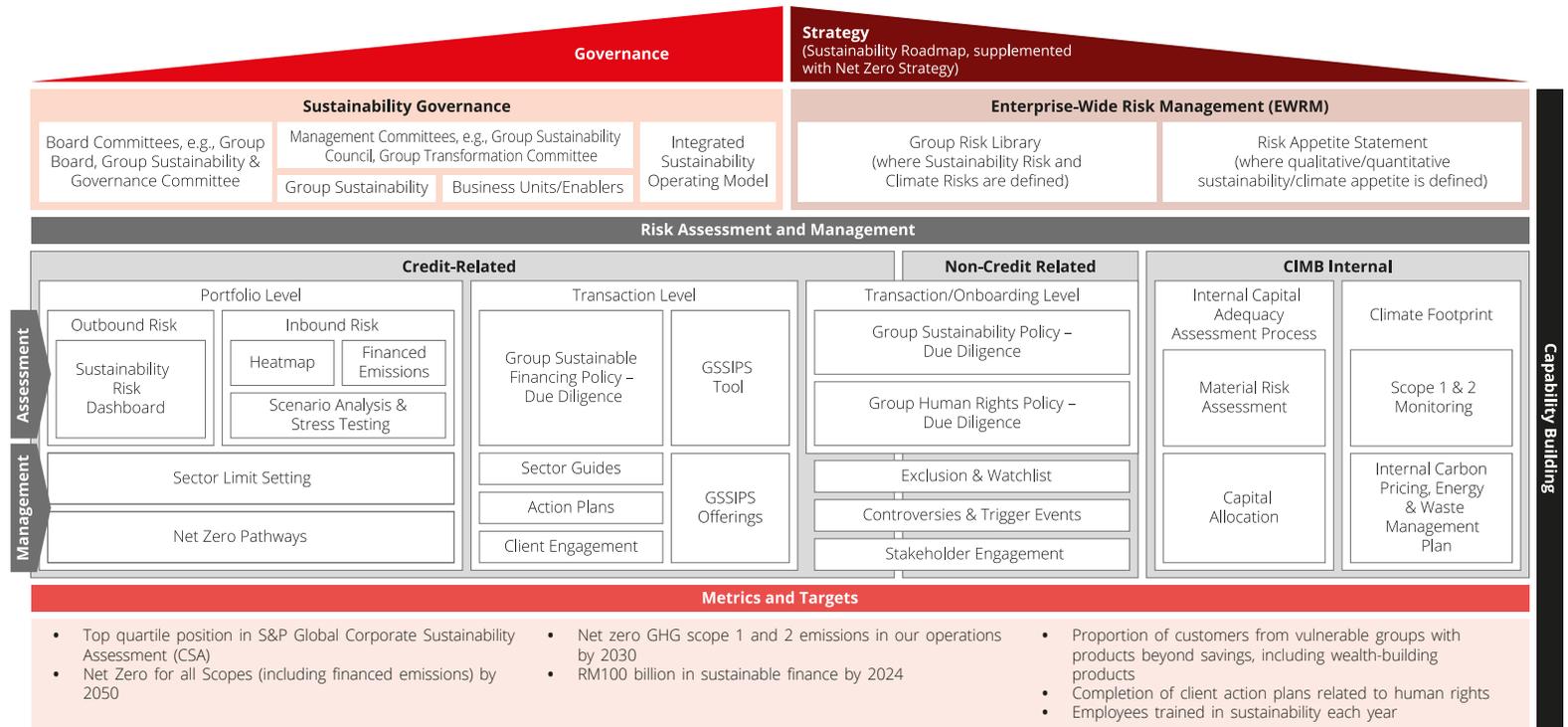
Effective risk management strengthens business resilience, especially during periods of uncertainty. At CIMB, we anticipate risks and take proactive measures to mitigate their effects so that we can respond and adapt quickly to incidents. We are guided by a robust risk management framework to ensure business continuity through four core activities: Risk Identification and Assessment, Risk Measurement, Risk Management and Control, and Risk Monitoring and Reporting. Our goal is to enhance our risk management capability to meet regulatory expectations, safeguard the Bank's interests, as well as those of our stakeholders, and to promote long-term business performance.

ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

Our Enterprise-Wide Risk Management (EWRM) Framework provides an overarching risk management architecture for managing risks across entities and businesses within the Group. It addresses the critical factors involved in effective risk management including risk culture, governance and organisation, risk appetite, risk management processes and risk management infrastructure. We adopt the three-lines-of-defence model in implementing the Group EWRM Framework, which provides clear accountability for risk management across the Group.

Under the Framework, sustainability risk is identified as a principal risk to be addressed, and a cross-cutting risk that may affect other risk types such as credit risk, market risk, liquidity risk and operational risk.

| CIMB Group Sustainability Risk Management Framework



We consider a broad scope of environmental, social and economic or ethical considerations in assessing sustainability risks within our business activities and operations. We recognise that these sustainability risks can also give rise to financial risks for CIMB and the stakeholders that depend on our products and services.

Governance and Risk



ENVIRONMENTAL RISKS CONSIDERED



Climate Change

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

- Physical risks such as floods, droughts and other extreme weather events
- Transition risks in moving towards a low-carbon economy, such as regulatory changes, carbon pricing and shifting away from fossil fuels



Energy Use

High or inefficient use of power and electricity from non-sustainable sources, resulting in high GHG emissions



Water Scarcity

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



Waste and Pollution

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



Deforestation

Activities that involve land-use change, especially forest clearing such as logging, agriculture, livestock ranching, industrialisation and urbanisation



Biodiversity Loss

Activities that negatively impact habitats, including introduction of invasive non-native species as well as overexploitation and depletion of biodiversity stocks



Ecosystem Degradation

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



Marine Environment

Activities that cause negative impacts on the marine ecosystem through ocean pollution and activities such as bottom trawling



SOCIAL RISKS CONSIDERED



Health and Safety

Unsafe working conditions, including the lack of personal protective equipment, policies and procedures on workplace safety and adequate medical coverage



Human Rights and Labour Issues

Factors that impact workers' rights and wellbeing, including discrimination, debt bondage, unsafe working conditions; unfair benefits, remuneration and contractual agreements; and lack of rights to form association, freedom of movement, access to remedy, and provision of basic needs such as housing, water, healthcare and education



Negative Impacts on Communities

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



Diversity, Equity and Inclusion

Behaviours that do not contribute to a fair and equitable work environment or dishonour the dignity and respect of employees including any form of harassment, whether sexual or otherwise



ECONOMIC/ETHICAL RISKS CONSIDERED



Institutional Integrity

Poor management practices that may result in non-fulfillment of sustainability policies and commitments, as well as negative environmental, social or reputational impacts. In addition, issues related to corporate governance, bribery and corruption, cybersecurity and data privacy, among others, are also assessed.

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



Credit Risk

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



Collateral Risk

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



Legal Risk

The potential impacts of legal or regulatory non-compliance due to the failure to adequately address environmental and social risks leading to punitive measures such as regulatory fines, penalties or sanctions



Reputational Risk

The potential risk of sustainability issues that may negatively impact the Bank's reputation directly or by association concerning potential or alleged material issues such as the legality of operations, the imminent risk to life or other major controversies



Supply Chain Risk

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



Technology Risk

The potential risks related to technologies and machinery resulting in loss of customers and market share due to reasons such as the transition to more sustainable, low-carbon and energy-efficient production methods

Governance and Risk

EMERGING RISKS

We recognise that we operate in a dynamic global environment, with new risks on the horizon that may not yet be fully recognised or understood but may significantly impact society, organisations and individuals as well as the planet. At CIMB, we proactively identify emerging risks by gathering information from credible internal and external sources, such as industry reports, market trends, regulatory engagements and stakeholder feedback and actively participating in roundtable discussions for policy development.

Emerging Risk	Description of Risk	Potential Business Impact	Mitigating Actions
 <p>Biodiversity Loss and Ecosystem Collapse</p>	<p>Biodiversity Loss Decline in the variety and abundance of species, as well as the degradation of ecosystems and the services they provide. This loss can occur due to a range of factors, including habitat destruction, pollution, climate change, overexploitation of resources and invasive species.</p> <p>Ecosystem Collapse Rapid and irreversible loss of the structure, function and services of an ecosystem. This loss can occur when an ecosystem experiences a major disturbance, such as a natural disaster, disease outbreak, or human intervention, that disrupts the delicate balance of interactions between species and the physical environment.</p>	<p>Biodiversity loss and ecosystem collapse pose significant risks to human wellbeing and the global economy. These include:</p> <ul style="list-style-type: none"> • Reduced productivity, which can impact the supply chain, leading to reduced food security • Increased disease transmission due to the destruction of biological pest control systems • Negative impacts that disproportionately affect vulnerable communities • Disruption to businesses dependent on ecosystem services for their operations. <p>In the context of financial institutions, potential negative impacts can be direct and/or indirect from lending, financing, investing and underwriting activities.</p>	<p>We recognise the importance of biodiversity protection and restoration in maintaining a balanced ecosystem. CIMB has been actively involved in the following:</p> <ul style="list-style-type: none"> • Contributing to government policy consultations and industry working groups to shape future policies • Exploring with industry players to understand the challenges and brainstorming for holistic solutions • Participating in international discussion forums to explore best practices. <p>We plan to develop our overarching Biodiversity Strategy and Roadmap in 2024.</p>
 <p>Shortage of Sustainability Professionals</p>	<p>There is a small subset of the talent pool available that has both banking and sustainability expertise, thus making it critical to identify, attract, develop and retain the right people to drive and ensure continual improvement of CIMB's sustainability agenda.</p>	<p>Without this specialised talent pool, the Bank may face significant hurdles such as:</p> <ul style="list-style-type: none"> • Limitations to the effectiveness and progress of our sustainability initiatives, potentially slowing down innovation and strategic implementation • Reduced capacity to navigate and excel within the rapidly changing sustainable finance sector, diminishing our competitive advantage. 	<p>To meet the growing need for specialised professionals in sustainability, our strategies include:</p> <ul style="list-style-type: none"> • Enhancing internal capabilities via our Sustainability Academy, through targeted learning and training programmes to embed a culture of sustainability and embedding these into existing talent development initiatives • Establishing an Integrated Sustainability Operating Model (ISOM) to deepen the engagement of business units/enablers in Sustainability efforts, including appointing division-level sustainability specialists or champions, achieved through internal transfers or new hires • Scaling up The Complete Bankers – Sustainability and the Sustainability Fellows Programme to identify and cultivate the next generation of sustainability change-makers.

Emerging Risk	Description of Risk	Potential Business Impact	Mitigating Actions
 <p>Greenwashing Risk</p>	<p>CIMB's commitments, such as achieving Net Zero by 2050, and No Deforestation, No Peat and No Exploitation are typically phased in across our operating markets. For example, in 2022, we rolled out our NDPE commitment requirement in larger markets, while smaller markets adopted the policy in 2023. In addition, expectations and standards of being a responsible bank are rapidly ratcheting up.</p> <p>Furthermore, a large number of parties within CIMB communicate with stakeholders about CIMB's sustainability efforts across multiple channels. This opens up the risk of miscommunication or overstating of our sustainability claims.</p>	<p>Navigating the risks of greenwashing is essential for the Bank to maintain integrity and trust. Inability to recognise its potential impacts may lead to:</p> <ul style="list-style-type: none"> • Increased regulatory scrutiny • Harm to our reputation, affecting continued market competitiveness • Regulatory scrutiny due to inappropriate measures to adhere to compliance • Inability to maintain investor confidence, resulting in potential withdrawal of support • Decline in workforce productivity due to reduced employee morale and successful quality recruitments. 	<p>We prioritise the following strategies to counter the risks of greenwashing:</p> <ul style="list-style-type: none"> • Instituting controls and monitoring mechanisms to ensure we honour our specific commitments and uphold transparency in our disclosures • Minimising the time gap from when a policy/commitment is announced to when it is implemented across our geographical footprint • Reviewing our policies and commitments regularly to align our practices with rising stakeholder expectations • Piloting our Sustainability Communication and Product Governance Procedure (slated to roll out in 2024) to prevent over-claims • Monitoring of sector-specific climate-intensity metrics on an annual basis to ensure sector targets are met.

PILOT: MITIGATING GREENWASHING RISKS

In 2023, we piloted the Sustainability Communications and Product Governance Procedure to strengthen our internal governance processes with the aim of minimising greenwashing risks. All sustainability-themed products, campaigns or claims of environmental and social impacts must undergo a review and approval process that considers industry principles and market best practices, such as frameworks set by the International Capital Markets Association or local regulators. We plan to roll out the procedure in 2024.

In tandem with developing the procedure, we conducted a workshop on "Mitigating the Risk of Greenwashing". Approximately 70 staff from Group Branding and Sponsorships, Group Corporate Communications, Consumer Marketing, Group Corporate Events and Group Sustainability, across Malaysia, Indonesia, Singapore, Thailand and Cambodia participated in the training.

SUSTAINABILITY LINKAGES TO PAY

Our commitment to sustainability is evidenced by the fact that our Group CEO, top management and all divisions have sustainability key performance indicators (KPIs) in their collective scorecards. Collective scorecards are a team-based performance appraisal system whereby employees are assessed as part of a collective team rather than only as individuals. The KPIs in these collective scorecards reflect our material matters, and their performance against these KPIs are directly linked to the funding of the bonus pool of all divisions, thereby directly impacting the compensation of the executive management and employees in the division.

Examples of sustainability KPIs include the mobilisation of sustainable finance through CIMB's Green, Social, Sustainable Impact Products and Services (GSSIPS) framework for retail and non-retail clients, completion of basic sustainability due diligence within specific turnaround time and meeting quality parameters, reduction of GHG Scope 1 and 2 emissions by division and country against the 2019 baseline, training on sustainability, achievement of financial literacy and financial health targets, human capital development, improvement on diversity and inclusion and implementation of initiatives toward delivering a sustainable supply chain.

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

SUSTAINABILITY POLICIES

	Group Sustainability Policy	<ul style="list-style-type: none"> • Guides all our sustainability endeavours • Provides overarching principles and approach to sustainability, including sustainability risk management • Enables the identification, assessment, mitigation and management of sustainability risks within the Group
	Group Sustainable Financing Policy	<ul style="list-style-type: none"> • Governs identification and management of environmental and social (E&S) risks within non-retail financing transactions and capital-raising deals • Integrates E&S considerations into our financing decisions at client and transaction levels • Manages E&S risks arising directly or indirectly from CIMB-financed clients and activities
	Group Human Rights Policy	<ul style="list-style-type: none"> • Encompasses our commitments, principles and approaches to human rights • Addresses the identification, assessment and management of salient human rights risks

SUSTAINABLE AND RESPONSIBLE FINANCE: MANAGING ENVIRONMENTAL & SOCIAL RISKS IN NON-RETAIL FINANCING AND CAPITAL RAISING TRANSACTIONS

As an organisation that is committed to sustainable finance, we are cognisant that our environmental and social (E&S) risks and impacts extend beyond our banking operations to the products and services provided to our clients. Future-proofing our clients will also ensure CIMB's resilience and continued performance. As such, we collaborate closely with our clients to manage and mitigate their E&S risks, encouraging a shift towards resilient and sustainable business models.

In our commitment to advancing E&S risk management in the financial sector, CIMB Islamic actively contributed to the development of the Value-based Intermediation Financing and Investment Impact Assessment Framework (VIBAF) Sectoral Guide for Agriculture, Forestry and Fishing. These initiatives aim to protect our customers and business while minimising E&S risks across the industry.

SUSTAINABLE FINANCING FRAMEWORK AND POLICY

The Group Sustainable Financing Policy (GSFP) governs the handling of E&S risks in non-retail financing and capital-raising transactions. It is complemented by our Sustainable Finance Framework (SFF), which encompasses the policy, risk management processes and position statements for sectors with high sustainability risks. Group Sustainability conducts control testing on these policies and procedures every six months. Additionally, periodic audits are carried out by the Group Corporate Assurance Division to maintain accountability and effectiveness.

| Sustainable Finance Framework

HIGH SUSTAINABILITY RISK SECTORS

We have identified 148 sub-sectors within 10 main industries that are classified as high sustainability risk (HSR) sectors. We have also developed seven Sector Guides that cover the palm oil, forestry (including rubber), oil and gas, construction and infrastructure, coal, mining and quarrying and manufacturing sectors. The guides detail our requirements and considerations when financing these sectors, and serve to guide and motivate our clients within these sectors as they mark their progress in their respective sustainability journeys. A summary of the requirements can be found in our Sustainable Finance Framework.

We aim to periodically update and enhance our HSR sector requirements in stages to ensure we are in line with evolving expectations and best practices. The exercise involves a review and refresh of all segments, including sectors that were previously not in scope. Sectors with high environmental and social impacts, material exposure and where we have set Net Zero targets are prioritised. Assessments will be conducted at country level to ensure that the conditions and realities on the ground are reflected in the review. The approach and process taken are detailed on our website.

Governance and Risk

Portfolio Exposure to High Sustainability Risk Sectors

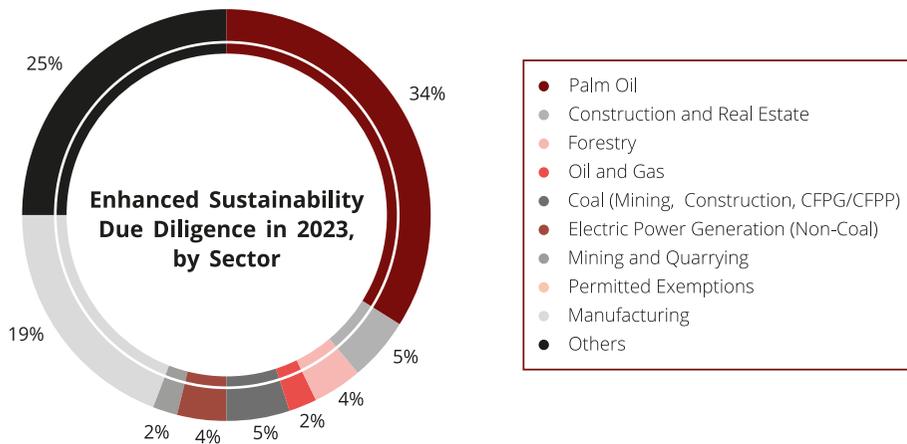


Exposure as % of total Group gross loans/financing as at 31 December 2023 in Malaysia, Indonesia, Singapore, Thailand and International Offices.

ENHANCED SUSTAINABILITY DUE DILIGENCE

We have conducted due diligence on 15,201 non-retail clients (84% of total clients) in 2023 with 623 cases (3.4%) escalated to Enhanced Sustainability Due Diligence (ESDD)¹. A total of 57 cases where ESDD was conducted resulted in the issuance of action plans, while two cases were not recommended for approval². For more details, please refer to page 118. 

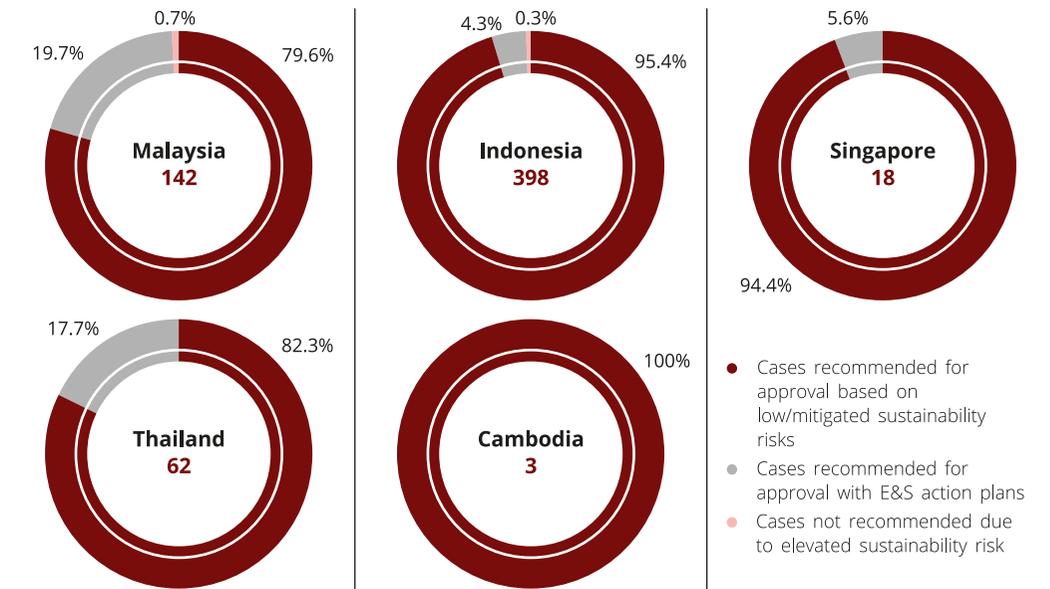
Our Group Sustainability team conducts ESDD on clients and transactions that are exposed to a high level of E&S risk or when trigger events such as controversies, legal action or fines are identified. In 2023, we refined our human rights requirements in HSR sectors, especially for clients in segments more susceptible to human rights issues. The aim is to ensure the requirements are in line with the Group's human rights commitments and the current socio-environmental standards, and to ensure that the mitigation and/or control measures in place remain adequate and up-to-date. We have also enhanced our deforestation and biodiversity assessment process, allowing for improved monitoring and insights for decision-making. For more information, please refer to page 64. 



To ensure compliance with our Sector Guides and address material environmental or social risks, we require clients to provide necessary documents for verification. If a client does not meet the sector requirements, we work with them to develop timebound action plans with progress checkpoints at least once a year. In the scenario where a client is unable to complete their action plans on time, an extension may be

granted. However, this extension is subject to formal request and approval, which is contingent upon the justification provided by the client being deemed satisfactory by CIMB. However, if a client repeatedly fails to complete the agreed action plans, or is associated with significant environmental or social impacts that exceed our risk appetite, we may refuse any further financing or capital raising requests, and, in certain cases, terminate our relationship with them.

To ensure effective identification, assessment and management of sustainability risks, employees who are involved in the credit approval process are required to undergo a two-week intensive training programme on Environmental and Social Risk Analysis developed by UNEP FI. This is to ensure that our people are well-equipped to analyse and assess E&S impacts within our financing transactions.



 <p>623 Total ESDD cases completed</p>	 <p>9.2% Cases in 2023 recommended for approval with E&S action plans</p>	 <p>84.2% Clients completing their action plans in 2023*</p>
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¹ Due to limitation of data at time of reporting, data from Indonesia covers clients with outstanding loans for the reporting year, while both Thailand and Indonesia exclude capital raising activities.
² Not recommended due to high environmental and/or social risks related to the client and/or project.

 | Performance Data – Sustainable Financing Policy, Enhanced Due Diligence (ESDD) Outcomes

* Numbers exclude cancelled action plans, and cases where action plans were extended with approved justifications, i.e., where the Bank, post engagement, identified valid reasons beyond the client's control leading to delays in action plan completion.

Governance and Risk

SUSTAINABILITY ENGAGEMENT

In 2023, we engaged in individual discussions with clients to address sustainability risks and mitigation measures. Sustainability related engagements are generally conducted during the due diligence stage prior to the approval of a facility, or during annual reviews to ascertain the client's progress towards meeting previously agreed action plans within the timelines set. In both cases, the Sustainability team and/or CIMB relationship manager will engage directly with the client to discuss challenges and progress.

The primary goal of these interactions is to understand the E&S risks associated with clients' business activities, review progress on previously-established sustainability action plans, address challenges and emerging issues, communicate our updated policies on topics such as NDPE, human rights and climate risks, and motivate clients to adopt more sustainable practices.

Sector	Examples of Issues Discussed	Examples of Engagement Outcomes
 Palm Oil	<ul style="list-style-type: none"> Human rights risks RSPO/ISPO certification status NDPE commitments 	<ul style="list-style-type: none"> Agreement to develop a human rights policy, with due diligence and control measures Clear plans to complete sustainable palm oil certification, and commit to NDPE
 Forestry	<ul style="list-style-type: none"> NDPE commitments Greenwashing risks 	<ul style="list-style-type: none"> Sustainability certification target Agreement to conduct a HCV assessment and issue an NDPE policy
 Mining and Quarry	<ul style="list-style-type: none"> Human rights risks E&S risk from manufacturing activities 	<ul style="list-style-type: none"> Agreement to develop a human rights policy, with due diligence and control measures Develop and submit E&S Action Plan
 Construction	<ul style="list-style-type: none"> Human rights risks Public safety risks 	<ul style="list-style-type: none"> Compensation to affected communities Rectification works and preventive measures
 Oil and Gas	<ul style="list-style-type: none"> Human rights risks 	<ul style="list-style-type: none"> Agreement to develop a human rights policy, with due diligence and control measures
 Manufacturing	<ul style="list-style-type: none"> Human rights risks 	<ul style="list-style-type: none"> Agreement to develop a human rights policy, with due diligence and control measures



SECTOR CASE STUDY: POWER CLIENTS

In 2023, we announced our interim target for the Power sector, committing to a 38% reduction in emission intensity (kgCO₂e/MWh) by 2030, from our 2022 baseline. With our decarbonisation pathway established for our own Power portfolio, we continue to engage with our clients to understand, support and facilitate their transition plans towards cleaner sources of energy.

In addition, we assess the E&S impacts of the Power sector, including renewable energy, at both the client and project levels as part of our ESDD process. Impacts assessed include deforestation, biodiversity loss, waste generation, pollution, involuntary resettlement, health and safety and human rights abuse. Following an ESDD, the client may be required to commit to time-bound action plans to mitigate any identified E&S impacts.

Of the 28 Power clients that were assessed, two cases were identified as having high E&S risks and were issued with action plans related to the development of an environmental management system for an effluent treatment and biogas facility and another on the development of a climate mitigation strategy.

We plan to develop a new Power Sector Guide and revise our Coal Sector Guide in line with our Net Zero pathways.



SECTOR CASE STUDY: AGRICULTURE CLIENTS

In the agriculture sector, we assess the E&S impacts that stem from our clients' business activities, including deforestation, GHG emissions, water pollution, over exploitation of natural resources, health and safety, labour and land rights issues as well as physical and transitional climate risks such as flooding, water scarcity, changes in public policy and legal requirements. Where significant impact and/or risks are identified, mitigation efforts are required to be put in place through a mutually agreed time-bound action plan which is monitored and reviewed on an annual basis.

While we have specific sector requirements established for Palm Oil, Forestry and Rubber clients, with No Deforestation, No Peat and No Exploitation (NDPE) being a key requirement, we also conduct due diligence and engagement with other Agriculture clients, including those in the Livestock and Fisheries sectors.

In 2023, we assessed 267 cases from clients within the Agriculture sector, of which 213 were from Palm Oil, 27 from Forestry and Rubber, and 27 from Livestock and Fisheries. As a result of these assessments, we issued 22 new action plans covering issues such as NDPE commitment and implementation, Human Rights due diligence, grievance mechanisms and policies, as well as sustainability certification such as MSPO, ISPO and RSPO.

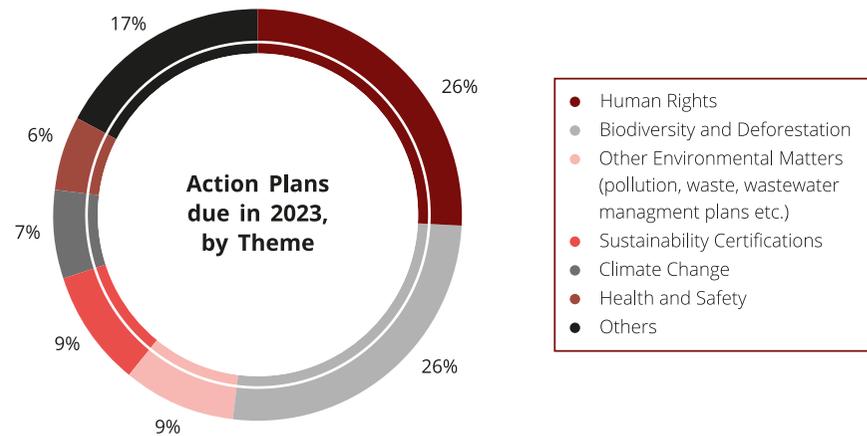
As part of our Net Zero target-setting process for the Palm Oil sector, we also engaged with multiple clients and industry associations within this sector, covering topics such as Net Zero and NDPE commitments, GHG emissions, Palm Oil Mill Effluent (POME), palm sustainability certification progress, and the traceability challenges they face in relation to smallholder suppliers, collection centres and third-party estates.

Moving forward, we plan to continue to expand and strengthen our various sector guide requirements in line with external stakeholders' expectations and changes in legal requirements such as the European Union Deforestation Regulation.

CLIENTS WITH ACTION PLANS DUE IN 2023

There was an increase in action plans due in 2023 compared to the previous year, due to the introduction of the Manufacturing Sector Guide, and requirements on NDPE and Human Rights in 2022. Overall, we had a total of 54 action plans due from 46 clients in 2023. Of those:

- Eight clients had their action plans cancelled due to the maturity of their facilities with CIMB, unsuccessful finalisation of transactions and termination of client relationships for various reasons.
- Out of the 45 remaining action plans still pending from 38 clients, 39 were successfully completed by 32 clients. This equates to an 84% completion rate among clients with outstanding action plans.
- Six clients from the Construction, Palm Oil and Forestry sectors were unable to complete their action plans within the agreed timelines. Official reminders have been sent to these clients, and if they fail to complete their action plans after two reminders, and without adequate justifications, we will consider adding them to our Sustainability Watchlist, which will prevent them from accessing any new or additional financing facilities/ capital-raising services with CIMB.



Governance and Risk

Sectors	Action Plan Categories	No. of Cases	Type of Financing	Completion Status		
				Completed	Not Completed	Cancelled
 Palm Oil	<ul style="list-style-type: none"> Develop NDPE Policy/Commitment Obtain MSPO/ISPO/Rspo certification Others 	14	General and Project Financing	8	4	2
		5		3	-	2
		1		1	-	-
 Construction and Infrastructure	<ul style="list-style-type: none"> Develop Environmental Management/climate/physical risk plan Implement human rights due diligence and remediation measures Others 	2	General and Project Financing	2	-	-
		3		2	1	-
		1		1	-	-
 Coal (Mining and Power Generation)	<ul style="list-style-type: none"> Provide Environmental Management System Develop climate mitigation strategy 	1	General Financing	-	-	1
		1		-	-	1
 Mining and Quarrying	<ul style="list-style-type: none"> Provide environmental safeguard measures Others 	1	General Financing	1	-	-
		1		1	-	-
 Manufacturing	<ul style="list-style-type: none"> Provide environment safeguard measures Implement human rights due diligence and remediation measures Develop a climate/physical risk plan Develop Occupational Safety & Health Management Plan and Policy Others 	2	General Financing	2	-	-
		2		1	-	1
		5		5	-	-
		2		2	-	-
		4		4	-	-
 Livestock and Fishery	<ul style="list-style-type: none"> Implement human rights due diligence and remediation measures Others 	1	General Financing	1	-	-
		1		1	-	-
 Others	<ul style="list-style-type: none"> Implement human rights due diligence and remediation measures Develop Occupational Safety & Health Management Plan and Policy Others 	5	General Financing	2	1	2
		1		1	-	-
		1		1	-	-
Total		54		39	6	9

Numbers exclude cases where action plans were extended with approved justifications, i.e., where the Bank, post engagement, identified valid reasons beyond the client's control leading to delays in action plan completion.



CLIMATE CHANGE: RISKS AND OPPORTUNITIES

The implications of climate change on global, national and individual financial resilience are significant. Its physical impacts can damage assets, disrupt operations and adversely affect human health and wellbeing. Companies that fail to respond appropriately to emerging policies, as well as technological and market changes aimed at addressing climate change, face increasing regulatory, reputational and financial risks. The risks and uncertainties presented by climate change are significant, but so are the opportunities.

At CIMB, we continually enhance our capabilities in identifying and mitigating the negative impacts and risks arising from climate change, while harnessing opportunities to create positive change toward climate mitigation and adaptation. This year, we further strengthened our capabilities in climate risk management with headway made in enhancing our internal processes associated with assessing and managing climate-related risks that have the potential to directly or indirectly impact our portfolios.

Our Progress In 2023

- ▶ Achieved reduction of **35%** in Scope 1 and **26%** in Scope 2 (market-based) GHG emissions against the 2019 baseline
- ▶ Attained **operational net zero** for Scope 1 and 2 emissions at **CIMB Singapore branches**
- ▶ Participated in Bursa Carbon Exchange (BCX) and Indonesia Carbon Exchange (IDXCarbon) to **purchase carbon credits**
- ▶ Implemented divisional **internal carbon pricing (ICP)** mechanism for Scope 2 emissions, integrated into budgeting and planning processes
- ▶ Expanded the scope of the Group's **financed emissions inventory**, covering **55%** of financing and investment portfolios as of 31 December 2022
- ▶ First bank globally to establish Paris-aligned **2030 climate targets** at portfolio level for **Palm Oil**, and first in Malaysia for Power, together with the publication of the Group's whitepaper which details the roadmap to achieve these targets
- ▶ Completed a **Climate Scenario Analysis proof-of-concept** on the Group's non-retail segment
- ▶ Enhanced the **Group Risk Appetite Statement** with a qualitative statement on sustainability risk (including climate)
- ▶ Classified financing and investments according to **BNM's Climate Change and Principle-based Taxonomy (CCPT)**
- ▶ Provided **RM4.1 billion** of green and sustainable financing in 2023, a year-on-year increase of RM1 billion driven by green home and vehicles financing to consumers, to support companies and consumers across the region to decarbonise and build climate resilience
- ▶ Launched a new comprehensive **Sustainability-Linked Financing programme for SMEs**, with SMEs incentivised to measure their GHG emissions and achieve science-based GHG emissions reduction targets
- ▶ Shared CIMB's climate journey and insights in various forums at **COP28**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As one of ASEAN's top banking institutions, we are committed to lead by example in our sustainability efforts. To ensure our reporting meets the high standards of quality and transparency, we draw on a range of trusted and credible resources, including the TCFD Application Guide for Malaysian Financial Institutions issued by the Joint Committee on Climate Change (JC3), Bursa Malaysia's Enhanced Sustainability Reporting Framework and the IFRS S2 Climate-related Disclosures. We are committed to synchronising our climate-related disclosures with existing and prevailing reporting guidelines or standards, including aligning with the TCFD recommendations by 2024¹.

Our approach to climate disclosures is firmly aligned with the principle of "double materiality". This means our analyses are not just about how climate change affects us but also about the impact we have on the climate. Despite the uncertainties that come with the unknowns about the long-term impact of climate change, we are dedicated to laying out the facts and presenting disclosures that are as accurate as possible, based on the most current data-driven information we have.

We know our investors and clients are counting on us to keep them informed, which is why we are committed to giving them the full picture of our climate risks, opportunities and performance to date. We aim for comprehensive disclosures, diving into entity or region-specific details where needed.

We expect our climate-related disclosures to evolve in tandem with our continual efforts to strengthen our internal climate capabilities, data and practices. We have included a TCFD Index on page 142 of this report for convenient navigation to other relevant sections within this Sustainability Report.

¹ As of October 2023, TCFD has been succeeded by IFRS S2.

Governance and Risk

GOVERNANCE

BOARD OVERSIGHT

The CIMB Group Holdings Berhad Board of Directors (Group Board or the Board) holds the highest responsibility for all sustainability matters, including climate change. In support of the Board's work, the Group Sustainability and Governance Committee (GSGC) provides focused guidance on strategic sustainability matters, particularly on the Group's climate change strategy. Our sustainability (including climate) appetite is set and overseen by the Board Risk and Compliance Committee (BRCC), while the Audit Committee (AC) ensures internal controls against climate risks. The Group Nomination and Remuneration Committee (GNRC) assesses and builds Board-level climate competency, and oversees the integration of climate-related matters in the performance measurement of top management.

This year, as part of our efforts to further strengthen our internal climate governance, we have incorporated climate-related roles and responsibilities including, but not limited to, oversight of the Group's Net Zero strategy and targets, as well as climate risk management, into the terms of reference of various Board-level committees.

MANAGEMENT RESPONSIBILITIES

At the management level, the Group Transformation Committee (GTC) and Group Sustainability Council (GSC) play vital roles in sustainability matters, including climate change. The GSC, led by the Group Chief Operating and People Officer (GCOPO) and Group Chief Sustainability Officer (GCSO), includes regional and cross-functional representatives. The GSC's mandate is to formulate and monitor the Group's climate change strategy, goals, targets and action plans. This includes setting portfolio and sector-specific targets guided by the Group's commitments under the Net Zero Banking Alliance. Working side-by-side with the GSC in a complementary capacity, the GTC, under the leadership of the Group Chief Executive Officer, ensures the timely and effective implementation of the Forward23+ Sustainability Programme, which includes strategic climate-related projects.

We are working to further embed formal climate-related roles and responsibilities into various risk management bodies, including the Group Risk and Compliance Committee (GRCC) as well as the Risk Centres of Excellence under Group Risk, such as Market Risk, Liquidity Risk, and Non-financial Risk Management.

Climate-related issues remained front and centre of Board and management committee discussions in 2023, with an emphasis on execution of projects and initiatives to progress the Group towards Net Zero by 2050.

Forum	Committee	Meeting Frequency	Number of Climate-Related Matters Discussed ²	Key Climate-Related Matters
 Board Level	Group-, Entity- & Joint Boards of Directors	Monthly – Quarterly	10	<ul style="list-style-type: none"> The Group's climate scorecard and performance to-date Establishment of the Group's Net Zero strategy and targets, including: <ul style="list-style-type: none"> 2030 climate targets for Palm Oil and Power portfolios Transition plans for Thermal Coal, Cement, Palm Oil and Power portfolios Net Zero Whitepaper publication Climate-related projects and initiatives, including: <ul style="list-style-type: none"> Development of a group-wide gap analysis and implementation plan in response to BNM's Climate Risk Management and Scenario Analysis (CRMSA) Policy Document Establishment of methodology, assumptions, challenges and preliminary outcomes of the Group's Climate Scenario Analysis proof-of-concept Inclusion of qualitative Sustainability Risk Statement (including climate) into Group Risk Appetite Statement Setting of the Group's 2024 Risk Posture which considered among others, sustainability and climate-related risk considerations Provision of quarterly risk dashboard reporting on the Group's exposure to high sustainability risk sectors and clients Undertaking of gap analysis and action plans in relation to BNM's Climate Change and Principle-based Taxonomy (CCPT) Reporting of the Group's Scope 1 & 2 GHG emissions reduction measures and performance Revision of Sustainable Finance Framework (including high sustainability risk sector position statements) and Sector Guides Updating of sustainability and climate-related disclosure standards Updating of climate related policy, regulatory and industry trends
	GSGC	Quarterly	4	
	BRCC	Monthly – Quarterly	5	
	AC	Monthly	2	
	GNRC	As required ¹	1	
 Management Level	GTC	Monthly	4	
	GSC	Bi-Monthly	6	
	GRCC	Monthly	8	

¹ The total number of meetings shall not be less than four times a year.

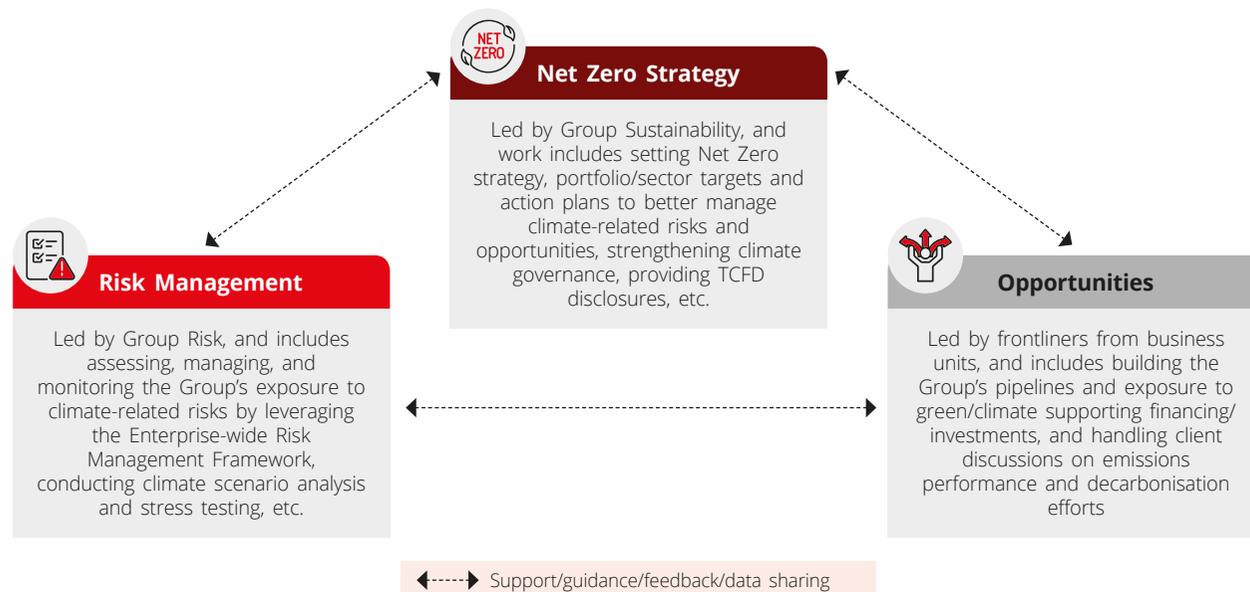
² Addressed at Board and/or management meetings either as a standalone topic or as part of a broader discourse on sustainability.

The Group Sustainability Division, led by the GCSO, is responsible for addressing climate related risks and opportunities. This includes implementing appropriate frameworks, policies and strategies such as Net Zero targets and pathways for key sectors. The division also supports other business units and enablers in executing these strategies.

The Group Administration and Property Management team works with all business units to reduce operational emissions and other environmental impacts, including GHG emissions from energy use, water and waste, through measures such as optimising office space and improving energy efficiency.

Our Climate Risk Unit complements the Net Zero Strategy and target-setting work of Group Sustainability. Established under Group Risk, which is in the second line of defence, the unit aims to deepen the Group's understanding of its exposure to climate-related risks arising from financing and investment activities, and to develop management actions to mitigate and manage these risks.

Net Zero Working Groups (NZWG) for each significant carbon-intensive sector were set up to jointly develop CIMB's Net Zero pathways and transition plans, which have been published in our whitepaper: Our Path to Net Zero - Charting a Course to Decarbonisation. These Working Groups consist of Group and country level representatives from Wholesale Banking, Commercial Banking, Islamic Banking, Group Risk and Group Sustainability.



CAPACITY BUILDING FOR BOARD AND MANAGEMENT

In 2023, 100% of Board members of all CIMB entity boards participated in a 20-hour course on sustainability leadership conducted in collaboration with the Cambridge Institute for Sustainability Leadership. The course comprised eight modules covering the range of essential knowledge-building blocks, with a strong focus on climate-related issues. Key topics covered in this signature course, and supplemented by other capacity building sessions included:

- Overview of the Earth systems and of changing stakeholders' expectations and attitudes
- Emerging strategies that connect business with sustainability issues
- Implications for directors' duties in Malaysia and the region
- Effective board oversight of climate issues and strategies for long-term success.

CLIMATE-RELATED KPIS

Balanced collective scorecards encompassing both financial and non-financial metrics are the cornerstone of the Group's performance evaluation. These scorecards provide us with a holistic overview of our performance that takes into account diverse indicators ranging from profitability, cost and capital, to strategic initiatives, risk, audit and compliance. This approach cascades through the organisation, to business units and enabler functions, shaping the distribution of the bonus pool based on their annual performance.

Performance appraisals for individual employees are also aligned with the measures and targets outlined in the collective scorecards. These goals typically encompass areas such as customer experience, long-term initiatives and risk management, on top of financial targets. The amount of variable remuneration each employee receives (subject to the overall size of the bonus pool) is based on both their individual performance and how well their team or department performed, in accordance with their unit's corresponding collective scorecard.

Governance and Risk

In 2023, the Group continued to use collective and individual scorecards to mobilise Group-wide efforts towards a set of common sustainability and climate goals across all levels with examples referenced below:

- Reduction in Scope 1 and 2 GHG emissions (carried by the CEO, members of the top management e.g., the GCSO, and employees)
- Rollout of the GSSIPS Tool to business units (carried by business units, among others)
- Accurate classification of sustainable finance as per our GSSIPS framework (carried by business units, among others)
- Mobilisation of green financing for retail and non-retail clients (carried by the CEO and Business Unit heads, among others)
- Establishment of financed emissions baselines and climate targets for selected sectors (carried by employees in the Group Sustainability division, among others)
- Implementation of a flood risk assessment pilot on Malaysia's mortgage book (carried by employees in the Risk division, among others)
- Completion and delivery of the Group's Net Zero Strategy and Climate Risk Management project (carried by the GCSO, employees in the Group Sustainability and Group Risk divisions, among others)

STRATEGY

OUR APPROACH TO CLIMATE CHANGE

As a member of the Net-Zero Banking Alliance, we commit to contributing to the collective effort to align financing and investment portfolios with pathways to Net Zero by 2050, while limiting the temperature rise to a maximum of 1.5 degrees Celsius above pre-industrial levels by 2100. Acknowledging that the path to achieve this goal may be complex and not always clear, we approach this important topic with diligence and responsibility. Our commitment involves supporting and advocating for urgent and substantial reductions in our clients' emissions alongside proactive initiatives in carbon neutralisation and compensation across our portfolios. While we recognise the considerable work required to develop and implement the necessary strategies, both internally and with our clients, the positive support we have received from key stakeholders, including employees, clients, investors and civil society, continues to propel us toward realising our 2050 vision.

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



CIMB strongly believes that a just transition must be compatible with positive economic, environmental and social outcomes. While a transition to a low-carbon economy presents a myriad of opportunities for businesses to grow, rapid change may also exacerbate socio-economic inequalities in the region. Balancing inclusive development with broader environmental sustainability goals lies at the heart of our approach, to ensure that the wider benefits of Net Zero efforts can be distributed equitably across society. With sustainability being a key priority under our Forward23+ strategic plan, CIMB will continue to actively catalyse and drive the adoption of environmentally and socially responsible practices across ASEAN.



SCOPE

Undertake heatmapping and scoping to enable focus on material areas



MEASURE

Establish financed emissions inventory



SET TARGETS

Select reference pathways and set 2030 and 2050 targets



STRATEGISE

Develop a transition strategy



IMPLEMENT

Execute the transition strategy



EVALUATE

Periodically assess risk exposure and alignment progress



COMMUNICATE

Keep stakeholders informed about progress



SCOPE

IDENTIFYING KEY RISKS AND OPPORTUNITIES

We view climate change as a principal and cross-cutting risk that could materially impact our ability to create value for our stakeholders in the long term. As a start, we updated our qualitative evaluation to understand the drivers behind climate-related risks, how such risks are transmitted through macroeconomic and microeconomic channels, and how they impact us as a financial institution. Climate-related transition and physical risks can manifest across various risk types. Whilst Credit Risk implications remain the most material to CIMB, we will continue to assess and monitor our exposure to other risk types (notably Market Risk, Liquidity Risk, Reputational Risk and Operational Risk) which may be heightened as a result of climate change.

Climate Risk Type and Driver	Risk Type	Impact to CIMB	Time Horizon ¹
 <p>Transition Risk</p> <ul style="list-style-type: none"> Policy and Regulatory Changes Technology Shifts Investor Expectations Consumer Preferences 	 <p>Credit Risk</p>	<ul style="list-style-type: none"> Impacts repayment capacity of clients and default rates Impacts collateral value due to stranding of climate-misaligned assets 	Short, medium to long-term ²
	 <p>Market Risk</p>	<ul style="list-style-type: none"> Impacts the value of climate-incompatible securities underwritten or held by the Group, due to market volatility of these securities 	Medium to long-term
	 <p>Liquidity and Funding Risk</p>	<ul style="list-style-type: none"> Impacts the Group's liquidity due to clients' inability to repay their facilities or significant and sudden cash withdrawals or credit drawdowns due to extreme climate events 	Medium to long-term
	 <p>Reputational Risk</p>	<ul style="list-style-type: none"> Impacts the Group's reputation and image due to its financing of carbon-intensive sectors such as Coal Impacts stakeholder confidence in the Group's sustainability efforts and ability to manage climate-related risk exposure 	Short, medium to long-term
	 <p>Operational Risk</p>	<ul style="list-style-type: none"> Impacts the Group's operations due to disruption or damage to the Group's physical assets as a result of rising frequency and impact of extreme weather events such as floods Impacts due to new regulations around climate change, resulting in the need to change internal policies and procedures to comply with new requirements 	Short, medium to long-term
	 <p>Strategic Risk</p>	<ul style="list-style-type: none"> Impacts the Group's competitiveness, market share and attractiveness to investors due to the inability to shift from "brown" to "green" financing 	Medium to long-term
	 <p>Physical Risk</p> <ul style="list-style-type: none"> Acute Chronic 	 <p>Enterprise-wide Risk (Capital Risk)</p>	<ul style="list-style-type: none"> Impacts the Group's ability to absorb losses, cater for business investments and maintain public confidence due to inadequate capital for climate-related risks

¹ "Short Term" indicates a duration of less than one year; "Medium Term" indicates a duration of one to five years; "Long Term" indicates a duration of more than five years.

² Included short-term in 2023 in view of rising frequency and severity of acute physical risk events (e.g. floods) which increasingly impact our borrowers in a short period of time.

Governance and Risk

It is widely established that the ASEAN region requires large amounts of capital to fund projects for both climate change mitigation and adaptation. Governments across the region have developed transition roadmaps, such as the National Energy Transition Roadmap for Malaysia. This presents an opportunity for CIMB to mobilise sustainable finance for these projects through our financing or capital raising services.

As we seek to understand the impact of transition and physical risks on our clients' operations through our client engagements, we also aim to use these same conversations to understand how we can support their net zero transition. This will be a collaborative process where we work with our clients to develop new ideas, and support execution of their net zero pathway through our financing, while jointly overcoming challenges that may arise. We believe this process will lead to mutually beneficial outcomes for the Bank, our clients, the environment and the wider society.



MEASURE

UNDERSTANDING OUR FINANCED EMISSIONS

As a financial institution, the primary source of our greenhouse gas (GHG) emissions is attributed to Scope 3 Category 15 Investments, notably in the form of "financed emissions". Understanding our financed emissions is a crucial step towards enabling a just climate transition, especially from a perspective of identifying carbon-intensive sectors, asset classes and clients, as well as developing climate targets and effective decarbonisation plans.

In 2022, we began measuring the emissions associated with our on-balance sheet financing for clients across four key operational markets: Malaysia, Indonesia, Singapore and Thailand. As standards, market practices and data availability continue to evolve, we strive to streamline and update our financed emissions calculation methodology and internal processes with a view to improve the completeness and accuracy of our outputs. In 2023, the following enhancements were initiated:

- Developed **CIMB Group's Financed Emissions Methodology** to provide greater clarity around our calculation approach, metrics, data requirements, assumptions, baseline recalculation principles and appropriate deviations if any from the Partnership for Carbon Accounting Financials (PCAF) Standard
- Established and rolled out **a suite of Excel-based calculators for five PCAF asset classes:** Listed Equity and Corporate Bonds, Business Loans and Unlisted Equity, Commercial Real Estate, Mortgages as well as Motor Vehicle Loans, to ensure that financed emissions are calculated in a systematic and structured way, as well as to reduce human error and create an audit trail
- Developed **supplementary guidance**, including sector code mapping to facilitate scoping and data aggregation across different countries, a consolidated emission factors database updated with March 2023 emission factors offered by PCAF and other external sources, and data dictionaries containing definitions and interpretations of various internal and external data points needed for financed emissions calculations.

Disclaimer:

While we have undertaken the necessary steps to provide our stakeholders in good faith a complete, timely and accurate overview of the Group's financed emission baseline and performance, the data presented in subsequent sections is subject to significant uncertainty, challenges and risks (e.g. inconsistent interpretations and definitions, complexity of calculations and estimates, availability and reliability of data, double counting) that may affect their usefulness, accuracy and completeness. Readers should exercise caution and conduct their own independent assessment in understanding and analysing the data points.

CIMB Group's Financed Emissions Inventory

Building on our earlier experience in estimating the Group's financed emissions for financial years ending 2019 to 2021, we established our first baseline as of 31 December 2022¹ (2022 Baseline). The 2022 Baseline has been augmented with the inclusion of the Listed Equity and Corporate Bonds asset class. In estimating our financed emissions, reference was made to the Global GHG Accounting and Reporting Standard developed by the Partnership for Carbon Accounting Financials (PCAF Standard) and the UN Environment Programme Finance Initiative (UNEP FI) Guidelines for Climate Target Setting for Banks.

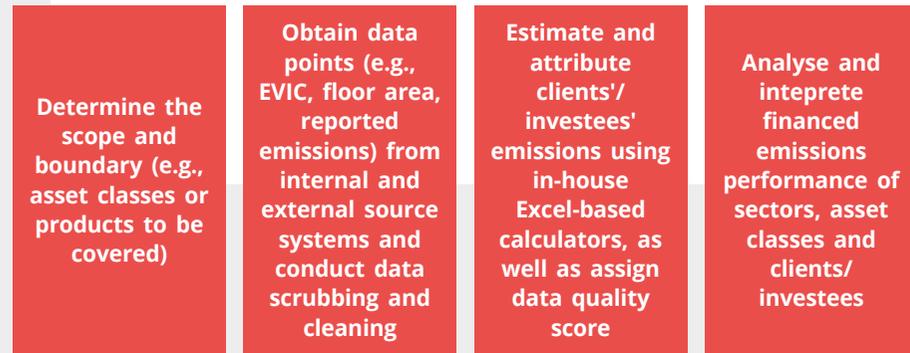
Our Scope and Boundary

Coverage By:	Scope	
Operational Market	Malaysia (i.e., CIMB Bank Berhad, CIMB Islamic Berhad), CIMB Niaga (i.e., PT CIMB Niaga), CIMB Singapore (i.e., CIMB Bank Singapore branch), CIMB Thailand (i.e., CIMB Thai PCL) are in-scope, which collectively contribute to more than 95% of the Group's portfolios in terms of total assets and net interest income respectively	
Asset Class	Listed Equity and Corporate Bonds	Available-for-sale and held-to-maturity securities (including wholesale bond funds managed on a discretionary basis) held by CIMB
	Business Loans and Unlisted Equity	All on-balance sheet loans/financing extended to non-retail clients of Group Corporate Banking and Group Commercial Banking (i.e., Business Banking and SME Banking/Enterprise Banking)
	Commercial Real Estate	Commercial Real Estate loans/financing extended to individuals and small and medium-sized enterprises (SMEs)
	Mortgages	Mortgages (including green home financing) extended to individual customers
	Motor Vehicle Loans	Auto loans/financing (including hybrid/electric vehicles) extended to individual customers
Sector	Nine carbon-intensive sectors as guided by the UNEP FI Guidelines for Climate Target Setting for Banks: Agriculture, Aluminium, Cement, Coal, Iron & Steel, Oil & Gas, Real Estate, Transport, Utilities (including Power)	
GHG Scope	Scope 1 and 2 emissions of financing clients and investee companies. Scope 3 is not covered except for Oil and Gas due to challenges associated with data availability	
Carbon Credits	Gross absolute emissions are reported without taking into account carbon credits retired by our financing clients/investee companies to offset their emissions	
Avoided Emissions	Avoided emissions are not reported due to limited data availability	
Emission Removals	Emission removals are not reported due to limited data availability	
Facilitated Emissions	We have not estimated the Group's facilitated emissions yet as the PCAF Facilitated Emissions Standard was only launched in December 2023	

Due to a time lag in financial/emission data provided by our clients/investees, our financed emissions inventory disclosed in annual reports is set to be behind the current financial accounting period by 12 months. To address this moving forward, we intend to issue mid-year updates of the Group's financed emissions for the previous financial year. This will enhance our ability to capture and integrate the necessary external datasets for our computations.

Governance and Risk

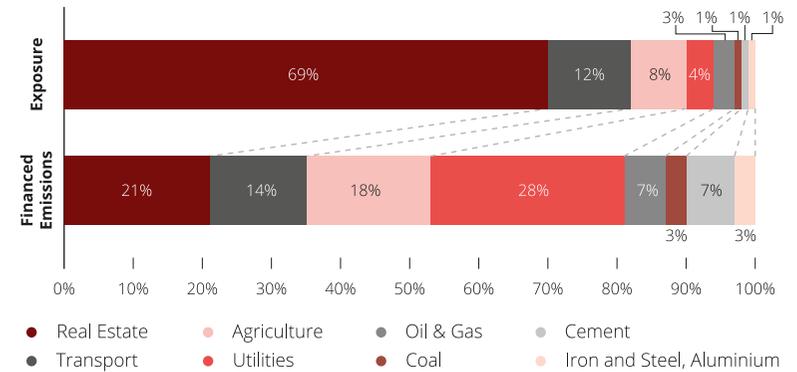
Our Financed Emissions Calculation and Estimation Methodology



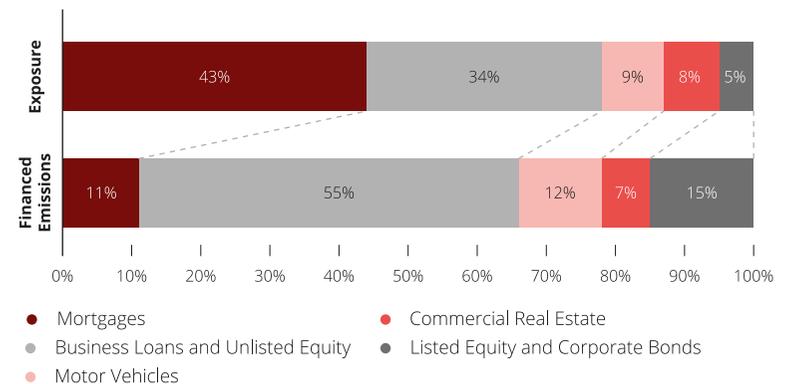
Our financed emissions calculators are structured in a way where reported emissions of our clients (or their direct parent/ultimate owner) are prioritised to ensure that the data we use is as accurate as possible. Where self-reported data is not available, proxies such as physical activity data (e.g., metric tonnes of steel produced) or revenues/assets are used to estimate clients' emissions according to the PCAF Standard. In situations where an estimation cannot be established using the PCAF approach due to absence of financial and/or physical activity data, we apply an extrapolation technique to estimate the emissions of those clients.

In 2022, our total attributed financed emissions associated with the nine carbon-intensive sectors (Scope 1 & 2 only), in absolute terms, amount to **16,477,916 tCO₂e**. The Utilities, Real Estate and Agriculture sectors emerged as the top three largest contributors to our financed emissions, collectively accounting for 67% of the total. This is against the backdrop of our continual effort to increase the coverage of our financed emissions inventory by extending to exposures that were previously scoped out. For instance, total financing exposure covered in FY2022 financed emissions increased to 71%, from 61% last year, due to inclusion of additional sub-sectors (e.g., The Utilities sector has been expanded to cover more than just power generation; it now includes water and sewerage). As of 31 December 2022, the Group's financed emissions inventory currently covers 55% of the Group's total financing and investment portfolios, following the inclusion of investment exposures from the newly added Listed Equity & Corporate Bonds asset class. Refer to the Metrics and Targets section on page 59 for our detailed methodology and assumptions.

CIMB Group's Financing and Investment Exposures, and Absolute Financed Emissions by Sector



CIMB Group's Financing and Investment Exposures, and Absolute Financed Emissions by Asset Class



CIMB Group's Total Portfolio Financed Emissions

As a signatory to the Net-Zero Banking Alliance (NZBA), we are expected to measure and report current emissions (absolute emissions and emissions intensity) on an annual basis, and demonstrate that our baseline covers a significant majority of our Scope 3 financed emissions. Meanwhile, stakeholders are increasingly expecting CIMB to assess, identify and prioritise our most carbon intensive sectors, asset classes and/or products, and pivot the same towards low-carbon or Net Zero pathways.

In 2023, we conducted a high-level estimation of our financing and investment portfolios' emissions to gain a comprehensive understanding of our total portfolio emissions and identify key contributing sectors. This estimation was necessary because our detailed financed emissions inventory currently focuses only on nine carbon-intensive sectors, leaving the contributions from other sectors unclear.

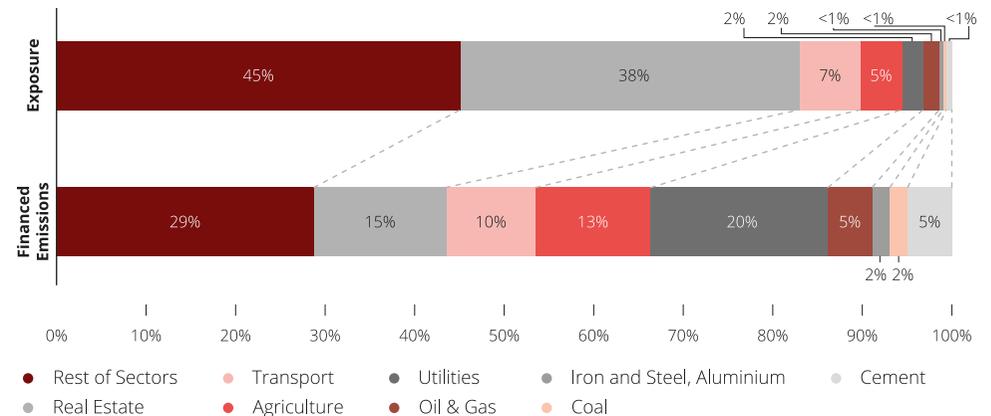
To address this gap, we adopted a pragmatic top-down approach¹ to estimate the Scope 1 and 2 emissions² of the remaining sectors³ as of 31 December 2022. This approach involved making several assumptions, such as assuming that all loans/financing and investments are for general corporate purposes.

By aggregating the financed emissions of the nine carbon-intensive sectors with the high-level estimates of the remaining sectors, we obtained a holistic view of the Group's total portfolio emissions. This exercise enables us to better understand our exposures and absolute emissions across various sectors.

This portfolio view provides several useful insights that can be used to enrich our financed emissions inventory and steer the Group's decarbonisation strategy moving forward:

- Collectively, carbon-intensive sectors (i.e., Agriculture, Cement, Coal, Iron, Steel and Aluminium, Oil and Gas, Real Estate⁴, Transport⁵, Power⁶) as listed in the UNEP FI Guidelines for Climate Target Setting for Banks, which make up to 55% of the Group's financing and investment portfolios, contribute to around 71%, a significant majority, of our total portfolio financed emissions
- The rest of the sectors only contribute to 29% of our total financed emissions, despite making up close to half of the Group's financing and investment exposures

CIMB Group's Financing and Investment Exposures, and Absolute Financed Emissions by Sector (Including Rest of Sectors)



¹ The estimated financed emissions of the rest of the sectors are highly indicative in nature due to inherent methodological limitations (for example, estimation was done at sector level instead of a more granular sub-sector level) and relevant assumptions applied. Users should exercise caution when interpreting such data.

² Scope 3 emissions of our financing clients and investee companies were not included to minimise double counting.

³ Consist of exposures to, among others, Banks and Non-Bank Financial Institutions, Sovereigns, Manufactured Goods (where not already covered under other sectors), Hospitality, Telecommunications, Media & IT, Wholesale & Retail.

⁴ Entails mortgages for retail clients.

⁵ Covers auto loans/financing for retail clients.

⁶ Subsumed under the Utilities sector, which includes other utilities such as water and sewerage.

Governance and Risk



SET TARGETS AND STRATEGISE

ESTABLISHING INTERIM CLIMATE TARGETS

Establishing Scope 3 financed emissions inventory and measurable targets for our carbon-intensive sectors enable us to create concrete transition plans and systematically track progress toward achieving Net Zero for these priority sectors.

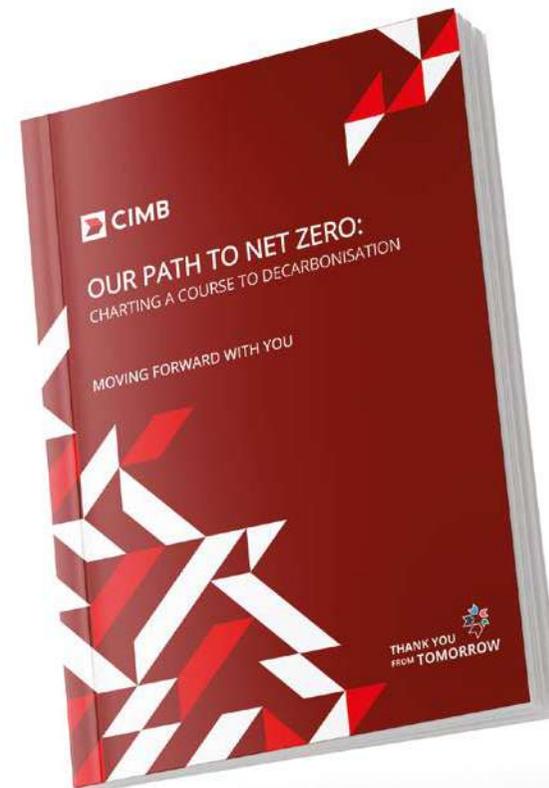
This year, we became the first bank in the world to set a 2030 Net Zero reduction target for our Palm Oil portfolio and the first Malaysian bank to set a target for our Power portfolio. These new targets further extend our leadership in this region. In 2022, we announced our first set of Net Zero reduction targets for the Thermal Coal Mining and Cement sectors, making us the first bank in Malaysia and the second in ASEAN to do so. We have begun the work to develop targets for the Oil and Gas and Real Estate sectors which are targeted to be completed by 2024.

With the completion of the two additional sectors in 2024, CIMB will have targets aligned with science-based pathways to limit global warming to 1.5 degrees Celsius, for sectors which cover 47% of our total non-retail book, and account for 59% of CIMB's emissions financing portfolio. In addition to being material to CIMB, these sectors are also the most significant contributors to global GHG emissions and are key pillars to the ASEAN economy. We will continue to set periodic goals in the longer term to ultimately achieve a Net Zero by 2050 outcome. For a complete view of our approach, methodology and transition plans, please refer to our whitepaper, *Our Path to Net Zero: Charting a Course to Decarbonisation*.



In ensuring our systematic progress towards the achievement of these targets, we are focused on five key priorities: Supporting our clients through a just transition, driving change in partnership with broader economic ecosystems in the real economy, regularly reviewing our measurable progress to ensure our targets stay relevant, continually shaping and charting the next phase of our decarbonisation journey, and continuing to develop and embed organisational capabilities and governance.

In advocating sustainability and leading by example through systematic and progressive transitioning of our portfolios, we will continue to actively engage and enable our clients, including micro, small and medium-sized enterprises (MSMEs) to embrace and adopt low-carbon business practices in their respective sectors. We are committed to supporting our clients in their decarbonisation journey, leveraging the rapid advancements in renewable technologies and supportive national schemes to accelerate their transition to a Net Zero economy.



	Sector			
	Palm Oil	Power	Thermal Coal Mining	Cement
Target Metric	Physical emissions intensity i.e., tonnes of CO ₂ equivalent per tonne of crude palm oil (tCO ₂ e/tCPO)	Physical emissions intensity, i.e., kg of CO ₂ equivalent per megawatt hour (kgCO ₂ e/MWh)	% of portfolio exposure	Physical emissions intensity i.e., tonnes of CO ₂ equivalent per tonne of cement (tCO ₂ e/t cement)
Parts of the Value Chain Included	Planting and milling	Power generation	Thermal coal mining	Cement manufacturing
Client Emission Scopes Included	Scope 1 (including land use change related emissions and sequestration) and 2 of plantation, mill and integrated clients. Scope 3 upstream (i.e., external sourcing of fresh fruit bunches) of integrated clients	Scope 1 emissions of power generation clients (including electric utilities, power plants, independent power producers, renewable energy producers)	N/A	Scope 1 and 2 emissions of cement manufacturing clients
Asset Classes Included	<ul style="list-style-type: none"> Business loans/financing Investments held for sale or maturity including corporate bonds/sukuk and equities Facilitation of capital raising activities for clients including bonds/sukuk issuances and initial public offerings 			
Reference Scenario	Adjusted SBTi FLAG Commodity Pathway for Palm Oil (regional)	Adjusted IEA NZE 2050 (regional)	IEA NZE 2050 (regional)	SBTi Carbon Intensity Pathway for Cement (global)
Baseline	1.81 (as of 2022)	439 (as of 2022)	100% (as of 2021)	0.72 (as of 2021)
2030 Target	1.52	272	50% of 2021 exposure	0.46
Targeted Change	16% reduction	38% reduction	50% reduction	36% reduction
Net Zero Plan ¹	Align with reference scenario in 2030	Align with reference scenario in 2030	No exposure to thermal coal mining by 2040	Align with reference scenario in 2030

Our progress towards our Net Zero targets is discussed in the Metrics and Targets section of this Sustainability Report on pages 59 to 63. 

¹ As 2030 approaches, we will set further interim targets towards achieving Net Zero by 2050.

Governance and Risk



IMPLEMENT AND EVALUATE

At CIMB, we emphasise informed decision-making, synthesising multiple perspectives and approaches to analysing issues. Our approach to the critical matter of gauging our vulnerability to climate-related risks takes on the same philosophy, where we employ multiple evaluation methodologies and techniques to understand the significance of these risks in order to formulate our strategies. These include materiality assessment and heat mapping, climate scenario analysis as well as internally developed tools such as our GSSIPS tool. For details on CIMB's full suite of methodologies, please refer to our website. 

ADVANCING CIMB'S CLIMATE SCENARIO ANALYSIS CAPABILITIES TO UNDERSTAND IMPACT ON CREDIT RISK

In 2021, we piloted the Paris Agreement Capital Transition Assessment for Banks tool to perform transition risk scenario analysis on our non-retail financing portfolios in Malaysia and Singapore. The pilot allowed us to gain insights into the alignment of our portfolios with the temperature goals outlined in the Paris Agreement. Since then, we have transitioned to internal climate risk models, which allow for comprehensive and consistent modelling and assessment of climate-driven credit risk impacts across various sectors, particularly for climate-sensitive sectors.

Climate scenario analysis and stress testing, while still a relatively novel concept to many practitioners, are increasingly deployed by financial institutions as an indispensable risk assessment tool to explore and understand financial implications to their businesses if the world is to transition towards or fall short of the Paris temperature goals under various plausible climate and socioeconomic pathways. Its emergence is predominantly driven by expectations from central banks, including Bank Negara Malaysia which clearly articulates the importance of climate scenario analysis and stress testing undertakings in its Climate Risk Management and Scenario Analysis Policy Document (CRMSA), and the Climate Risk Stress Testing Methodology Paper (CRST) which was released in February 2024.

To meet the impending regulatory expectations and enhance the Group's resilience in the face of a dynamic and intensifying climate risk landscape, we have taken steps to strengthen our internal climate scenario analysis (CSA) capabilities in 2023. Taking into account CIMB's diverse business and geographical attributes, a CSA Proof-of-Concept (PoC) exercise was conducted on our non-retail financing and investment portfolios (Portfolio) across key operating countries, i.e., Malaysia, Indonesia, Singapore and Thailand. The CSA PoC focused on investigating the credit impact of transition risks on our main sector portfolios such as Agriculture, Power Generation and Oil and Gas, among others. Throughout the course of this exercise, we solicited extensive internal inputs on the CSA models gathering information and insights from a representative range of business units, including those involved in the various Net Zero Working Groups (NZWG), credit risk and sector subject matter experts from Group Sustainability.

As transition risks can manifest and impact real economy sectors in varying degrees and forms, we deploy a suite of sector-specific and emissions-based models for eight climate-sensitive sectors to understand their sensitivity to transition risk impacts. The selection of climate-sensitive sectors and model type were guided by a preliminary climate materiality assessment, which considered a sector's impact on climate (an "inside-out" perspective) as well as the Group's exposure to the sector (a proxy for "outside-in" impact to CIMB).

For each sector, we used one of two different CSA modelling approaches, depending on the characteristics of the sector:

Sector-specific approach

Scenario value driver impacts are modelled based on product-level behaviours and how the market for each product is expected to change within each scenario. Product-level information is required for this model, along with granular scenario variables.

Sectors modelled using this approach were:

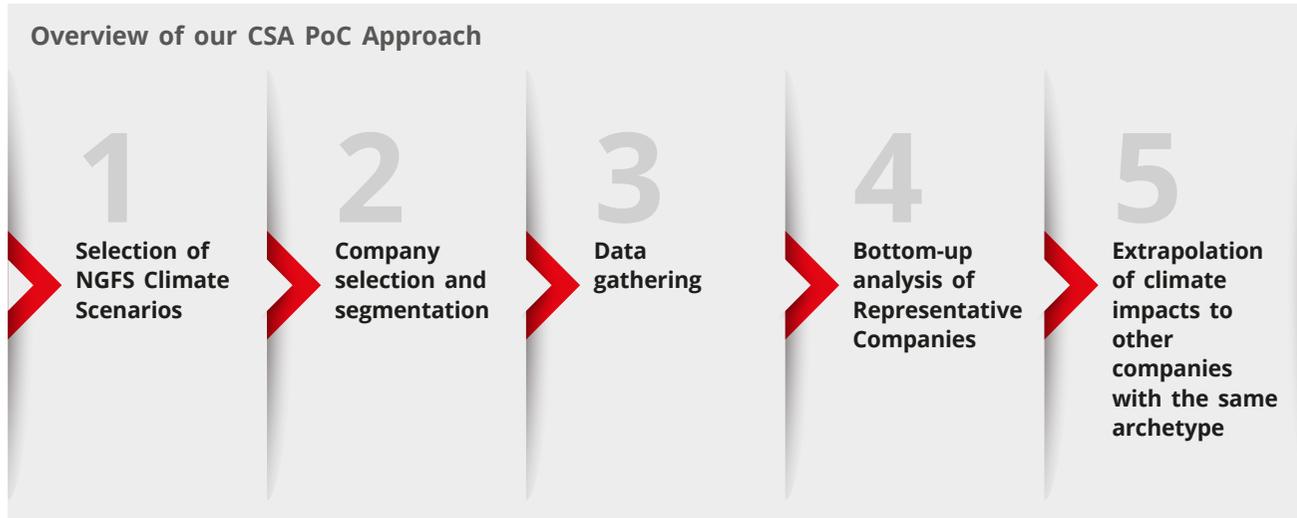


Emissions-based approach

For each sector, financial driver impacts are modelled based on company-level emissions. Price is modelled as a function of reported Scope 1, Scope 2 and upstream Scope 3 emissions (driven by carbon price). This approach is used for less carbon-intensive sectors, or there is insufficient data/information to apply a sector-specific approach, but is not appropriate for sectors where Scope 3 downstream is a major consideration.

Sectors modelled using this approach were:

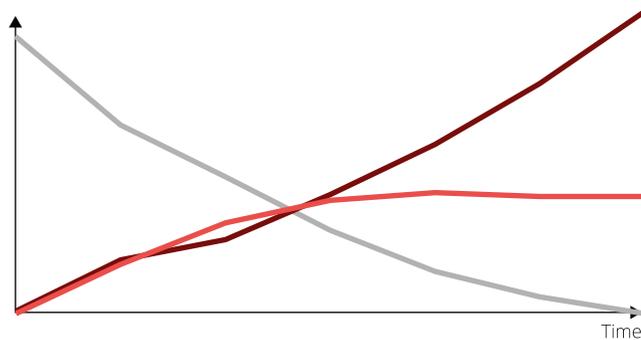




Briefly, the CSA PoC begins with the selection of representative companies with differing risk and business profiles for each sector (Representative Companies). Subsequently, all companies in each sector (including the Representative Companies) are categorised based on their business and risk attributes, and assigned with an appropriate archetype, allowing for extrapolation at a later stage.

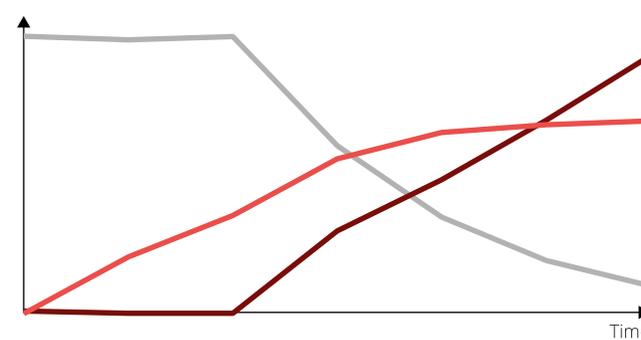
Representative Companies' financials are individually stressed under each NGFS climate scenario across a set of key financial risk drivers (i.e., volume, price, unit cost, etc) to observe the impacts of transition and/or physical risk to their respective probability of default (PD). Finally, results are extrapolated to other companies of the same sector and archetype, where the Representative Company results (in the form of average PD shifts by each archetype) are applied to the rest of the companies in our non-retail book according to their assigned archetype in order to derive their own PD and rating as well as movements under each climate-stressed scenario.

Orderly Transition
e.g., Net Zero 2050 (1.4°C)



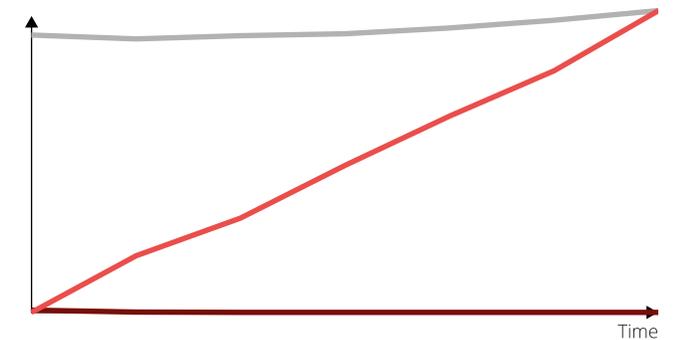
- Early and decisive action from governments, companies and consumers reduces global emissions in a gradual way
- Actions sufficient to limit global average temperature increases to below 2°C

Disorderly Transition
e.g., Delayed Transition (1.6°C)

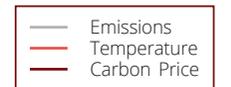


- Governmental action to address climate change is delayed to 2030
- Actions sufficient to limit global average temperature increases to below 2°C
- 10-year delay uses up global carbon budget – more significant action needed to catch up

Hot House World, BAU
e.g., Current Policies (3°C+)



- Governments fail to introduce policies to address climate change other than those already announced
- Paris climate targets are not met – 3°C+ increase in global average temperature



Governance and Risk

1. Selection of NGFS Climate Scenarios

As recommended by BNM, we utilised the Network for Greening the Financial System (NGFS) scenarios when undertaking the CSA PoC, focusing on transition risk parameters and drivers. NGFS provides scenarios that are recognised across the industry, ensuring consistency and comparability in financial institutions' assessments. Adopting the NGFS scenarios enables us to align with common industry practices, enhance transparency, and facilitate better collaboration in addressing the challenges associated with CSA at the industry level.

Three NGFS scenarios were chosen for the CSA PoC: Net Zero 2050 (orderly), Delayed Transition (disorderly) and Current Policies (hot house world).

Sector-specific and sector-agnostic risk parameters derived from the NGFS scenarios were integrated and translated into key transition risk drivers in our CSA models, which were then used to simulate the impact on the financial performance and position of evaluated companies over a 30-year projection period, as further elaborated in step 4.

2. Company selection and segmentation

To ensure a fair representation of our Portfolio, approximately 10 to 13 publicly listed companies (PLCs) and private companies across the ASEAN region were identified as Representative Companies for each sector. In total, our assessment sample comprised around 100 companies across the eight sectors, which were further segmented and assigned with an appropriate archetype.¹

3. Data gathering

The CSA PoC required a large amount of financial information (e.g. income statements, balance sheets, cash flow statements) and non-financial data (e.g. Scope 1, 2 and 3 GHG emissions), particularly during the bottom-up assessment stage, where we conducted in-depth analysis of the Representative Companies. External data sources and proxies were used to enrich and complement the existing internal data points.

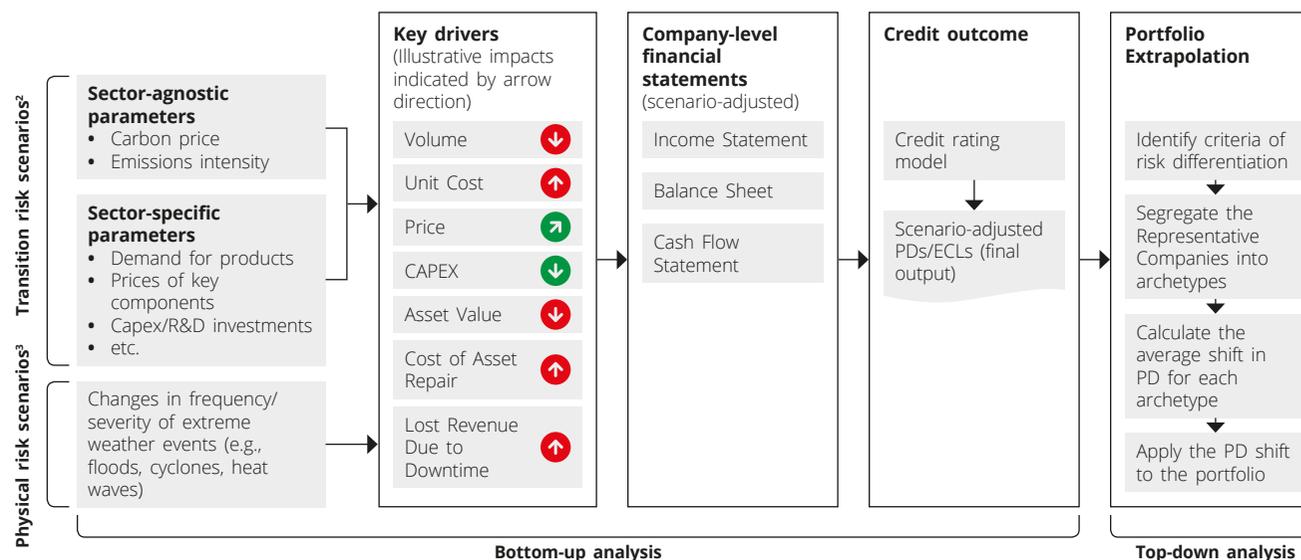
4. Bottom-up analysis of Representative Companies

By applying either the sector-specific or emissions-based model, the financials of each Representative Company was stressed based on key transition risk drivers under each chosen NGFS scenario. For instance, under the 2050 Net Zero scenario, a power generation company would be subjected to a hypothetical transition compelled by the need to decrease the proportion of fossil fuels in its energy mix whilst boosting renewable energy generation to meet accelerating electricity demands. The financial impact of such hypothetical stress, as imposed through drivers such as Price, Volume, CAPEX, Unit Cost and Asset Value was assessed based on a set of financial variables, which were then used to derive its PD values and PD shifts from the baseline (i.e. without climate stress) as well as climate-adjusted ratings (using CIMB's internal credit rating models), at 5-year intervals across a 30-year horizon under each NGFS scenario.

In order to meet our objective of investigating the climate risk sensitivity of different companies in our portfolio, we assumed all companies within the eight sectors would adhere to the sectoral transition pathways as outlined by the NGFS. This analysis did not factor in the companies' individual climate commitments or transition plans, nor the purpose of our financing for those companies (i.e., with dedicated use of proceeds in green projects or activities).

5. Extrapolation of climate impacts to other companies of the same archetype

Archetype-level average shifts in PD under each scenario derived from the bottom-up assessment of Representative Companies were applied and extrapolated across our Portfolio companies based on their respective sector and pre-assigned archetypes. The outputs, which are projected PD values for each Portfolio company, were converted into climate-adjusted credit ratings using CIMB's internal credit rating models. Separately, the PD projection of each Portfolio company were used to compute its respective climate-adjusted expected credit loss (ECL).



¹ Similar segmentation and assignment of archetypes were repeated for the rest of the companies in our Portfolio for extrapolation purposes later.

² Derived from NGFS.

³ Due to time constraints, the CSA PoC did not extend to physical risk aspects.

OUR LEARNINGS

Findings from the CSA PoC indicate that the impact of transition risk, especially under the Net Zero 2050 scenario, varies significantly across different sectors. Sectors or companies that have significant emission intensity profiles, weaker starting financials, and are operating in geographies with tighter climate rules (e.g. high carbon tax) or in markets with higher demand price elasticities, are likely to be subjected to higher financial and credit risks as a result of transition risk.

The CSA PoC was an important internal first step in implementing a systematic and proactive approach to managing the risks and opportunities associated with climate change, as well as to help our clients navigate a rapidly changing environment. The results of CSA can be applied in a number of ways, including:



When undertaking the CSA PoC, we encountered several key challenges that are inherent to the CSA-related area of work:

<p>Data Availability and Quality</p>	<p>Reliance on external data providers to furnish/extract financial and non-financial data points of companies. Proxies were applied if data was not available, both internally and externally.</p>
<p>Methodological Limitations</p>	<p>Due to data limitations, certain assumptions adopted were based on foreign markets (e.g. price elasticities, cost pass-through) and were therefore indicative in nature rather than a true representation of domestic market conditions.</p>

Notwithstanding the challenges above, we acknowledge the continuous evolution of this field and are committed to enhancing our climate models, methodologies, and tools for evaluating customer sensitivities to climate. We endeavour to take pragmatic steps such as working with the financial services industry to overcome data challenges, strengthening our internal CSA models with updated NGFS scenarios, and incorporating physical risk drivers into the models in the future.

QUALITATIVE ASSESSMENT ON OTHER RISK TYPES

We have started to consider the climate-driven impact of both transition and physical risks on our non-credit risk types, including:

- Market Risk**
Through qualitative assessments of first and second-order impacts of climate-related events on market risk, we have concluded that transition and physical risk events from climate change are unlikely to materially affect CIMB's market risk levels at this juncture.
- Liquidity Risk**
Liquidity risk impact from climate stress events has been qualitatively assessed and found to be lower than the scenarios that the Bank currently accounts for in its existing stress testing exercises. As such, the liquidity buffers that the Bank currently maintains should suffice in mitigating climate-related liquidity risk events. No quantitative assessment has been conducted.
- Operational Risk**
Climate drivers can result in heightened operational risk and business continuity concerns through physical risk events and, to a lesser extent, through transition risk drivers. Both transition and physical acute event-driven operational risks are already covered to an extent by CIMB Group's existing BCM processes, while chronic events are by nature less material owing to their more gradual longer-term impacts.

Governance and Risk

RISK MANAGEMENT

We are guided by our Sustainability Risk Management Framework, which ensures that our approach to the assessment and management of sustainability risks is consistent with the Group's Enterprise-wide Risk Management Framework.

Sustainability Risk, which includes climate-related Transition Risk and Physical Risk, is recognised both as a principal and a cross-cutting risk that can impact other risk categories such as credit risk, reputational risk, operational risk, market risk, as well as liquidity and funding risk. In light of this, we have initiated a review of the Group Risk Library to provide clarity to the interconnected nature of Sustainability Risk (including climate) as well as the roles and responsibilities of various parties in managing such risks across the organisation.

In 2023, we completed a review of the Group Risk Appetite Statement (Group RAS) to incorporate a qualitative risk appetite statement on Sustainability Risk (Sustainability RAS). A preliminary list of proposed quantitative sustainability and climate-related metrics has been developed and will be formalised in 2024. Once finalised, the qualitative Sustainability RAS (alongside the quantitative metrics) will be integrated into key risk and business processes, as well as business strategy, for future management and monitoring.

ASSESSING AND MANAGING OUR EXPOSURE TO CLIMATE-RELATED RISKS

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

- **Embed Climate Risk Considerations**
Wherever possible, we embed climate risk considerations into an existing risk ecosystem, such as our Enterprise-wide Risk Management Framework, Group Risk Library, among others
- **Take Risk-based Approach**
We take a risk-based approach to assessing and managing climate risks, focusing on areas that are most material to CIMB and the climate
- **Deploy Quantitative Tools**
We use quantitative tools and contextualise climate risks using common risk and financial metrics, especially for scenario analysis and stress testing
- **Constantly Strengthen Data**
We continually develop and strengthen the quality of climate data such as improving the availability and quality of our clients' greenhouse gas emissions
- **Synergise Top-down, Bottom-up Assessments**
We converge top-down portfolio-level assessment with bottom-up customer-level analysis to gain meaningful insights and enable more targeted actions

Our Suite of Climate Risk Assessment Tools

Tool and Assessment Level	Climate Risk Types Considered	Methodology	Management Actions
Material Risk Assessment (MRA) <i>at portfolio level</i>	<ul style="list-style-type: none"> • Transition • Physical 	<p>MRA is the starting point of CIMB's Internal Capital Adequacy Assessment Process (ICAAP)</p> <p>Business Units and Enablers perform an annual self-assessment of the non-measurable risks (e.g., Sustainability Risk) inherent in their significant business activities and assess their control effectiveness</p> <p>Group Sustainability, as the owner and subject matter expert for Sustainability Risk, leverages the Group's MRA exercise to ensure that relevant divisions duly consider sustainability and climate-related risks from the point of risk-taking activities</p>	<p>Losses associated with non-measurable risks are estimated, and capital will be set aside for that purpose</p>
Sustainability Risk Dashboard <i>at portfolio level</i>	<ul style="list-style-type: none"> • Transition • Physical 	<p>We report our financing exposure to High Sustainability Risk sectors as a proxy indicator for our vulnerability to transition risk to relevant risk committees at management and Board levels</p> <p>In addition to risk aspects, GSSIPS performance is reported as part of the dashboard to provide a more holistic picture from both the risk and opportunity perspectives</p>	<p>We intend to leverage the dashboard to establish appropriate risk appetite metrics and thresholds for sustainability and climate-related risks. We expect this exercise to take another few years to mature, as market best practices are still emerging and developing</p>
Climate Scenario Analysis <i>Bottom-up and top-down assessment on non-retail segment</i>	<ul style="list-style-type: none"> • Transition • Physical 	<p>Refer to pages 52 to 55 for our detailed methodologies </p>	<p>Refer to pages 52 to 55 for potential list of applications </p>
Sustainability Due Diligence <i>at non-retail client/transaction level</i>	<ul style="list-style-type: none"> • Transition • Physical 	<p>Our Sustainability Due Diligence process assesses and considers climate-related transition and physical risks alongside other E&S risks for a robust and better informed decision-making process</p> <p>We utilise tools such as the Coastal Risk Screening Tool developed by Climate Central and review historical data to determine flood risk. We also ensure continued relevance of our assessments on transition risk by periodically reviewing our sector requirements in alignment with changes in public policy, regulations, and stakeholder expectations</p> <p>Refer to pages 35 to 40 for more information </p>	<p>Clients found to be exposed to high sustainability risks may be required to commit to mitigating action plans, and the transaction may be subjected to escalated approval</p> <p>In cases where the risk is too high, we may decline the application</p>

Governance and Risk

Tool and Assessment Level	Climate Risk Types Considered	Methodology	Management Actions
Financed Emissions Inventory <i>at client and portfolio levels</i>	<ul style="list-style-type: none"> Transition Physical 	Our methodologies are provided in detail on pages 46 to 49 of the Understanding Our Financed Emissions section 	Refer to Understanding our Financed Emissions section on pages 46 to 49 
GSSIPS Tool <i>at client/ transaction level</i>	<ul style="list-style-type: none"> Transition Physical 	<p>We have clear criteria for what we consider as climate-supporting assets, which we use to consistently classify and report our financing and investments. We continue to update the tool in line with regulatory expectations and the latest technical screening criteria for sustainable financing activities</p> <p>In Malaysia, the tool allows us to determine the overall proportion of our assets that fall under the “green” or “climate-supporting” category, versus the “transitioning” and “brown” categories as per BNM’s Climate Change and Principle-based Taxonomy. For Indonesia, we report financing which is aligned to Sustainable Business Activity Categories (Kategori Kegiatan Usaha Berkelanjutan) based on Indonesia’s Financial Services Authority (Otoritas Jasa Keuangan) guidelines</p> <p>Refer to the Sustainable and Responsible Finance: Driving Positive Impacts section on pages 85 to 91 </p>	<p>The percentage of “green” and “transitioning” assets are some of the indicators we use to gauge whether we are on target to achieve our 2050 Net Zero objective and the national agenda of those countries which we operate in. By monitoring this in our financing portfolio, we can drive our client engagement and solution offerings in the right direction. For example, via this tool, we can identify and subsequently engage clients who have not set up their transition plans, and help to provide the necessary advisory support</p>

As we continue to sharpen the sensitivity and rigour of our climate risk assessment tools, we are also committed to strengthening our climate risk management approaches. Several controls and measures have been in place to mitigate potential impacts of climate-related risks, including:

- Integration of an Overall Sustainability Rating (which accounts for climate-related risks) into the Group’s Risk Posture¹ setting exercise, to inform and steer annual budgeting and business planning processes
- Application of a climate overlay (referencing the Transition Risk Heatmap developed as part of the UNEP FI TCFD Phase II banking pilot) as modifier to sector appetite within the Group’s Country Sector Limit Methodology. For example, if a sector’s sensitivity to transition risks is assessed as “high” or “unsatisfactory” based on the Transition Risk Heatmap, the sector’s appetite may be adjusted down to “Restricted” if the existing appetite level is higher
- Management of physical event-driven operational risks (e.g. business disruptions and asset damages as a result of extreme weather events such as floods) as part of the Group’s Business Continuity Management (BCM) processes

In line with the expectations set forth by BNM and other regulators, we aim to further streamline and enhance our climate risk management approaches in future, for example via:

- Formalising a set of quantitative sustainability and climate-related metrics (with thresholds and limits, where applicable) as part of the Group Risk Appetite dashboard, for targeted monitoring and proactive management
- Further entrenching climate risk management into the Enterprise-wide Risk Management Framework through development of a dedicated climate policy, followed by harmonisation of other existing policies and procedures (such as the Group Sustainability Policy), where applicable
- Enhancing our Sustainability Due Diligence process to include more granular questions and analysis revolving around climate-related transition and physical risks

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

METRICS AND TARGETS

PCAF Asset Class ²	FY2022 (Baseline) ¹							FY2021 ¹	FY2020 ¹
	In-Scope Exposures Assessed for Financed Emissions (RM mil) ³	Scope 1 and 2 Absolute Emissions (tCO ₂ e)	Scope 1 and 2 Emission Intensity (tCO ₂ e/RM mil)	Weighted Data Quality Score for Scope 1 & 2	Scope 3 Absolute Emissions (tCO ₂ e) ⁴	Scope 3 Emission Intensity (tCO ₂ e/RM mil) ⁴	Weighted Data Quality Score for Scope 3 ⁴	Scope 1 and 2 Absolute Emissions (tCO ₂ e)	
Business Loans & Unlisted Equity	102,376	9,105,807	88.94	4.16	2,135,914	277.02	4.24	10,503,676	10,491,056
Commercial Real Estate	25,011	1,184,487	47.36	4.03				412,032	421,582
Listed Equity & Corporate Bonds	15,291	2,438,889	159.50	3.13	208,448	97.43	2.77		
Mortgages	131,472	1,796,413	13.66	4.00				1,397,560	1,351,667
Motor Vehicles	28,189	1,952,320	69.26	2.60				1,497,380	1,591,503

Sector	FY2022 (Baseline) ¹							FY2021 ¹	FY2020 ¹
	In-Scope Exposures Assessed for Financed Emissions (RM mil)	Scope 1 and 2 Absolute Emissions (tCO ₂ e)	Scope 1 and 2 Emission Intensity (tCO ₂ e/RM mil)	Weighted Data Quality Score for Scope 1 & 2	Scope 3 Absolute Emissions (tCO ₂ e) ⁴	Scope 3 Emission Intensity (tCO ₂ e/RM mil) ⁴	Weighted Data Quality Score for Scope 3 ⁴	Scope 1 and 2 Absolute Emissions (tCO ₂ e)	
Agriculture	25,442	2,934,867	115.36	3.93				1,120,200	1,441,225
Cement	2,202	1,145,749	520.34	2.89				2,782,768	2,095,523
Coal	2,362	425,061	179.99	3.05				1,302,374	1,101,416
Iron & Steel, Aluminium	3,350	453,350	135.33	4.38				29,640	60,858
Oil and Gas	9,850	1,159,354	117.70	3.68	2,344,362	238.01	3.92	3,070,049	4,133,617
Real Estate	208,640	3,515,975	16.85	4.09				1,832,402	1,795,380
Transportation	37,341	2,289,468	61.31	2.95				1,715,140	1,832,162
Utilities	13,154	4,554,091	346.22	3.37				1,958,077	1,395,630

¹ 2022 Baseline was established based on the Group's Financed Emissions Calculation Methodology which was strengthened in 2023 to cover, among others, the following:-

- calculation and estimation approach for the newly added Listed Equity and Corporate Bonds asset class;
- inclusion/exclusion of selected sub-sectors and/or clients to be subjected to financed emissions assessment (i.e., in-scope exposures assessed for financed emissions)
- an updated list of PCAF emission factors as of March 2023
- revised assumptions including estimated local/regional statistical data on distance travelled for motor vehicle loans asset class and average floor area per building type for mortgages asset class, as well as the baseline recalculation criteria.

Financed emissions for FY2020 and FY2021 were not restated or recalculated per the enhanced Financed Emissions Calculation Methodology on the grounds that FY2022 serves as the base year for the Group's financed emissions inventory (in line with the base year used in selected sector-specific climate targets of the Group), and that recalculation of previous years' performance requires a significant level of effort to complete. In this regard,

any variations in terms of absolute emissions between FY2022 and FY2020-2021 are not solely an indication of the Group's decarbonisation outcomes but rather attributable to methodological differences.

² We intend to broaden the coverage of our financed emissions inventory by including the remaining PCAF asset classes (e.g. Sovereign Debt and Project Finance, Facilitated Emissions) and sectors other than the nine carbon-intensive sectors listed above (e.g. Manufacturing) in the future.

³ This refers to the total outstanding amount that is in-scope for financed emissions calculation and estimation. Scoping was undertaken to exclude certain types of financing facilities and investments such as individual clients (applicable to Business Loans and Unlisted Equity asset class), investments that are held for trading (applicable to Listed Equity and Corporate Bonds asset class) and home equity loans/lines of credit (applicable to Mortgages asset class).

⁴ Calculation and estimation of scope 3 emissions currently only extends to Oil & Gas sector of the Group's financing and investment portfolios. We intend to augment the coverage to cover other sectors in due course.

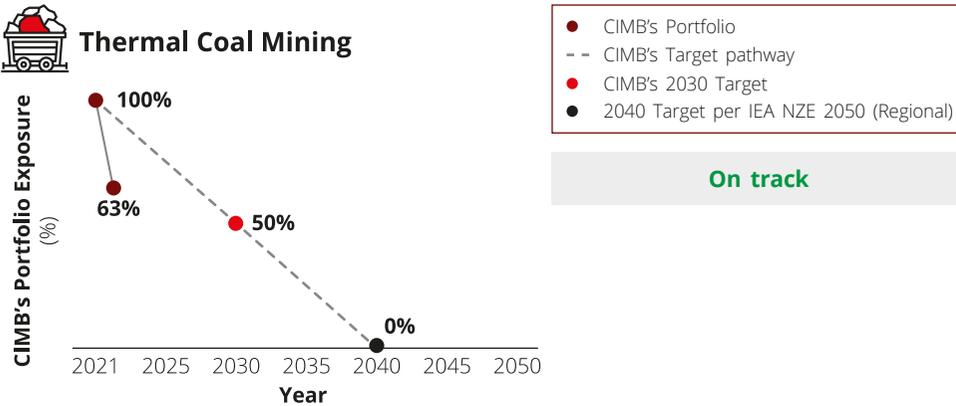
Governance and Risk

PROGRESS TOWARDS 2030 SECTOR-SPECIFIC CLIMATE TARGETS

Thermal Coal Mining



Thermal Coal Mining



Scope

Thermal coal mining clients

Decarbonisation Levers

- Strict adherence with prohibitions within our Coal Sector Guide
- Periodically strengthening our Coal Sector Guide such as through scope expansion and introducing revenue and/or fuel mix thresholds for new and existing clients
- Proactive client engagement to support clients' diversification plans
- Ensure relevant controls are in place to best manage the socio-economic impacts from wind downs

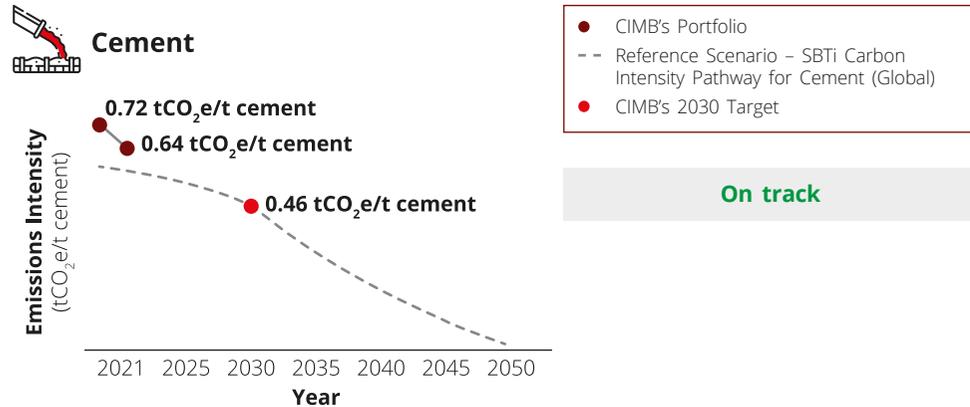
Coal is responsible for about 40% of the world's GHG emissions from using fossil fuels and generates over 40% of Southeast Asia's electricity. Its consumption for power generation will require drastic reduction to meet IEA's Net Zero objectives by 2050. The IEA net zero report outlines a phase-out of unabated coal by 2030 in advanced economies and by 2040 globally, with no new thermal coal mines needed post-2021. However, given its dominance in the region's energy landscape, any transition away from coal must be executed in a just manner, considering the socio-economic implications on energy security, employment and economic development.

In 2022, our portfolio exposure to Thermal Coal Mining clients decreased to 63% (indexed against the 2021 baseline), ahead of our targeted trajectory. This reduction is primarily associated with full provision of an impaired loan, along with the natural amortisation of existing facilities as well as adherence to the Group's Coal Sector Guide which prohibits all forms of asset-level or general corporate financing to new thermal coal mines and expansions.

We remain actively engaged with our clients in this sector to facilitate their diversification away from coal toward more sustainable alternatives. Through ongoing dialogue and support, we strive to mitigate socio-economic impacts and a smooth transition process.

Separately, we are currently enhancing our approach and process for the identification of diversified companies with direct revenue from thermal coal mining, which currently requires significant efforts in terms of client engagement and analysis. We can therefore expect to see fluctuations in our progress in this sector as we enhance our processes to include more clients outside of our current coal portfolio that meet the UNEP FI Guidelines threshold of >5% direct revenue from thermal coal mining, which would not have been included in our 2021 baseline. Additionally, we are also working on strengthening our Coal Sector Guide to include the implementation of tighter thresholds to progressively assist us in meeting our targets.

Cement



Scope

Scope 1 and 2 emissions of Cement manufacturing clients

Decarbonisation Levers

- Encourage and support the adoption of technologies that reduce emissions
- Provide financing options that incentivise sector decarbonisation
- Influence our Real Estate clients to decarbonise which will create price signals and demand for more sustainably produced cement
- Collaborate and engage with industry organisations and regulators to contribute ideas on Construction sector decarbonisation efforts
- Onboard new Cement clients selectively with a clear transition plan aligned with Net Zero 2050

With cement being the second most consumed substance on Earth after water, and the second largest manufacturing GHG emitter globally, the Cement sector plays a critical role in global carbon emissions. According to IEA guidelines, the cement sector must reduce its CO₂ emissions 3% annually by 2030 to align with the 2050 Net Zero target.

In 2022, the emissions intensity for our Cement portfolio decreased to 0.64 tCO₂e/t cement from 0.72 tCO₂e/t cement in 2021, bringing us closer to the sector's reference pathway benchmark. This positive shift can be attributed to improved data quality and coverage, enabling a more accurate reflection of our clients' transition progress which includes a slight reduction in the emissions intensity of clients included in the baseline. Variations in our funding contributions, driven by changes in credit line utilisation of our clients, also impacted the client weights at the time of measurement.

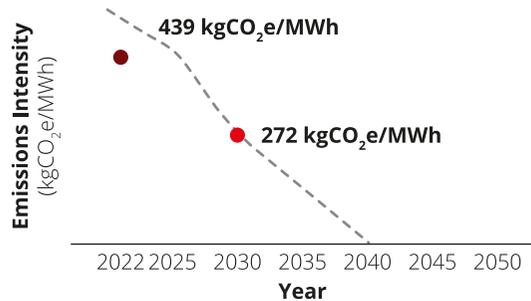
We remain dedicated to supporting our clients in their decarbonisation efforts, and are actively participating in industry-wide collaborations to advance the sector's decarbonisation, fully acknowledging current limitations on the availabilities of mature and cost-effective technologies, as emphasised in section 7.3 of our whitepaper, Our Path to Net Zero: Charting a Course to Decarbonisation. Despite the availability of certain decarbonisation technologies such as waste heat recovery systems and clinker substitution, many more such as Carbon Capture and Storage (CCS), electric kilns and alternative fuels are still either in early stages of development or not yet economically viable. As such, our assessment suggests that the pathway towards decarbonisation for this sector, particularly within our region, may not be straightforward or consistent in the near term.

Governance and Risk

Power



Power



- CIMB's Baseline
- Reference Scenario - Adjusted IEA NZE 2050 (Regional)
- CIMB's 2030 Target

Baseline established

Scope

Scope 1 emissions of Power Generation clients (including electric utilities, power plants, independent power producers and renewable energy producers)

Decarbonisation Levers

- Adhering to our commitments in the Coal Sector Guide
- Enhancing our Coal Sector Guide requirements progressively towards a coal phase-out by 2040
- Increasing the share of renewables financing in our portfolio
- Financing of CCUS technologies as a longer-term post-2030 lever
- Facilitating the early retirement of unabated fossil fuel power plants through official managed phase-out programmes, especially for clients with high dependence on coal for power generation

In line with the 2023 updates to the IEA NZE scenario, the Power sector will need to achieve Net Zero by 2040, ahead of other sectors. The pressure will be particularly high on the sector in Southeast Asia as the region's energy mix is currently dominated by fossil fuels, especially when compared with the more economically mature Western markets. As the region anticipates a 50% growth in power demand over the next decade, achieving a just transition requires balancing environmental sustainability, energy security and affordability, and socioeconomic development.

Despite the challenges, the Power sector is poised to lead the transition to a low-carbon economy, given its interdependence with other sectors; reducing carbon emissions in the Power sector not only cuts its own emissions but also reduces Scope 2 emissions for other sectors. Decarbonisation of this sector will also enhance the international competitiveness of Southeast Asian exports and reduce the impact of carbon-related duties.

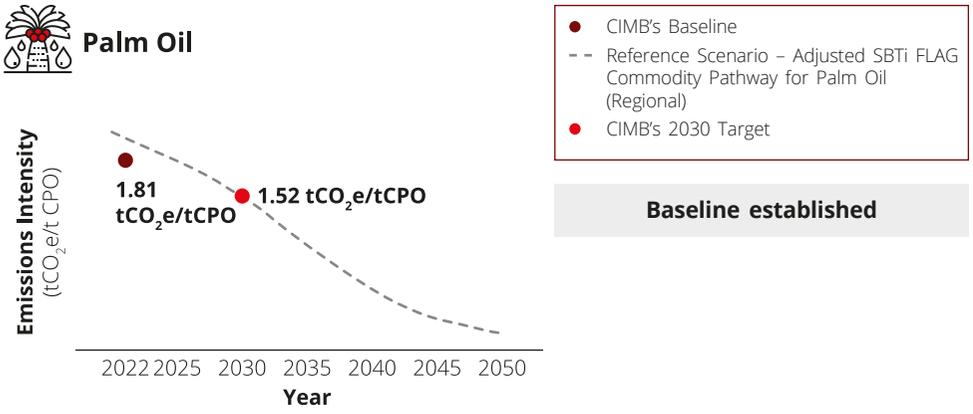
Much of the technology for decarbonisation in this sector is relatively mature and has already demonstrated commercial viability and scalabilities across multiple geographies. Supportive policies such as carbon taxes and changes to fossil fuel subsidies in the Power sector will be critical to accelerate the large-scale development and deployment of renewable energy capacity in the region, and ensure that renewable generation is cost competitive. Upgrades and expansion of energy storage and other supporting infrastructure must also be deployed in tandem while enhanced regional connectivity can help balance geographical supply and demand gaps.

Our actions align with the sector's required trajectory, as we set ambitious, measurable targets to drive advancements and support our stakeholders in their journey toward this energy transition.

Palm



Palm Oil



Scope

- Scope 1 (including land use change-related emissions and sequestration) and Scope 2 of plantation, mill and integrated clients
- Scope 3 upstream (i.e., external sourcing of fresh fruit bunches) of integrated clients

Decarbonisation Levers

- Adhering strictly to CIMB's No Deforestation, No Peat, No Exploitation (NDPE) Policy
- Supporting clients to obtain certification under international and local certification schemes i.e., Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO), Indonesian Sustainable Palm Oil (ISPO), and International Sustainability and Carbon Certification (ISCC) and in conjunction, improving emissions data reporting
- Onboarding new certified sustainable palm oil clients, and support our existing clients to deliver and accelerate emissions intensity reduction efforts
- Financing biogas plant installation at palm oil mills
- Increasing financing and other forms of support to clients and their suppliers with a focus on economic inclusion and improving livelihoods of vulnerable groups e.g.; upskilling, increasing yields for upstream smallholders, etc.

Palm oil is an indispensable commodity globally, not only due to its wide applicability and high affordability, but also the lack of viable and readily available alternatives. However, the rapid growth in demand from palm oil has been a cause of deforestation and peatland clearance in the region, impacting important carbon sinks and biodiverse ecosystems. Social issues such as land conflicts and workers' rights have also contributed to negative associations and heightened scrutiny on the sector. Nonetheless, as a primary industry and significant agriculture export, palm oil is also directly responsible for a significant portion of the GDP (3-5%) of Malaysia and Indonesia, our two largest markets. This sector also provides employment for millions, especially in rural communities. Thus, transition efforts must consider economic implications for these nations and ensure just outcomes for affected communities.

Key levers include halting deforestation, implementing NDPE policies, and adopting climate-conscious practices while safeguarding human rights. Collaboration between governments, regulators, industry stakeholders and NGOs, enhanced by certification schemes over the past two decades, has been pivotal, achieving record low deforestation levels in both Malaysia and Indonesia. These national and international certification schemes serve as crucial catalysts for change, establishing standards, providing guidance and verifying sustainable palm oil production.

Financial institutions also play a vital role in fostering change. As a bank providing financing to this crucial sector, we have significant impact in promoting and facilitating emission reduction strategies for palm oil producers and other industry stakeholders. Our approach involves actively engaging and supporting clients in obtaining sustainable palm oil certifications such as MSPO, ISPO, RSPO and ISCC as required by our Palm Oil Sector Guide, which is applicable to clients involved in oil palm plantations as well as the production of palm oil and its products.

Governance and Risk



BIODIVERSITY AND ECOSYSTEM INTEGRITY

We operate in countries that are home to some of the world's most vital ecological biospheres. However, human activities have directly contributed to the decline in biodiversity over the decades. Extensive land use change and the overexploitation of species are some of the main factors fueling habitat and wildlife loss in this region.

It is estimated that more than one million species are now threatened with extinction¹, with 80% of threatened or near-threatened species impacted by human activity related to food production, infrastructure, energy and extractive industries². 'Business as usual' will not only cause irreversible destruction of biodiversity, but will have socio-economic consequences as a result of the dependence of businesses on nature and its services, for example for food and water. The World Economic Forum estimates that US\$44 trillion of economic value creation is at risk from continued destruction of nature from human activities².

NO DEFORESTATION, NO PEAT, AND NO EXPLOITATION

In 2022, we rolled out our No Deforestation, No Peat, and No Exploitation (NDPE) commitment to the Palm Oil, Forestry (including Rubber), and Timber Plantation sectors. Our efforts in 2023 focused on encouraging our clients in these sectors to commit to the NDPE principles. We will continue to improve our NDPE policy by benchmarking against industry best practices to identify avenues for improvement.

Biodiversity and ecosystem integrity was identified as a new material matter for CIMB in early 2023, and we are committed to playing our part in protecting and enhancing biodiversity and ecosystem integrity. We have begun to assess biodiversity risks in our financing decisions, and to put in place guidelines to manage these risks and impacts.

This underscores our continued dedication to integrating responsible business practices into every level of decision making.

 | Our NDPE Commitment embedded within our Sustainable Finance Framework

BIODIVERSITY RISK ASSESSMENT

In 2023, we developed a comprehensive Deforestation and Biodiversity Risk Assessment process which boosts our ability to assess biodiversity risks in the projects and clients that we finance.

The process relies on a synthesis of data gleaned from three separate web applications providing nearly real-time information on peatlands, areas managed for conservation goals, including UNESCO-MAB Biosphere Reserves and Ramsar Sites, as well as IUCN management categories encompassing legally protected areas (such as national parks, wildlife reserves). These insights help to us to ascertain whether further detailed risk assessments are needed to evaluate both physical and reputational biodiversity risks. This approach allows us to validate information, make more informed decisions and provide evidence-based guidance to our stakeholders in forming strategies to effectively address biodiversity challenges within their business activities.

This process has been piloted and is being implemented by trained staff across Malaysia, Indonesia, Singapore, Thailand and Cambodia. This new assessment is part of our Enhanced Sustainability Due Diligence (ESDD) toolkit and has been instrumental this year in evaluating two high-profile Malaysian cases, significantly strengthening the integrity of our Enhanced Sustainability Due Diligence process.

¹ Land degradation neutrality for Biodiversity Conservation, UNCCD (2019).

² New Nature Economy Report II: The Future of Nature and Business, World Economic Forum (2020).

STAKEHOLDER ENGAGEMENT

We recognise that protecting biodiversity requires an all-of-society approach. To this end, we proactively engage our clients, guiding them on their path to sustainability and helping close any gaps in their biodiversity practices. Additionally, we shared our methods for assessing biodiversity risks with our peers in the Bank Negara Malaysia Climate Change Principle-based Taxonomy Implementation Group, aiming to inspire broader adoption of these best practices.

We are also part of the Malaysian National Biodiversity Policy Implementation – Business Advisory Group, which is working to develop the strategy and roadmap for the private sector to support the Kunming-Montreal Global Biodiversity Framework goals in Malaysia.

Since the introduction of our NDPE commitment requirements to the Palm, Forestry (including Rubber) sectors in 2022, we have so far engaged with and issued NPDE related action plans to 17 clients. Examples of action plans issued include requirements for a commitment towards NDPE and to conduct a High Conservation Values (HCV) assessment prior to land clearing activities. For more information on sustainability engagements, please refer to page 38. 

How We Work With Our Investors

Mr. Snorre Gjerde, Lead Investment Stewardship Manager

Norges Bank Investment Management manages the Norwegian Government Pension Fund Global, one of the world's largest funds, owning almost 1.5% of all shares in the world's listed companies. We have been an investor in CIMB Group Bhd for many years.

Since 2019, CIMB has been an active participant in a series of sustainability workshops we have organised for financial institutions and consumer goods producers in Southeast Asia. These workshops serve as a platform for conveying our expectations as a responsible investor, and to deepen our understanding of how companies we own are addressing critical sustainability challenges, such as deforestation and labour issues. Our focus has been on building capacity, exploring best practices and joint solutions to these issues, and discussing ways in which investors and financiers can facilitate the transition towards more transparent and sustainable commodity value chains.

We have been encouraged to see the enhancements in CIMB's sustainability-related policies and practices over the past few years, notably the introduction of No Deforestation, No Peat, No Exploitation into its Palm Oil sector policy, and the broader commitment to be Net Zero by 2050. CIMB's initiative to set a 2030 financed emissions reduction target for the Palm Oil sector, based on the Science-Based Target initiative's Forest Land and Agriculture (FLAG) standard, is particularly noteworthy as a global first among financial institutions.



We look forward to continuing our constructive dialogue with CIMB, and to following the bank's progress against its sustainability commitments.

Governance and Risk

Reviewing CIMB's Net Zero Target for Palm Oil WWF – Malaysia

A recent WWF-Malaysia study using the Biodiversity Risk Filter tool revealed that the Palm Oil sector poses significant physical risks to biodiversity, scoring 3.9 out of 5. Financial institutions face substantial risk exposure through palm oil financing activities. Despite increasing recognition of palm oil's significance as a key sector, the Sustainable Banking Assessment (SUSBA) 2022 , assessing the environmental and social (E&S) integration performance of 46 banks in the region, reveals a persistent gap between recognition and effective risk integration, urging tangible action. Against this backdrop, CIMB's commitment to reduce the emissions intensity of its Palm Oil portfolio by 16% by 2030 (from its 2022 baseline year), aligned with a broader Net Zero decarbonisation pathway, marks a pioneering step.

Achieving net zero in the Palm Oil sector necessitates transitioning to a nature-positive economy, which supports a just transition. Complementing its Net Zero targets, CIMB's NDPE policy will play a key role in achieving this. Requiring clients to conduct HCV assessments and commit to conserving primary forests and HCV areas (including peat) before land clearing helps prevent further GHG emissions and biodiversity loss, while offering opportunities for ecosystem restoration. Moreover, over 3 million smallholders in the region, who contribute to over 40% of palm oil production, depend on the industry for their livelihoods. Financial institutions' commitment toward including and supporting smallholders in the transition and upholding human rights throughout the value chain is crucial for protecting and improving their livelihoods. Looking ahead, enhanced transparency in the implementation of policies such as NDPE and human rights assessments is imperative for banks.

Another gap identified in WWF's Sustainable Banking Assessment (SUSBA) assessment is the limited coverage of palm oil policies by banks, often failing to extend across the entire value chain. CIMB's inclusion of upstream Scope 3 emissions from smallholder Fresh Fruit Bunch (FFB) procurement in its Net Zero target is encouraging. A recent WWF paper  analysing financial flows linked to palm oil companies (large retailers, food and beverage and consumer goods companies) highlights the potential risks

financial institutions face in financing the downstream sector. With the upcoming deforestation-free commodity regulations, there is an urgency to expand palm oil policies and emission monitoring across the value chain. Tools like WWF's Palm Oil Buyers Scorecard (POBS)  can aid financial institutions in evaluating deforestation, conversion, and human rights risks among palm oil buyers.

CIMB's adoption of a science-based approach, aligned with the Science-Based Targets initiative's Forest, Land and Agriculture (SBTi FLAG) pathway, is a step in the right direction - continued monitoring and updating of targets based on evolving climate science are essential to ensure relevance. Financial institutions should continue to drive decarbonisation strategies that foster a supportive environment which promotes sustainable and traceable palm oil practices. These efforts should embrace a multi-faceted approach, encompassing a jurisdictional approach anchored on protection, production and restoration, supporting better land-use planning practices, investing in smallholder support programmes, and also exploring sustainable landscape approaches that benefit all stakeholders. Programmes like the Asia Sustainable Palm Oil Links (ASPOL), which aim to halt deforestation in palm oil supply chains in Asia while promoting sustainable trade, consumption and production, serve as a model in this regard.

While palm oil occupies a complex space in the sustainability landscape, WWF believes the industry does not have to be destructive and can be transformed through sustainable practices. We encourage financial institutions to continue refining strategies and demonstrate transparency in their progress reporting against set targets periodically. We call upon the financial sector to collaborate across the palm oil ecosystem, actively engaging with industry players to enable sustainable production and consumption, towards accelerating the sector's decarbonisation in a manner that benefits both people and nature.



HUMAN RIGHTS

From empowering and enabling employees, and fostering fair practices with clients and vendors, to participating in state-level conversations on policy formulations, CIMB is dedicated to upholding the best human rights practices across our operations and supply chains, aligning with global and local standards. We are committed to interactions that are founded on fairness, trust, respect and dignity because we believe a sustainable future is where every individual is valued, communities thrive in harmony and businesses drive positive social change.

HUMAN RIGHTS GOVERNANCE

Recognising the significance of human rights within our operations, we have established a robust governance framework, overseen at the highest level of authority within the Bank. The Board of Directors and the Group Sustainability and Governance Committee bear the ultimate responsibility for human rights, ensuring stringent oversight. At the managerial level, the Group Chief Sustainability Officer plays a pivotal role in managing human rights risk as a key facet of sustainability risk at CIMB.

Our Group Human Rights Policy serves as a comprehensive guide, delineating our commitments and the approach to addressing our most critical human rights risks. Aligned with the United Nations Guiding Principles (UNGP) on Business and Human Rights, the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking and Bank Negara Malaysia's Value-based Intermediation Financing and Investment Impact Assessment Framework, our Policy underscores our commitment to upholding international human rights standards. The Policy is adopted across all our businesses within the region and localised in Indonesia, Thailand, Cambodia and Vietnam.

 | [Human Rights Statement](#)

TURNING OUR POLICY INTO ACTION

HUMAN RIGHTS DUE DILIGENCE

The implementation of our Policy extends across all aspects of our business, with the most significant human rights risk stemming from our financing activities. To proactively manage this risk, we integrated human rights considerations into our financing procedures, deeming them crucial elements in our risk assessment processes. Our approach in carrying out human rights due diligence is outlined on our website. 

To address human rights risks associated with our clients, we require our high-risk clients to implement action plans such as publishing a human rights policy and establishing a grievance mechanism. Out of the 12 action plans due in 2023, 83% of our clients have successfully completed their respective action plans. We are continuing our engagements to support the remaining two clients in completing their action plans.

Beginning 2023, we have established a target to ensure that a minimum of 75% of our clients successfully complete their action plans due that year. This commitment strengthens our dedication to mitigating human rights risks and fostering responsible practices among our clientele.

CAPABILITY BUILDING

Strengthening internal capabilities is crucial in effectively implementing human rights initiatives. In Thailand and Cambodia, where the Policy was localised in April and May 2023, dedicated training sessions were conducted for key employees to enhance awareness and provide clarity on the implementation of the Policy. Approximately 450 employees attended the sessions, which covered the practical aspects of conducting due diligence.

We recognise the value of sharing best practices to enhance our internal processes. As a member of the UNEP FI Community of Practice, we actively participate in quarterly sessions with banks from around the world. These sessions provide a platform for sharing and learning from each other's best practices, fostering collaborative ideation and solutioning to address shared challenges.

Governance and Risk

EMPOWERING OUR CLIENTS AND VENDORS

Recognising the unique challenges faced by some clients and vendors in meeting our human rights expectations and requirements, in 2023, we initiated a collaboration with the Earthworm Foundation to enhance the capabilities of our Malaysian clients and vendors. A pivotal component of this effort was a three half-day, sector-specific training session held in July. The session was attended by 85 vendors and clients operating in high-risk sectors such as Manufacturing, Construction, Forestry and Agriculture. The training covered essential topics including the International Labour Organisation's 11 indicators of forced labour, conducting risk assessments and an effective grievance mechanism.

As a follow-up to this training, we developed templates to assist our clients in crafting their human rights policies, conducting due diligence and implementing grievance mechanisms.

SUPPORTING REGULATORY AND INDUSTRY DEVELOPMENTS

Effective management of human rights risk by businesses necessitates robust national regulations. This pivotal role of the state is underscored as one of the three main pillars of the UNGP. As a leading bank in the region, we actively engaged in the development of national regulations. In Malaysia, we contributed to the formulation of the National Baseline Assessment on Business and Human Rights by participating in workshops and interviews. The baseline assessment will contribute towards the National Business and Human Rights Action Plan (NBHRAP) 2025-2030 to be launched in 2024.

As a member of the CEO Action Network (CAN), we collaborate with other members in capacity-building sessions and advocate for member companies to commit to and adopt human rights standards set by the UN Guiding Principles. As of now, CAN has over 70 member companies operating in Malaysia.

OUR HUMAN RIGHTS PROGRESS AND PERFORMANCE

To gauge our organisation-wide progress and effectiveness in implementing our human rights commitments, we have established a target to achieve a 75% completion rate of our clients' human rights action plans. Additionally, we have identified key metrics that will be measured and reported on an annual basis to bring transparency to our efforts and progress. These indicators will undergo periodic reviews to ensure that we are disclosing the most meaningful measures effectively.

Metric	Measurement	2023 Performance
Clients engaged on human rights topics ¹	Number of clients	45 clients
Employees trained in human rights ²	Number of employees	542 employees
Suppliers engaged in human rights ¹	Number of suppliers	288 suppliers
Suppliers who have acknowledged our Vendor Code of Conduct, including human rights commitments ³	Percentage of suppliers	81% of suppliers

2023 is the first year of tracking these metrics post the rollout of our Human Rights Policy in 2022. We will commence year-on-year comparisons in 2024.

1 Malaysia only.

2 Malaysia, Thailand and Cambodia only.

3 Group level only.

In 2024, our priority is to align the Group's human rights values across all regional entities, paving the way for consistent implementation of associated policies, procedures and approaches throughout the organisation.

We are currently working to enhance our human rights internal and external grievance mechanism, aligning it with the best practices of the UNGP. Additionally, we aspire to cultivate cross-industry engagements starting in Malaysia, promoting the exchange and adoption of best practices.

Sustainable Action

At CIMB, integrating sustainability throughout our value chain is driven in equal parts by both our moral and ethical conviction that it is the right thing to do, and evidence that it is good for business.

We are committed to enhancing the lives and wellbeing of our over 33,000 employees and 1,800 suppliers throughout ASEAN, while actively minimising our environmental footprint. Central to this commitment is the reduction of our operational GHG emissions. By striving for a safe, fair and inclusive work environment that fosters development and wellbeing while contributing to a better future, we not only fulfil our ethical obligations but also strategically position ourselves for long-term success. By taking Sustainable Actions, we build trust, demonstrate leadership and enhance our resilience against sustainability risks – including those stemming from climate change. Consequently, our commitment to both environmental and social responsibility translates directly into enhanced performance and long-term prosperity, both for CIMB and the communities we serve.

A Low-carbon Bank



Minimising our operational GHG emissions and other environmental impacts to support a sustainable future for all

An Engaged and Productive Workforce



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

An Inclusive and Fair Work Culture



Ensuring a diverse and inclusive workplace that encourages creativity and productivity

MATERIAL TOPICS

2023 ACHIEVEMENTS



Climate Change: Operational Emissions

- Achieved reduction of 35% in Scope 1 and 26% in Scope 2 (market-based) GHG emissions against the 2019 baseline
- Completed LED conversion for 29 branches in Malaysia.
- Installed rooftop solar PV systems in CIMB Thai Chiang Mai HQ and CIMB Niaga Graha Bintaro
- Attained a 13% renewable energy utilisation rate sourced from CIMB's own rooftop solar PV systems, Green Electricity Tariff (GET) and Renewable Energy Certificates (RECs)
- Achieved net zero for Scope 1 and 2 GHG emissions for CIMB's operations in Singapore



Talent Attraction, Retention and Growth

- Introduced benefit enhancements and launched a flexible benefits programme in Malaysia and Indonesia
- Launched CIMB Signature Leadership programmes for mission-critical positions, senior position successors, emerging leaders and junior leaders
- Won 29 regional Human Resource awards
- Improved Organizational Health Index score to 83% in 2023 from 77% in 2022



Diversity and Inclusion

- Gender pay ratio of 1.00 (male) : 1.01 (female)
- 38% female representation in leadership (GCEO-2 and above, including Key Management employees)
- Improvement of diversity in the succession pool for critical roles across the Group

Sustainable Action



CLIMATE CHANGE: OUR OPERATIONAL FOOTPRINT

OVERALL PERFORMANCE

In 2023, we conducted a base year recalculation to update our baseline GHG emissions to reflect the recently updated emission factors provided by respective national agencies. This has resulted in a restatement to our GHG emissions data from 2019 to 2022.

Overall, our Scope 1 and 2 GHG emissions have shown a downward trend since 2019. Our efforts to reduce GHG emissions via energy efficiency (Lever 2) measures, particularly in the post-pandemic recovery phase, have played a significant role in mitigating the increase in energy consumption since 2021.

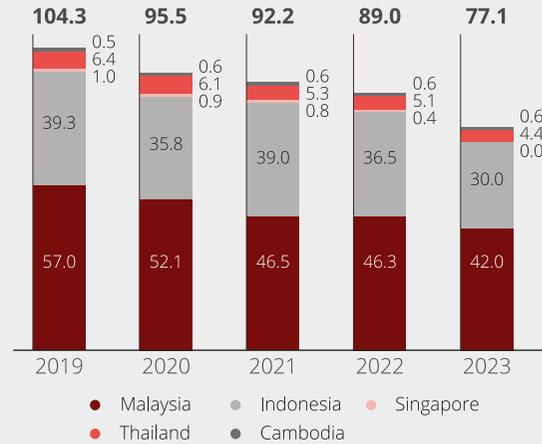
In 2023, to further reduce our Scope 2 GHG emissions, we have increased our renewable energy consumption by subscribing to the Green Electricity Tariff in Malaysia and installing solar PV systems on our buildings in Thailand and Indonesia. We also purchased Renewable Energy Certificates (RECs) to increase the consumption of renewable energy. This initiative enables us to diversify our energy sources while supporting the development of the local renewable energy industry.

| Approach for calculating Scope 1 and 2 GHG emissions

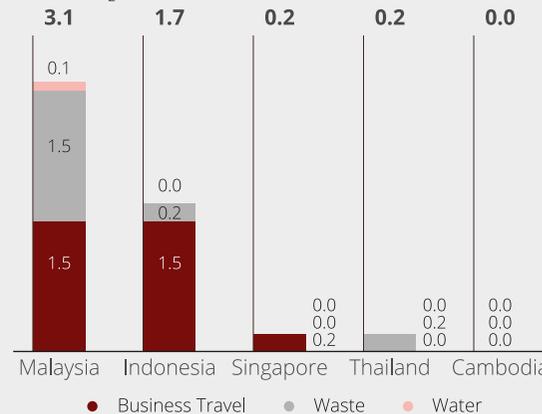
All Scope 2 GHG emissions mentioned in this section refer to Scope 2 (market-based) data. The full breakdown of our GHG emissions including Scope 2 (location-based) emissions is available in our data table in page 130 of this report.



GHG Scope 1 and 2 (market-based) Emissions
(’000 tCO₂e)



GHG Scope 3 Emissions for 2023, excluding category 15
(’000 tCO₂e)



CIMB's Scope 1 emissions primarily stem from the fuel consumption of our owned vehicles or fleets, such as the operation of our Cash Mobile units in Indonesia. We recorded absolute emissions of 3,077 tCO₂e, which is 38% below our target of capping Scope 1 emissions at 4,998 tCO₂e for 2023. The reduction in Scope 1 emissions is mainly due to lower vehicle fuel consumption recorded for Indonesia and Thailand in 2023 compared to 2019. As we progress towards achieving operational net zero by 2030, we aim to gradually reduce our capping of Scope 1 GHG emissions in absolute terms. One strategy that we are exploring is the potential electrification of our Cash Mobile units.

We recorded absolute Scope 2 emissions of 74,005 tCO₂e, which is 26% below the 2019 baseline and within the cap of Scope 2 GHG emissions at 76,320 tCO₂e for the year 2023. The reduction in Scope 2 emissions is mainly contributed by the increase in renewable energy use and the purchase of RECs as a means of renewable energy sourcing.

Recognising the vital role of renewable energy (Lever 3) in reducing our Scope 2 emissions, we actively explored leveraging the Corporate Green Power Programme (CGPP) in Malaysia in 2023. While quota constraints hindered our participation, our commitment to pursuing mechanisms similar to the Virtual Power Purchase Agreement (VPPA) for long-term decarbonisation remains steadfast. In the interim, we will leverage RECs to achieve immediate emission reductions while supporting the development of the renewable energy industry.

As a result of these initiatives in 2023, we have seen a Group-wide reduction in Scope 1 and 2 GHG emissions of 26% compared to 2019.

We continue to measure our operational Scope 3 GHG emissions, which include emissions from water, waste and business travel. Details of our Scope 3 operational emission calculation methodologies are available in our website. As a financial institution, our largest overall emissions arise from our Scope 3 financed emissions. Read more about CIMB's financed emissions on pages 46 to 49.

As a purpose-driven banking leader in ASEAN, we are committed to doing our part to mitigate climate change by reducing our operational emissions to help meet the 1.5 degree Celsius target established by the Paris Agreement. This commitment is reflected in our 2030 target to achieve net zero Scope 1 and 2 GHG emissions.

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

We have a robust roadmap to reduce our Scope 1 and 2 emissions to net zero by 2030. Our all-encompassing approach has resulted in a four-pronged strategy designed to address current and long-term operational GHG emissions in an effective, responsible, and resilient manner. For more information about our decarbonisation strategies and levers, please visit the Climate Change page on our website. 

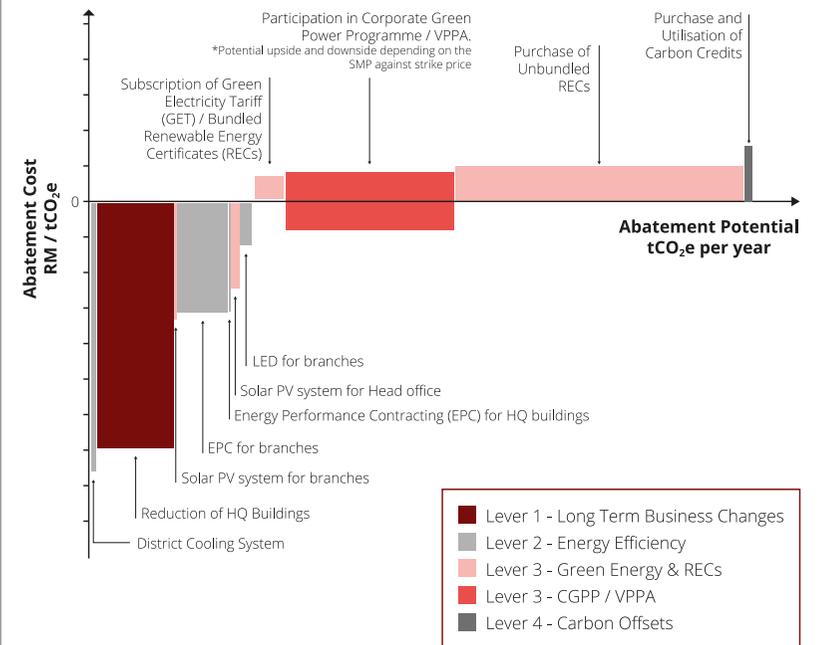
Key steps taken in 2023 are as below:

	LEVER 1	<ul style="list-style-type: none"> Optimised our branch footprint Continued implementation of hybrid working arrangements
	LEVER 2	<ul style="list-style-type: none"> Retrofitted LED lighting for 29 branches in Malaysia Initiated the upgrading of lighting at Menara CIMB to LED
	LEVER 3	<ul style="list-style-type: none"> Subscribed to GET for Menara Southern Bank and Akademi Nazir Razak since February 2023 Completed solar PV system installation for our headquarters in Chiang Mai, Thailand, in May 2023 Completed solar PV system installation for Graha Bintaro (CIMB Niaga's data centre) in November 2023 Purchased 14,023 units of RECs across Malaysia, Indonesia, Singapore and Thailand
	LEVER 4	<ul style="list-style-type: none"> Participated in Bursa Carbon Exchange's (BCX) inaugural carbon credit auction in March 2023 and BCX live carbon trading platform in September 2023 Participated in the purchase of carbon credits from Indonesia Carbon Exchange (IDXCarbon) in September 2023

CASE STUDY: UNRAVELING THE RIGHT DECARBONISATION LEVERS IN MALAYSIA

With our GHG emission levers in place, we have established an internal Marginal Abatement Cost Curve (MACC) that guides us in prioritising our actions for effective decarbonisation. Through this analysis, we strategically prioritise actions that maximise decarbonisation impact at optimal cost. This data-driven approach has led us to focus on initiatives such as LED retrofitting and office space optimisation, which offer significant carbon-reduction potential alongside attractive cost savings. The MACC also helps us to set our Internal Carbon Price.

While transitioning to renewable energy represents additional expenses in the initial period, we recognise that this investment is crucial for our long-term operational decarbonisation and to meet our Net Zero future.



Sustainable Action

SUSTAINABLE SUPPLY CHAIN

Sustainable supply chains are the backbone of enduring business success, resilience and competitiveness. Embracing responsible procurement practices aligns with our strategic objectives and contributes to the socio-economic advancement of the communities we serve.

At CIMB, we emphasise ethical and sustainable sourcing, prioritising local businesses and SMEs across Malaysia, Indonesia, Singapore and Thailand. With approximately 1,800 partners ranging from multinational corporations to SMEs, we actively encourage and support our suppliers in their sustainability efforts and practices.

By championing ethical procurement and empowering local businesses, we mitigate operational risks and bolster our culture of integrity and responsibility, while driving positive change within our shared ecosystem.

In 2023, our engagement with suppliers led to the procurement of over RM1.4 billion worth of goods and services. Our largest spending is in technology products and services.

PROCUREMENT GOVERNANCE AND PRACTICES

Our sustainable procurement governance and practices are clearly articulated in the Group Sustainability Policy and managed by the Group Strategic Procurement team. Detailed information about our sustainable supply chain governance and practices is available on our website. [🔗](#)

ENCOURAGING SUSTAINABLE PRACTICES AMONG OUR SUPPLIERS

We work with a diverse group of suppliers, not only across geographies, industries and sizes, but also various stages of sustainability maturity. We support their development by engaging in activities that raise their awareness of responsible social and environmental practices.

Understanding the significant influence procurement holds on our environmental and social footprint, we embarked on a transformative journey in 2023. By integrating sustainability criteria into all our Malaysia-based Requests for Proposals (RFP), we aimed to demonstrate our commitment to responsible sourcing and building partnerships with like-minded vendors.

We assess potential vendors via a questionnaire across three critical pillars:

 Environmental	 Social	 Governance
Measures taken to minimise resource consumption, energy usage, GHG emissions, waste generation and pollution	Labour practices, human rights, diversity, equity and inclusion within the vendor's organisation and supply chain	Ethical business practices, transparency and accountability within the vendor's organisation

By embedding sustainability criteria into our RFP process, we encourage our vendors to be actively engaged in improving their own sustainability practices and seeking innovative solutions, fueled by this heightened awareness. This helps us make informed decisions that align with our sustainability goals and values, fostering a collaborative environment where we can work hand-in-hand with our vendors to enhance their sustainability performance.

We are committed to continuously refining our questionnaire and fostering stakeholder collaboration to maximise impact. We firmly believe that this initiative plays a pivotal role in driving positive change within our procurement practices and paving the way for a more sustainable value chain.

The Group Strategic Procurement team drives sustainable practices aligned with the Group's Sustainability Policy. We champion responsible business conduct through our robust Vendor Code of Conduct (VCOC), which outlines clear expectations for all suppliers, established and aspiring, regarding ethics, human rights and environmental stewardship.

This dedication to responsible sourcing translates into tangible results. In 2023, 81% of our active vendors re-affirmed their commitment to these principles by acknowledging the strengthened VCOC.

SUPPLIER ENGAGEMENT

This year, we engaged with a total of 288 vendors and suppliers. Our engagement channels include The Cooler Earth Sustainability Summit, direct interactions through virtual platforms and targeted workshops. Topics covered during our engagements included:

 <p>GHG reduction</p>	 <p>Resource efficiency</p>	 <p>Waste management</p>	 <p>Management of human rights risks</p>
 <p>Diversity and inclusion</p>	 <p>Sustainability-related certifications</p>	 <p>The establishment of sustainability criteria within our Request for Proposals process</p>	



TALENT ATTRACTION, GROWTH AND RETENTION

CIMB is dedicated to attracting, developing and retaining the best talents who share our passion, values and drive to create long-term positive impacts in the markets where we operate. Our people's experience at CIMB matter to us. We are constantly looking at how we can support CIMBians to perform at their personal and professional best, from recruitment and onboarding, through their day-to-day operations and their long-term career planning and leadership development.

In 2023, we continued to promote a fair, safe and nurturing environment where our success as an organisation is measured as much by the progress and wellbeing of our people as by our banking achievements. This includes creating more opportunities where our employees are empowered to make their unique impact at CIMB, and equipping them with the skills and tools to navigate an ever-evolving economic landscape.

Key Awards



LinkedIn Talent Awards

Best Employer Brand and Best Talent Acquisition Team

FinanceAsia Awards 2023

Most Progressive Diversity, Equity and Inclusion in Malaysia

HR Excellence Awards 2023

Gold – Excellence in Learning and Development

Silver – Best HR Team (GLC)

Silver – Excellence in Workplace Culture

Sustainable Action

BUILDING A STRONG TALENT PIPELINE

Strengthening our talent pipeline to ensure we continuously hire the best talent is a priority for us. We have in place holistic, effective and efficient programmes to manage talent attraction, development and retention, enabling business continuity, productivity, performance and competitiveness in the long term. In doing so, we facilitate an environment where all our employees have equal access to advancement opportunities.

Scholarships



- **CIMB ASEAN Scholarship** – CIMB's flagship programme that provides talented students with opportunities to attend the world's best universities locally and abroad. 120 scholarships have been awarded to top talents in ASEAN since its inception, and 44 former scholars are now working at CIMB across the region.
- **CIMB Niaga Scholarship Programme** – This programme has supported over 1,226 Indonesian scholars in their undergraduate education through bursaries and soft skills training since 2006. In 2023, scholarships were offered to 50 students from 18 different universities in Indonesia.

Graduate Programmes



- **The Complete Banker™** – Our award-winning flagship graduate talent programme has developed and groomed over 838 graduates regionally for business and leadership roles within CIMB.
- **The Complete Banker™ Digital** – A programme to attract top IT graduates, featuring 12 months of job rotation for knowledge and experience in developing digital solutions for banking. Since its introduction in 2020, 62 talents have been selected to join the programme.
- **The Complete Banker™ Sustainability** – A two-year highly selective talent programme with direct entry into Group Sustainability. Our first talent was onboarded in 2023.
- **The Complete Banker™ Fusion** – A multi-year talent programme that provides graduates with the opportunity to experience working with world-class employers in different industries. Since the joint programme's inception in 2012, we have partnered with more exceptional employers from various sectors to provide 70 outstanding graduates with exposure to working in different industries. Our current partners include PwC and Zico Law, offering three- and four-year work experience programmes respectively to high-potential graduates.

Fellowships



CIMB Sustainability Fellowship – A six to 12-month programme targeted at supporting individuals with at least three years of professional working experience, who are interested in switching career tracks into sustainability and sustainable finance.

Apprenticeships



- **Digital Apprenticeship Programme** – An inclusive pathway to a career in the digital economy for students from low and lower-middle income families through a structured six-month internship programme which combines classroom learning with job rotations. We have selected 90 participants to take part in the programme.
- **Protégé** – An eight-month work experience placement to increase the employability of graduates. In the last three years, 882 trainees were offered employment with CIMB following their completion of the programme.

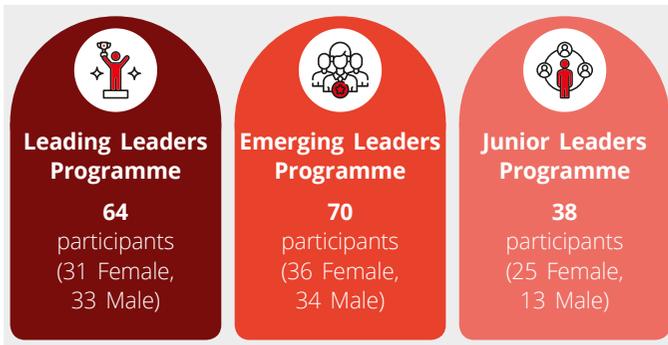
TALENT AND LEADERSHIP DEVELOPMENT

Talent and leadership development are critical to CIMB's people strategy, ensuring the Bank's long-term position as a successful financial institution and as a world-class employer-of-choice. Our approach to developing our talent and leadership pool involves hiring the right people and importantly, investing in the advancement of our employees' talent and leadership potential. This approach has not only contributed to CIMB's progress but also supported our employees' career advancement, ensuring that their expertise continues to strengthen our organisation and leadership for the future.

In 2023, we enhanced our talent and leadership development strategy by accelerating the developmental journey through ramping up regional mobility and strengthening succession plans, with a heightened emphasis on diversity and inclusivity.

LEADERSHIP DEVELOPMENT

This year, we launched the CIMB Signature Leadership series of programmes tailored to employees at various stages of their CIMB journey, including those at senior, middle and junior management grades. These 12 to 18-month programmes offer a balance of leadership and technical upskilling, prioritising hands-on experiential learning through industry immersion, study tours and group coaching. We currently partner with the International Institute for Management Development, Melbourne Business School, Global Institute for Tomorrow and Asia School of Business. In the series' inaugural year, the programmes benefitted 172 of our top talents and identified successors.



INTERNAL MOBILITY

Our renewed mobility programme, "Forward Your Career", is a structured and streamlined approach towards providing our talent with opportunities for growth within the Group.

This year, we introduced regional mobility as a systematic development intervention, creating more opportunities for our employees to gain regional exposure through rotations and short-term assignments. In 2023, we facilitated 104 local and regional rotations and short-term assignments.

Regional Mobility

Brandon Ng Keat Hui, Strategy and Transformation Specialist, Singapore

Prior to transitioning to the Strategy and Transformation Office at CIMB Singapore, I worked in the People Strategy and Culture department in Group Human Resource, based in Kuala Lumpur, Malaysia. My decision to make this move was primarily driven by a compelling desire for professional growth. This career shift aligns with my overarching goal of enhancing my strategy and implementation skills, now from the vantage point of a country perspective, as opposed to the niche perspective of Group Human Resource.

CIMB's regional mobility programme spared me the time-consuming and uncertain process associated with external job applications, enabling me to realise my career aspirations within the CIMB Group. The internal move also allowed me to leverage my existing network within the Group, a valuable asset that I would have forfeited in the event of external employment. The application process is streamlined and efficient, facilitated through our online employee portal, Your Own Digital Assistant. This approach ensures discretion, allowing for internal mobility discussions to proceed without impacting current roles. When I discussed my plans with my supervisor, she was highly supportive of the transition as a next step in my career journey.

Relocating to Singapore has undeniably been a transformative experience for my career. Initially, I faced challenges adapting to my new role. However, with the unwavering support of my new team, mentorship from my supervisor, and structured learning opportunities provided by the learning and development team, I successfully settled into my new role.

Approaching my sixth year with CIMB, the Bank's commitment to its EPICC values, especially in nurturing talent, continues to be evident through its consistent actions and initiatives.



Sustainable Action

CIMB Signature Leadership Programme (Emerging Leaders) **Wong Yee Wei, Governance & Strategic Projects** **– Professional Practices**

I am currently the Regional Head of Professional Practices at the Group Corporate Assurance Division. I joined CIMB in 2010 as an Internal Audit Assistant Manager. Since then, I have taken on increasingly challenging roles, and my responsibilities have expanded to encompass strategic leadership and professional practices at a regional level.

In 2023, I was nominated by the Group Chief Internal Auditor to participate in the CIMB Emerging Leaders Development Programme, in partnership with the Melbourne School of Business. This programme perfectly aligns with my professional aspirations to further develop my leadership skills, broaden perspectives and contribute to CIMB's culture of excellence. As of the end of 2023, I was halfway through the programme and was preparing to embark on an Action Learning Project as the next phase. The experience thus far has been enriching.

One of the programme's most valuable aspects for me has been its emphasis on self-awareness, particularly through the Gallup 360 and CliftonStrengths assessments. Engaging in the experience of understanding my strengths and addressing my weaknesses has proven to be invaluable in cultivating a more impactful leadership style. This heightened self-awareness has been especially beneficial as I engage with various stakeholders in my leadership journey.

Participating in this programme has given me a firsthand perspective of CIMB's commitment to developing employees across all levels. With the Bank's robust support through various development initiatives, including this leadership programme, I am confident that CIMB's efforts will significantly contribute to nurturing internal talent and aligning with our organisational objectives.



LEARNING AND DEVELOPMENT

As a responsible ASEAN corporate citizen, we view upskilling our people as essential to supporting their professional aspirations within CIMB as well as the wider economy. Our goal is to ensure that our people remain competitive and possess relevant skills to thrive in the business landscape of today and tomorrow.

The CIMB University offers comprehensive learning opportunities for our employees' learning and development, and to stay up-to-date with the latest industry trends and best practices. Our focus is on providing our people with access to high-quality, well-equipped training that meets both their professional standards and their own professional goals and ambitions. Our efforts to empower them through development are reflected in the increase of the "Enabling Talent" score in our annual OHI survey to 83% in 2023, from 78% in 2022.

We have a comprehensive employee training and engagement agenda that is instrumental in boosting our teams' capabilities to support customers and local communities in their transition towards a greener and more equitable economy. Our targeted sustainability programmes actively raise awareness and improve our people's technical competencies in relation to sustainability and sustainable finance. This includes helping them understand the fast-evolving regulations and market expectations, as well as, emerging environmental and social risks and opportunities. Our training is designed in accordance with the requirements of respective employee groups, with content tailored to specific roles and responsibilities to support CIMB's sustainability targets.

In 2023, we worked with the Cambridge Institute for Sustainability Leadership to craft and tailor a programme for the Board and the top 500 senior leadership members across our organisation. The programme comprised eight comprehensive modules covering global trends, leading practices in the banking sector and actionable strategies for CIMB's forward trajectory. These modules were delivered through a blend of learning methods, including webinars, in-depth discussions, video presentations, curated reading materials and collaborative group projects. This multi-faceted approach ensured a robust and engaging learning experience for our leadership, fostering a deep understanding of sustainability principles and their practical application within our organisation.

In 2022, we established the Sustainability Academy with the aim of enhancing our employees' knowledge, understanding and technical expertise in sustainability. This year, we made significant progress in our work at the Sustainability Academy by finalising the competency and curriculum framework. We outlined a robust plan for developing essential skills for all key roles within the Bank. Our approach includes implementing tailored training programmes by role, ensuring our workforce is well-equipped to integrate sustainability factors into their day-to-day responsibilities, which vary significantly from role to role. A key feature is the introduction of a structured learning journey, progressing from white to yellow, green, blue, and concluding with black belts.

In 2024, we will focus on 10 strategic job roles that are critical to accelerating sustainability in the Bank, including our Wholesale and Business Banking relationship managers. Looking ahead, our strategic plan involves a phased rollout of this programme, gradually covering all roles. This deliberate progression ensures a comprehensive and sustainable workforce development strategy.



CULTIVATING INDUSTRY EXPERTS

We continue to provide opportunities for our employees to acquire and develop advanced and up-to-date knowledge and skills in their respective professional capacities. We actively encourage our employees to enhance their knowledge and skills through professional certification programmes. In 2023, 263 employees successfully completed their Chartered Banker Level 1, 2 and 3 certifications, while 287 employees are in the process of being certified.

On top of designing quality internal training opportunities, we also enable employee upskilling with credible external organisations by providing sponsorships and scholarships to support our people's continued pursuit of excellence and professional relevance. In 2023, we disbursed 333 scholarships and sponsorships to CIMBians across the region for upskilling in areas such as data analytics, project management, digital transformation and business innovation.

In 2023, 60 employees participated in the Lean Six Sigma Green Belt certification. To apply the skills learned on the job, participants are required to take on assignments related to Journey Transformation and Digitisation (JTD). Some of the key improvements observed include a 75% increase in productivity as a result of automation in the production of audit confirmation letters, introduction of ROBO STR 2.0, a scalable data analytics solution that identifies segments within higher Suspicious Transaction Reporting (STR) propensity, and increase in customer experience and work efficiency with the introduction of revolutionised cashline renewal process.

Over a Decade of Learning with CIMB Azmir Abdullah, Head, Commercial Banking – Sustainable Finance, Malaysia

My journey with CIMB started in 2009 when I enrolled in The Complete Banker programme. My passion for learning, coupled with management support, has led me to diverse exposures in Corporate Banking, Private Banking and Islamic Banking. Recognising the growing importance of sustainability in banking, I seized an opportunity to pivot my career toward sustainable finance, a niche within Commercial Banking.

The rollout of the CIMB Integrated Sustainability Operating Model marked a significant step in ensuring that the right personnel are equipped with the knowledge to be accountable and drive the acceleration of sustainable finance in the Bank. To prepare for this role, I completed a certified online course with the Frankfurt School of Finance & Management and later had the opportunity to attend an in-person programme in Germany.

In 2023, CIMB further invested in our continuous development through a flagship programme with the Cambridge Institute for Sustainability Leadership. This initiative engaged the top 500 leaders of the Bank to build our sustainable finance knowledge and foster collaborative efforts to identify and address opportunity areas. One of the highlights for me was the sharing sessions by top management from prominent companies on how they integrated sustainability into their respective businesses and industries.

With all this support in place, I gained the fundamentals to continue innovating Commercial Banking's propositions such as GreenBizReady™ and Sustainability-Linked Financing for SMEs. An essential takeaway is that sustainability may not have a one-size-fits-all solution. While we may look to the west for general guidance and best practices, we must tailor solutions for our ASEAN context. I am excited to be part of this next phase of CIMB's evolution, where we chart our unique pathway to help our customers transition towards a low-carbon economy.



Sustainable Action

DIGITAL UPSKILLING

Our Digital and Data Academy continues to be the hub through which we channel our digital reskilling and upskilling efforts to employees. Since its launch in 2018, more than 19,000 employees have engaged in programmes related to Digital, Design or Data at the intermediate and advanced levels.

Some of the key programmes include:

- Suite of SAS programmes
- Digital Accelerator programme
- Digital Leadership programmes for middle and senior management

In 2023, our digital and data programmes delivered more than 169,000 learning hours across the region. Some of the tangible business impact from the programmes include:

- Tableau programmes (Building Dashboard for Creator, Desktop Fundamental I and II, and Data Preparation): Participants are able to create dashboard reporting, interactive visualisation and acquire increased knowledge on Tableau
- SAS Technical Training and SAS Coding/Programming: Participants are able to use programming techniques and capabilities of the tool to improve turnaround time, and acquire more in-depth data analytics and reporting capabilities
- Design Thinking and Agile Project Management: Participants apply these two methodologies in problem solving and project management

EPICC WORK CULTURE



Everything we do at CIMB is underpinned by our values of Enabling Talent, Passion, Integrity and Accountability, Collaboration and Customer Centricity (EPICC). These values hold strategic importance in building a shared workplace culture and aligning personal goals with CIMB's overarching purpose of building a high-performing sustainable organisation to advance both customers and society.

We engage our leaders across the organisation to ensure alignment in our EPICC culture transformation with one of the key platforms being the Leadership & Culture Dialogue Series. We also leverage our Change Agent Network (CAN) to support our culture transformation efforts. The objective of CAN is to create awareness of, and promote EPICC at the division level through EPICC Hour activities in various forms including inter-division sports tournaments, celebrations, CSR-linked projects and more.

EPICC IN PERFORMANCE MANAGEMENT

In line with our vision to become the best organisation for the best talents with the right values to thrive, we have incorporated values-based evaluation as part of our performance management framework. This assessment carries weightage in our employees' overall performance appraisals. At present, we have implemented 180-degree feedback for people

managers and embedded a 360-degree values-based assessment in our process for senior promotions. This approach of multi-rater, multi-source feedback supports our drive to create a more open and empowering work environment, and to be more responsive to the voice of employees. It provides opportunities for leaders to identify their strengths and areas of improvement in their demonstration of EPICC values. It also allows us to better tailor leadership training and development programmes for these senior managers, to help ensure that they lead with the right examples of our EPICC values and behaviours.

 | Our Performance Management Framework

REWARDS AND RECOGNITION: EPICC CX STAR AWARDS

The EPICC CX Star Awards is a regional employee programme that recognises individuals who exemplify CIMB's EPICC values. The programme gives #teamCIMB the opportunity to nominate colleagues who consistently demonstrate outstanding EPICC values in their daily work. 50 employees were recognised as CX Stars for embodying EPICC and Safeguarding the Bank.

EPICC RECOGNITION

Outstanding employees who exemplify EPICC values were recognised in multiple categories:



ENGAGING OUR EMPLOYEES

We conduct an annual Organizational Health Index (OHI) survey to measure and improve the effectiveness of our internal practices and the engagement levels of our employees. The OHI survey is an instrument built to measure nine organisational outcomes, including employee motivation, leadership, work environment, culture and internal capabilities. It provides us with a measurable indicator of CIMB's organisational health and helps us to identify areas of strength and prioritise improvement efforts. More importantly, it allows us to objectively track and compare our progress over time. Learn more about our OHI survey methodology on our website. [?](#)

This year, 90% of our employees provided valid responses to the survey, representing an improvement from the 83% valid responses received in 2022. Our overall OHI score also improved to 83%, up from 77% in 2022.



EPICC Karrnnivaal – an opportunity to celebrate #teamCIMB and bond over games and performances. The event saw the participation of over 2,000 employees.



Our improved OHI score in 2023 reflects the various initiatives undertaken to address the gaps identified in our previous OHI survey, including:

1. Centrally-led engagement activities

- Implementation of EPICC Hours activities through the Change Agent Network at the divisional level to further embed values in the organisation
- Large-scale employee engagement events such as the EPICC CX Star Awards and EPICC Karrnnivaal
- Ongoing EPICC thematic campaigns, prioritising digital distribution channels (social media, e-newsletters)
- Divisionally-led engagements such as town halls and divisional/departmental town halls

2. Enhancement of employee experience

- Introduction of flexible benefits, allowing employees to customise benefits based on their individual needs
- Enhancement of existing benefits and introduction of new benefit entitlements such as family care leave
- Rolled out 180-degree bottom-up feedback on values and behaviours for the top 900 people managers
- Launched the EPICC e-learning module, "Being EPICC", for Group-wide education on EPICC

3. Leadership level interventions

- Leadership engagement via the Leadership & Culture Dialogue Series for people managers in Malaysia
- Launched CIMB Signature Leadership programmes for senior, middle and junior management

While the 2023 OHI survey uncovered strong positives and major improvements in our organisational health, we will continue to focus on improving our practices and outcomes. Specific action plans will be designed to address identified pain points in the respective divisions, targeting efforts for the best outcomes. Key recommendations for improvements in 2023 include continuing to prioritise leadership development interventions, increasing engagement with employees on the organisational direction and key changes across all levels, role modelling key behaviours and leveraging on social events to build a sense of community.

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

Sustainable Action

ENHANCING EMPLOYEE ENGAGEMENT THROUGH UNIONS

The CIMB Group respects our employees' rights, including their freedom of association and collective bargaining. We appreciate the unique perspective that unions can provide in fostering deeper understanding and productive dialogue between organisations and their employees. Currently, over one-third of our Group's employees are members of employee unions, highlighting our commitment to maintaining open channels of communication and collaboration within the Bank.



Group-wide

37% of employees covered under employee unions



Malaysia

52% of employees covered under employee unions



Indonesia

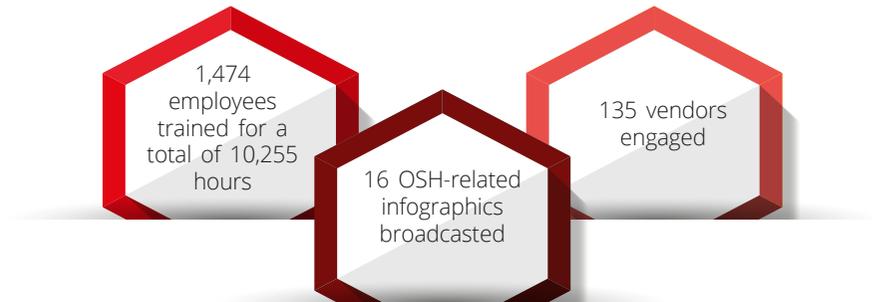
18% of employees covered under employee unions

EMPLOYEE HEALTH, SAFETY AND WELLBEING

We place the highest priority on the occupational safety and health (OSH) of our employees. We strive to minimise or eliminate any potential risks in the workplace that could affect their wellbeing. Our OSH governance, processes and management system can be found on our website. [🔗](#)

In 2023, we revised our OSH Procedure, incorporating a pivotal change with the introduction of OSH Coordinators. This strategic addition aligns with the specific requirements outlined in Section 29a of Malaysia's OSH Amendment Act 2022. These designated Coordinators play a crucial role in overseeing OSH matters, implementing policies, conducting thorough hazard assessments and ensuring strict compliance with OSH regulations. This enhancement not only strengthens our commitment to employee safety but also positions us in full accordance with the latest legislative standards. Additionally, we aim to roll out similar initiatives across our regional operations to maintain compliance with local regulations and standards in each country where we operate.

In pursuit of enhancing our OSH standards, CIMB has conducted a comprehensive audit of our current OSH practices in Malaysia. The audit process involved a thorough review of CIMB headquarters, meticulous examination of OSH documents, scrutiny of system records and extensive interviews with key personnel, including OSH representatives, managers, committee members, subcontractor supervisors and workers. The insights gathered from this audit will provide invaluable guidance as we progress along our journey in elevating OSH standards across the organisation.



In addition to our ongoing initiatives, the OSH Unit redoubled its commitment to enhancing safety and wellbeing in 2023. Our focus expanded beyond CIMB staff to include the wider community, underscoring our dedication to creating safer, healthier environments for all. As a notable addition, the unit conducted a Corporate Social Responsibility (CSR) activity titled OSH CSR 2023, which is a 'Safety Donation Drive' CSR project aiming to improve the safety and wellbeing of chosen charity homes.

ESCALATION PROCESS FOR REPORTING INCIDENTS

Employees deserve to work in an environment that is both safe and secure. We are committed to achieving this by fostering a culture and governance structure that upholds the highest standards of professionalism, integrity and ethics in every employee's conduct. These principles are enshrined in our Code of Ethics and Conduct and Sexual Harassment Policy, both of which are detailed on our website. [🔗](#)

We provide comprehensive training to all our employees on these policies to ensure they are fully aware of our stance regarding discrimination and harassment in the workplace. Any employee found to be in violation of the Code of Ethics and Conduct and related Group policies will be subject to disciplinary action, which may include termination of service.

In instances where employees' rights are violated, our Whistleblowing Policy clearly outlines the escalation process. This policy is readily available on our website for reference. [🔗](#)



¹ Numbers reported through the Whistleblowing Channel (10 grievances) and other employee channels (four).

² Whistleblowing cases were reported in Malaysia, Singapore and the Philippines.

³ The remaining two are ongoing cases.

WELLNESS AND WELLBEING

Our employees' safety, wellness and wellbeing are our top priorities. We give equal importance to the needs of our employees as we do to business and client needs. Therefore, we offer them a comprehensive range of benefits and support to safeguard and promote their wellbeing. These include long-term savings for retirement, coverage for physical and mental health, as well as programmes designed to support their financial, social and spiritual wellness.

Physical and Mental Health



- ▶ Health talks and fairs
- ▶ Onsite dentist and clinic
- ▶ Honour-based medical leave
- ▶ Long-term disability insurance
- ▶ 24/7 emotional wellbeing careline and WhatsApp text line for mental health, available in English, Bahasa Malaysia and Mandarin
- ▶ Mental health educational resources
- ▶ One-on-one remote consultations with professionals of choice, including mental health coaches, dietitians, and career coaches
- ▶ Digital coaching with a multidisciplinary team of health coaches
- ▶ DASS-21, a clinically validated assessment to measure the current state of emotional wellbeing and check levels of depression, anxiety or stress
- ▶ Wellness webinars

Financial Resilience



- ▶ Savings for retirement beyond regulatory requirements
- ▶ Staff scholarships and sponsorships
- ▶ Employee financing and other banking facilities at preferential rates
- ▶ Interest/profit-free home financing
- ▶ Financial support for single parents
- ▶ Financial support for parents of children with special needs
- ▶ **FLEX4ALL**
Flexiwork arrangements where employees can adjust their working hours as long as they fulfil the standard number of hours per day
- ▶ **Reduced Work Week**
Employees have the option to work fewer days with a reduced workload

Family-friendly Workplace



- ▶ **Six-month maternity leave (first-time mothers)**
26 weeks (180 days) of paid maternity leave for the birth of their firstborn, beyond the minimum legal requirement of 14 weeks
- ▶ **Enhanced maternity leave for subsequent children**
Up to 13 weeks (90 days) of extended maternity leave on a half-pay basis, with no change to benefits
- ▶ One-month paternity leave (first-time fathers)
- ▶ **Adoption leave**
Up to 60 days of paid leave for employees who adopt a child
- ▶ **Special leave**
Up to 10 days of paid leave per calendar year for employees facing significant life events, including death, serious illness or hospitalisation of an immediate family member, and extends to situations where the employee's home is directly impacted by a natural disaster, fire or robbery.
- ▶ Onsite lactation rooms for breastfeeding mothers

Sustainable Action



DIVERSITY AND INCLUSION

As a banking leader that is committed to driving positive change in Asia, we are conscious of the power and influence we have to shape communities that value openness, celebrate diversity, and champion inclusion. We view diversity and inclusion not as a corporate obligation, but a cornerstone of our success. Research and our own experience have shown that diversity fuels creativity, fosters better decision-making and creates the optimal environment for people with different talents to thrive. Therefore, we remain dedicated to being an organisation where each employee feels valued, respected, empowered and embraced for their unique contributions to our diverse workforce.

CIMB's Key Diversity and Inclusion Principles



Equal Opportunities and Fair Treatment

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



Inclusiveness, Dignity and Respect

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

WOMEN IN LEADERSHIP

Overall, the representation of women in CIMB's workforce stands at 57%, reflecting a gender distribution trend that mirrors the predominantly female-skewed demographics observed across ASEAN. In addition, 41% of our identified pool of digital and data talent are comprised of women.

As at the end of 2023, women held 38% of senior leadership level roles. Notably, this figure exceeds Asia's average for female representation in both C-suite and senior leadership (non-C titled executives) roles. However, it marks a decline from CIMB's internal benchmark of 42.4% in 2022. This decrease is attributed to operational restructuring therefore also impacting the composition of the leadership team as well as the gender representation within.

We continue to make conscious efforts to develop a diverse succession pipeline to enable diverse leadership regionally. This involves providing the necessary support and avenues for advancement within our organisation. We ensure that women are equally represented in targeted programmes aimed at nurturing leadership potential such as the CIMB Signature Leadership programmes, as well as skills-based developmental programmes. Our commitment lies in fostering merit-based leadership development, empowering well-equipped female leaders to assume top leadership positions.

In addition to our focus on leadership development, we prioritise creating a supportive work environment by championing inclusivity. This is reflected in our family-friendly workplace policies, flexible work arrangements and flexible benefits among others, to ensure our people, especially our female employees, are given the right support for achieving balance in work-life integration.

To strengthen an inclusive mindset among employees, we continue to create awareness and provide education on Diversity and Inclusion through our learning programmes. These programmes cover a range of topics, including raising general awareness and addressing specific issues such as recognising and overcoming unconscious bias and fostering effective communication in diverse and inclusive teams. We also focused on cultivating strong leadership to drive workplace equity through our D&I Series and Inclusive Leadership programmes. This year, 1,485 CIMBians participated in learning programmes related to Diversity and Inclusion.

GENDER PAY EQUALITY

As an inclusive employer, equality in economic participation and opportunities is one of our key priorities. As part of our efforts to promote diversity and inclusivity, one of the key metrics we monitor is our gender pay ratio to ensure fairness in compensation. In 2023, we analysed the gender pay ratio for Malaysia, Indonesia, Singapore and Thailand. The gender pay gap analysis compares the average pay of men and women by function (profit-generating vs. enablers) and seniority levels.

At the Group level, the gender pay ratio stands at 1.00 (male) to 1.01 (female), aligning with our target of not exceeding a 5% difference.

Diversity and Inclusion

Friskilia Ana Maria HB, Talent Partnership Specialist

Diversity and inclusion, to me, means fostering an environment where individuals from diverse backgrounds not only feel welcomed but also receive the necessary support to thrive. Joining CIMB Niaga during the pandemic was a daunting prospect, especially coming from a non-banking background. Adapting to remote work and missing out on traditional team bonding added to the challenge. However, my concerns quickly dissipated thanks to the exceptional support from my supervisor. The guidance and encouragement made me feel both welcomed and valued.

The collaborative and inclusive atmosphere at Niaga has greatly facilitated my integration into my role and enabled me to excel. Over time, my responsibilities have expanded, and I have been entrusted with project leadership. Moreover, this acknowledgement of my performance has paved the way for a regional exposure in Kuala Lumpur, which has proven to be an immensely enriching experience for my career growth.



The meritocracy evident at CIMB Niaga instills confidence in me regarding the advancement of my career within the organisation. Witnessing women holding prominent positions, notably Ibu Lani Darmawan as President and CEO, serves as a perpetual source of inspiration for me as a female professional committed to delivering my best work every day.

Overall, I take immense pride in being a part of CIMB.

Sustainable Business

At CIMB, we conduct business in a way that fosters long-term economic development with a deep commitment to ethical responsibility, as well as social and environmental stewardship. Through our portfolio of products and services, we provide solutions aimed at encouraging the transition to a lower-carbon economy, uplifting social equity, and safeguarding our planet for long-term shared prosperity and wellbeing.

We recognise the disparity in financial inclusion and health across ASEAN, and proactively address pressing issues such as the rising cost of living and escalating financial fraud, head-on. These issues often hit the most vulnerable populations – low-income families and the elderly – the hardest. Our goal is to ensure that economic empowerment is accessible to more, by enhancing financial literacy and widening access to our solutions.

As a customer-centric institution, we continuously refine our approach to providing a better, faster and safer banking experience, responsive to the shifting needs and aspirations of our customers. Harnessing the transformative power of digitalisation, with significant investments in digital innovation and cybersecurity, we are determined to live up to our promise to provide distinctive, personalised and secure banking experiences.



Positive Impact through Finance

Deliver innovative sustainable finance solutions and advisory that enable our clients to create positive impacts and reduce harm



Empowerment through Financial Inclusion and Health

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



A Culture of Customer Excellence

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



Innovative and Technology-Driven

Leverage technology to improve our processes and better serve our customers



Robust Cybersecurity and Privacy

Safeguard our customers' data and privacy to the highest standards against potential threats

MATERIAL TOPICS

2023 ACHIEVEMENTS



Sustainable and Responsible Finance: Creating Positive Impacts

- Mobilised RM32.4 billion of sustainable finance via Green, Social, Sustainable Impact Products and Services
- Launched Malaysia's first comprehensive Sustainability-Linked Financing proposition for SMEs
- Won 14 awards across the region for sustainable finance



Financial Inclusion and Literacy

- Distributed RM8.7 billion of financing to low-income individuals across ASEAN
- Provided RM6.2 billion of financing to micro and small enterprises in support of SDG 8: Decent work and economic growth
- Trained more than 7,800 youths under our financial literacy programmes



Customer Experience

- Achieved a Net Promoter Score within 69% of the industry in our four key markets
- Rolled out a strategy to combat financial scams



Digitisation and Innovation

- CIMB Clicks¹ uptime at 99.74%
- BizChannel¹ uptime at 99.95%



Cybersecurity and Data Privacy

- Enhanced our Security Operation Centre and Threat Intelligence to address increasing cyber threats
- >100,000 hours of cybersecurity and data privacy lessons completed by over 30,000 CIMBians

¹ Figures are calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand, excluding scheduled maintenance.



SUSTAINABLE AND RESPONSIBLE FINANCE: DRIVING POSITIVE IMPACTS

The role of banks today extends far beyond traditional financing; we are at the forefront of channelling capital towards sustainable and responsible initiatives. At CIMB, our approach is holistic, recognising that prosperity today requires a balance of economic performance and attention to critical global concerns including climate change, social welfare, economic development, and environmental preservation. Our commitment is twofold: we foster resilient and inclusive development while simultaneously working to minimise harm and inequities.

Aligned with our goal of achieving Net Zero by 2050, we work with our clients to future-proof their operations against climate change and other emerging risks, and to help them facilitate a just transition. In an era where financial investments are increasingly measured by the environmental and social impacts they create, CIMB is working to ensure that our investments catalyse positive outcomes that drive collective progress and wellbeing.

 | Sustainable and Responsible Finance Approach

OUR GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES FRAMEWORK

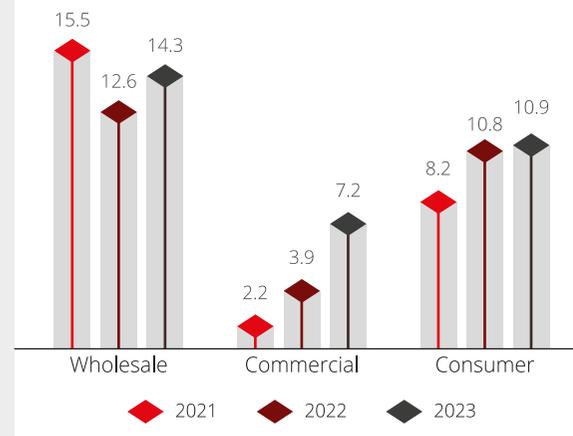
Our commitment to continuously create positive and sustainable impact through our financing is encapsulated in our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. The GSSIPS Framework guides our efforts towards facilitating a just transition and positive social outcomes through our products and services, and is aligned with the principles of Islamic finance through the Value-Based Intermediation (VBI), as well as global frameworks and goals such as the UN SDGs.

CIMB's sustainable finance activities are guided by our Sustainable Finance Framework (SFF), which aligns our financing activities with international sustainability standards and best practices. In FY2023, we updated our SFF that summarises CIMB's sustainability governance, policies, and implementation of sustainable finance to provide more clarity and transparency to our approach in classifying and reporting our GSSIPS achievements. The revised SFF includes our overall guiding principles, scope of recognised products, governance process, deal classification logic and alignment to various credible sustainable finance frameworks. CIMB's SFF can be found here. 

Through the GSSIPS framework, our frontliners are empowered to consistently identify and encourage eligible sustainable financing activities that produce positive impacts for the environment and society. With sustainable finance taxonomies evolving throughout the region, we seek to continue refining our framework to keep pace with industry standards, such as enhanced principles and technical screening criteria for transition finance.

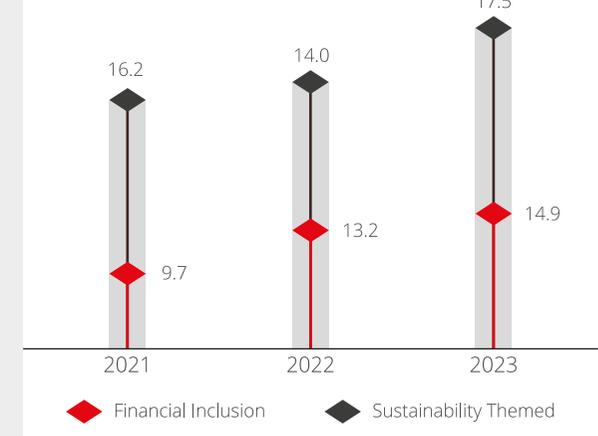
With the increasing demand for sustainable finance, we raised our sustainable finance target from RM60 billion to RM100 billion by 2024, more than tripling our initial target for the same period from our initial goal. In 2023, we mobilised RM32.4 billion in sustainable finance, a 19% increase compared to 2022. Cumulatively, we have mobilised around RM86.2 billion of sustainable finance between 2021 to 2023.

GSSIPS Breakdown by Business Unit (RM bil)



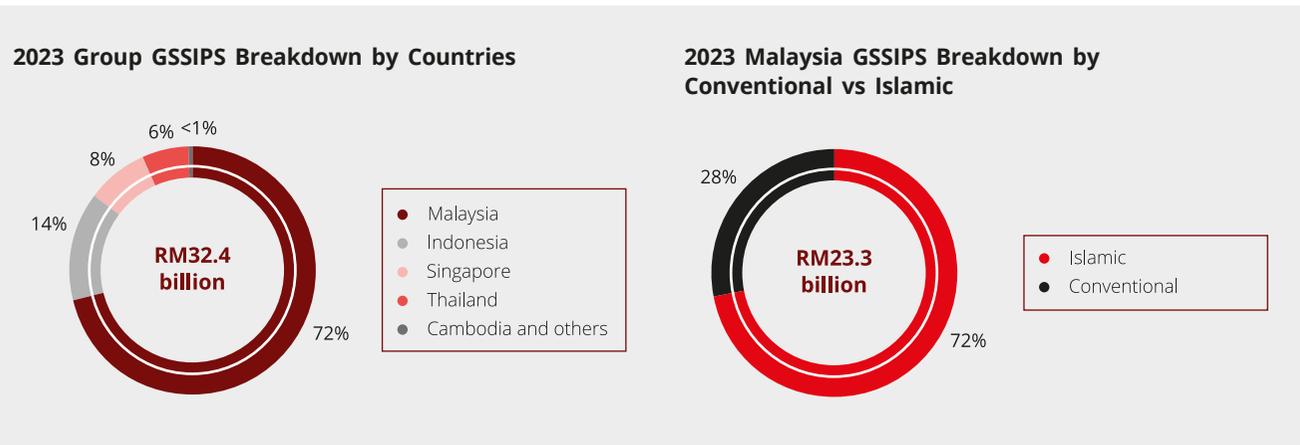
Commercial Banking increased mainly due to change in SME data reporting methodology from 2023 onwards.

GSSIPS Breakdown by Category (RM bil)



The Financial Inclusion category consists of financing for low-income consumers and micro and small enterprises, while the Sustainability Themed category consists of green, social, sustainable, and sustainability-linked financing, as defined in our GSSIPS and SFF. Sustainability-themed deposits and investment accounts that counted towards the total GSSIPS portfolio in 2021 are excluded from this chart.

Sustainable Business



While we have made significant strides, there remain challenges to overcome in bringing systematic change and accelerating sustainable finance for our clients. In line with our Net Zero sector pathways, we seek to engage with clients in hard-to-abate sectors to catalyse transition financing, while continuing to encourage more green and social projects among our clients and their value chains.

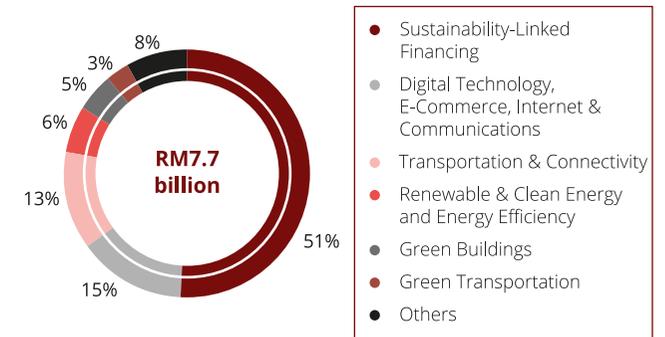
In order to better allocate capital to green, social, sustainability and transition projects, we continue to enhance our financial offerings and processes to meet the diverse requirements of our clients, from SMEs to large corporates across our ASEAN coverage. We recognise that more effort is required for some projects and technologies to be financially viable and are constantly exploring on ways to bridge this gap effectively, including blended financing and enhancing our credit assessment processes. Recognising that our green financing is mainly channeled towards climate change mitigation activities, we are actively seeking to build our capabilities in financing climate adaptation projects. These efforts underscore CIMB's dedication to expanding the reach and efficacy of sustainable financing across both our conventional and Islamic product suite.

WHOLESALE BANKING

Within our Wholesale Banking division, spanning Corporate Banking, Investment Banking, and Treasury and Markets, we are strategically positioned to support our corporate clients in various sectors as they rapidly advance their sustainability agendas. We are encouraged to see that many of our clients are actively aligning with stricter disclosure mandates to better articulate their sustainability strategies and performance, while also noting that our corporate clients are proactively working on their commitments to the SDGs and the pursuit of a just Net Zero transition, by seeking capital for initiatives to generate new resilient business opportunities and promote harm reduction. With regional governments rolling out energy transition roadmaps and low-emission economic policies, we play a crucial role as a facilitator to this shift. Our Wholesale Banking division channels our financing, capital-raising activities and treasury services towards achieving positive environmental and social outcomes.

CORPORATE BANKING

2023 Financing Mobilised by GSSIPS Focus Area



In 2023, our Corporate Banking and Financial Institutions teams facilitated RM7.7 billion of financing to clients across the region. We saw strong growth in sustainability-linked financing to almost RM4.0 billion, comprising 51% of our Corporate Banking GSSIPS transactions. Green, Social and Sustainable use of proceeds financing however decreased to RM3.7 billion from RM5.7 billion driven by lower financing of free/subsidised education and green buildings compared to 2022.

We continue to ramp up engagement efforts with our corporate clients to highlight relevant sustainability topics through events such as our flagship The Cooler Earth Sustainability Summit. A highlight was a dedicated session in Malaysia where we collaborated with key corporate clients and expert partners to discuss best practices in establishing sustainable supply chains, sustainable supply chain financing solutions from CIMB, and the availability of data solutions to track sustainability performance. CIMB Niaga also shared the latest updates on their sustainability policies and frameworks with members of the Indonesia Employers Association.

Key deals facilitated include:

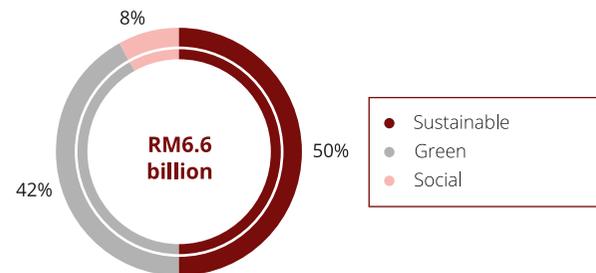
- Reducing GHG emissions intensity for the telecommunications sector in Malaysia**
 CIMB Malaysia served as the sustainability structuring agent, joint lender and sustainability lead arranger for U Mobile's RM1.4 billion Sustainability-Linked Financing (SLF). U Mobile will receive a rebate on its financing rate based on meeting the agreed targets of GHG emissions intensity reduction through the implementation of energy-efficiency and solar power projects for its operations. This deal won the Asset Triple A Sustainable Finance Awards 2024 for the best sustainability-linked loan in the Malaysian telecom sector.
- Facilitating green building certification of self-storage facilities in Singapore**
 CIMB Singapore was the joint lender, sustainability adviser and coordinator for Asia's first Self-Storage SLF of S\$180 million for StorHub. The financing facility features a sustainability-linked margin adjustment tied to two environmental key performance indicators of Storhub's properties in Singapore. The targets include reducing electricity consumption and obtaining LEED green building certification.
- Reducing GHG emissions in the integrated lifestyle property sector in Thailand**
 CIMB Thailand sealed its first sustainability-linked loan valued at THB3.0 billion with Asset World Corporation (AWC), Thailand's leading integrated lifestyle real estate group. With the twin objectives of aligning AWC's sustainability goals and enhancing Thailand's position as a global sustainable tourism destination, the facility will go towards supporting efforts to reduce GHG emissions in its operations.
- Enabling microfinance business expansion in Thailand**
 CIMB Thailand's Financial Institutions team disbursed a social loan to support a local non-bank financial institution in providing affordable microfinancing to underbanked customers.
- Supporting green energy projects for Indonesia's power sector**
 CIMB Niaga participated in the first syndicated green loan facility of USD750 million for Perusahaan Listrik

Negara (PLN), a state-owned enterprise which provides the majority of Indonesia's power generation and distribution. PLN has a decarbonisation plan in place to achieve Net Zero carbon emissions in line with national commitments.

CAPITAL MARKET SOLUTIONS

Despite challenging market conditions, we strengthened our capabilities in the conventional and Islamic debt capital markets and we leveraged our expertise to channel capital to various green, social and sustainable projects. In 2023, our Debt Capital Markets (DCM) team successfully facilitated RM6.6 billion^{1,2} worth of Green/Social/Sustainable bonds/Sukuk (GSSB) throughout the region. As a result, we received the accolade of the Best Bond House for Sustainable Finance by Alpha Southeast Asia. Our efforts in the Malaysian market were also recognised, with CIMB Investment Bank Berhad ranked as the Top Lead Arranger (Overall) in Bond Pricing Agency Malaysia Sdn Bhd's (BPAM) ESG Bond League Table.

Sustainable Bonds and Sukuk Facilitated



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

² This includes the amount credited for the issuance of CIMB's Sustainability Tier 2 Sukuk and Sustainability AT-1 Sukuk, amounting to RM1.3 billion, where proceeds have been allocated to various eligible GSSIPS facilities (per our SDG Bond and Sukuk Framework) extended to our clients. We have excluded counting this amount again towards our RM100 billion GSSIPS target, since the positive impact is already taken into account at the point of extending the facilities to our clients.

Key deals facilitated include:

- Supporting green development in Indonesia**
 This transaction marks the seventh time since 2014 that the Indonesian government has appointed CIMB to act as Arranger and Dealer, Lead Manager, and Bookrunner for its global Sukuk offering under its USD35 billion Trust Certificates Programme. This latest USD2 billion offering, including a USD1 billion green tranche, is the largest USD Sukuk issuance by an Asian sovereign at issuance and was awarded the Best Sovereign Green Sukuk of the Year by Alpha Southeast Asia.
- Enabling the largest mini-hydro project financing deal in Malaysia**
 We are the sole Principal Adviser, Financial Adviser, Lead Arranger, and Lead Manager for RP Hydro (Kelantan) Sdn. Bhd.'s RM975 million ASEAN Green SRI Sukuk Wakalah. This transaction marks the largest greenfield non-recourse project financing ringgit-denominated Sukuk issuance, and the largest mini-hydro project financing deal funded through the MYR debt capital markets in 2023. It was awarded the Best Local Currency Sukuk of the Year and Best ESG Green Financing Deal of the Year in Malaysia by Alpha Southeast Asia.
- Accelerating the energy transition in Thailand**
 CIMB Thailand supported low-carbon growth by underwriting green debenture issuances with a total size of THB9.9 billion by Energy Absolute Public Company Limited. Funds from these issuances will be used to finance various renewable energy projects including electric buses and other low carbon technologies.
- Supporting sustainable energy development in Singapore**
 CIMB Singapore successfully facilitated the issuance of Sembcorp Industries' S\$350 million green bond. Funds from this issuance will be utilised to fund eligible projects under Sembcorp's Green Financing Framework (2021), including renewable energy such as solar and wind.

Sustainable Business

TREASURY AND MARKETS SOLUTIONS

Building on the launch of our landmark Sustainability-Linked Treasury (SLT) programme at the end of 2022, we engaged with our clients to integrate sustainability-linked rebate structures in our treasury risk management solutions, to further incentivise them to achieve their ESG aspirations. These solutions, which can be incorporated into regular FX trading or hedging structures such as interest rate or FX swaps, are customised to each client's sustainability ambitions and business requirements.

Key deals facilitated include:

- Improving biodiversity and climate change disclosures in the palm oil supply chain**
 Intercontinental Specialty Fats, our first foreign MNC and first palm oil sector client in the SLT programme, stands to receive a rebate linked to its Carbon Disclosure Project assessment scores.
- Reducing GHG emissions in shipping**
 We developed our first Shariah-compliant hedging solution with MTT Shipping Sdn. Bhd., linked to improving the carbon intensity indicator of its vessels. They have committed to align their overall emissions reduction trajectory with that of the International Maritime Organisation.

CARBON MARKETS

As carbon markets develop across ASEAN, CIMB is continuously exploring our role in facilitating end-to-end carbon market solutions for our clients. While we recognise that there are challenges, such as the complexities around Article 6 of the Paris Agreement regarding cross-border emissions trading and issues raised on verification standards, we acknowledge that carbon markets will play a critical role in channelling funding towards sustainability projects.

As part of our efforts to explore innovative solutions for our clients, we signed a Memorandum of Collaboration (MoC) with Bursa Malaysia to explore expanding our services, leveraging Bursa Carbon Exchange (BCX), a streamlined platform for trading high-quality carbon credits through standardised contracts. Under the MoC, we are exploring how CIMB can potentially conduct carbon credit transactional services on behalf of our clients via BCX. The strategic partnership provides capacity building features to deepen understanding of voluntary carbon markets and improve our clients' access to carbon credits.

COMMERCIAL BANKING

With many SMEs in the region grappling with adverse economic conditions and rising costs, CIMB is committed to providing these clients with essential financing as well as support on their sustainability initiatives. A vital engine of economic progress, SMEs are increasingly looking to integrate sustainable business practices to enhance their ability to compete, and to enable their continued inclusion in supply chains.

In 2023, CIMB provided RM6.2 billion in financing to micro and small enterprises across the region. Separately, RM1 billion was channeled towards Green, Social and Sustainable financing, a significant progress from previous years.

GREENBIZREADY™

Through GreenBizReady™  our award-winning complimentary, one-stop sustainability solution, we empower Malaysian SMEs to embark on their sustainability journey with access to capacity building, advisory, technical services and business matching with support from industry leaders, sustainability service providers and government agencies.

In 2023, we enhanced GreenBizReady™ with a new RM3 billion Sustainability-Linked Financing (SLF) Programme to accelerate SME adoption of sustainable business practices. We are the first bank in the market to offer a complete value proposition for SMEs to tap into SLF opportunities, including simple tools for quantifying sustainability performance, measuring their carbon footprint and authenticating impact.

Leveraging the Malaysian Green Technology and Climate Change Corporation's (MGTC) Low Carbon Operating System platform, the SLF incentivises SMEs to achieve credible GHG emission reduction targets through attractive financing rebates of up to 0.50% p.a., as they secure financing to meet their business needs.

In addition, we conducted a series of comprehensive client engagement sessions focused on topics critical to sustainability such as energy efficiency, human rights and sustainable agriculture. As a highlight, The Cooler Earth Sustainability Summit 2023 featured a multifaceted panel on energy efficiency practices. The session brought together speakers from the Energy Commission, Malaysia Association of Energy Service Companies, Sustainable Energy Development Authority and MGTC to explore the commercial advantages of energy-efficient operations, in anticipation of the Energy Efficiency and Conservation Bill 2023.

With the aim of enhancing the quality and scope of corporate sustainability reporting, the implementation of the EU Corporate Sustainability Reporting Directive has made addressing human rights risks in the supply chain a pressing concern for businesses. Leveraging on one of our GreenBizReady™ associates, Earthworm Foundation guided our clients from the construction, manufacturing, and palm oil sectors on integrating human rights governance into their operations. We also provided these clients with due diligence tools that help in the management of the issue. CIMB Islamic also partnered with Preferred by Nature, the Forest Stewardship Council and WWF Malaysia to support our Commercial Banking clients in the Palm Oil and Forestry sectors in navigating the new European Union Deforestation Regulation.

GreenBizReady™: Charting GCA's Sustainable Transformation *Zain Puteh, ESG Adviser, Global Component Asia*

Aviation engineering firm, Global Component Asia (GCA; formerly known as RUAG Aviation Malaysia), joined our GreenBizReady™ platform in November 2022. The company's Economic, Environment, Social and Governance adviser, Mr Zain Puteh, shared GCA's experience with CIMB's GreenBizReady™ programme.

What started GCA on its sustainability path?

When it comes to critical issues such as sustainability, our experience shows how important it is to have a strong internal champion. Our sustainability culture and commitment are driven and led from our top leadership. It is also essential to start on the right footing backed by the appropriate guidance with a robust agenda and framework. Today, everyone at GCA feels passionate and proud about being a responsible global citizen.

How did GCA become involved with CIMB's GreenBizReady™?

I am an avid follower of CIMB's The Cooler Earth Sustainability Summit. During my attendance of the 2022 Summit with our Chairman, we stopped by the booth of one of CIMB's GreenBizReady™ associates, Impacto, and learned about how GreenBizReady™ is a one-stop and step-by-step solution for companies looking to embark and progress in their sustainability journey. Through understanding the GreenBizReady™ offerings and the challenges and opportunities for SMEs, we became convinced that GreenBizReady™ would be a good platform for GCA to take the next big leap in sustainability. We then signed up for the GreenBizReady™ programme.

How has GreenBizReady™ benefitted GCA?

We needed to articulate our sustainability aspirations into a concrete, coherent agenda and working closely in the GreenBizReady™ ecosystem helped us a lot with that. We underwent a 1-year programme with support from CIMB and Impacto, which was instrumental in our formulation of a comprehensive framework. Being able to tap on their case studies of other SMEs was also very informative. Through their coaching, we were able to create a GCA-specific sustainability agenda that resonates with our employees, especially our younger staff.

After having the framework in place, we could then zero in on creating the action plans to achieve our sustainability objectives. CIMB and Impacto also guided us to other resources that we could tap into, and with our sustainability programme in place, we won a National Aerospace Industry Coordinating Office grant to drive our sustainability agenda and initiatives. And this year, just one year after we dropped by the GreenBizReady™ booth, we were able to showcase our ESG Journey at LIMA Malaysia 2023.

What feedback do you have for CIMB on GreenBizReady™?

I see GreenBizReady™ as a critical resource for Malaysia's drive towards sustainability, especially because, as a complimentary programme, it is focused on enabling SMEs which do not typically have the type of resources that larger corporates have. I hope to see the platform grow and for more SMEs to get onboard. Our experience with GreenBizReady™ has reinforced our confidence in CIMB as a leading bank that is firmly focused on sustainability, not just for itself, for business, but for the good of society as a whole.



Sustainable Business

LOW CARBON TRANSITION FACILITY AND HIGH TECH AND GREEN FACILITY

We proactively help our clients to tap on various sustainable financing schemes, such as Bank Negara Malaysia (BNM)'s Low Carbon Transition Facility (LCTF), and High Tech and Green Facility (HTG), which were established to support SMEs to adopt sustainable and low-carbon practices, as well as invest in strategic green sectors and technologies.

More than RM150 million in financing was approved for our SME clients for LCTF and HTG in 2023. These facilities contributed to a range of projects across renewable energy, electric vehicles, energy efficiency solutions and circular economy initiatives, demonstrating Malaysian SMEs' growing participation in the green economy.

COMMERCIAL BANKING SINGAPORE

CIMB Singapore has been a Partner Financial Institution for Enterprise Singapore's Enterprise Financing Scheme – Green (EFS-Green) since 2022. In 2023, we expanded the suite of trade finance products offered under the scheme to include products such as Letters of Credit, Trust Receipts, Export Invoice Financing and Bank Guarantees. As part of the EFS-Green scheme, we provided RM70 million in sustainable trade financing to our clients, facilitating solutions that reduce waste and promote circular economy practices, among others.

As part of The Cooler Earth Sustainability Summit, CIMB Singapore hosted a session with the SME Centre@Singapore Indian Chamber of Commerce and Industry to share and discuss on the sustainability landscape in Singapore and how CIMB can support the clients' business, should they choose to pursue opportunities in Malaysia.

COMMERCIAL BANKING INDONESIA

In 2023, CIMB Niaga disbursed close to RM1.5 billion of SME financing. In addition, CIMB Niaga disbursed RM104 million of green and social financing to our clients. This includes

financing for sustainable agriculture and waste management purposes. The Giro Kartini current account for women entrepreneurs incorporates preferential rates, capacity building and a donation to support traditional weaving training for women with disabilities in Sulawesi. The Giro Kartini account balances was close to RM26 million in 2023.

SUSTAINABLE TERM INVESTMENT ACCOUNT-I

In Q4'23, CIMB Islamic rolled out a second Sustainable Term Investment Account-i (Sustainable TIA-i) tranche for businesses, as a follow-on to the first tranche in 2022. It offers clients competitive profit rates with an investment lock in of six or 12 months.

The Sustainable TIA-i focuses primarily on financing assets linked to SDG 8 which promotes decent work and economic growth, with particular emphasis on assets that are aligned to micro, small and medium enterprises (MSMEs) as defined by Bank Negara Malaysia. In 2023, the total Sustainable TIA-i balances was approximately RM309 million, down from the previous year due to intense market competition intense market competition for deposits and shorter campaign period compared to 2022.

CONSUMER BANKING

Consumers' awareness and concerns for sustainability issues such as climate change are on the rise. According to the CEO Action Network multi-stakeholder survey released in December 2023, a majority of consumers are taking extra steps to incorporate sustainability in their daily lives³. This upward trend of consumers embracing sustainability is reflected in their growing preference for sustainable choices, such as purchasing energy-efficient appliances, installing solar panels in their homes and driving hybrid or electric vehicles. We facilitate our customers' sustainable lifestyle choices by continuing to promote our green financing and ESG investment options.

 | CIMB's Consumer Banking Sustainable Offerings

FIRST INTEGRATED SUSTAINABLE SOLUTION/SUSTAINABLE HOME LIVING SOLUTION

We have significantly expanded our green home financing product offerings this year to match the growing demand in Malaysia and Indonesia. In conjunction with Earth Day, we became the first Malaysian bank to launch a one-stop online platform – Sustainable Living Home Solutions (SLHS) , dedicated to helping Malaysians embrace sustainable lifestyle practices and reduce their environmental impact at home in a convenient manner.

SLHS brings together all of CIMB's housing solutions under one roof, such as preferential mortgage financing rates for green building-certified homes and interest-free instalment plans for solar panel financing of up to 60 months with various solar panel providers. CIMB's merchant partners offer 0% Easy Pay plans on energy-efficient appliances to incentivise consumers to make a sustainable choice. The ease of the SLHS one-stop platform has also supported the growth of green mortgage financing to RM1.0 billion across the region in 2023, mainly contributed by Malaysia's mortgage portfolio. In 2023, green home financing at the Group level almost tripled from the previous year.

In Singapore, we introduced Green Renovation Financing tailored for customers integrating at least five sustainable features into their home renovation plans. The initiative saw an uptake of RM99 million in accepted financing. In Indonesia, the total quantum for green certified home financing grew to RM47 million from RM20 million in 2022.

³ *The Business Case For Corporate Sustainability In Malaysia: A Multi-Stakeholder Approach, CEO Action Network, 2023.* 

GREEN VEHICLE FINANCING

We observed a notable increase in customer demand for cleaner transportation as governments in the region incentivise the adoption of electric vehicles (EVs). This is evident in the significant surge in green and hybrid auto-financing, with RM504 million disbursed across Malaysia and Indonesia, slightly more than double compared to 2022.

In Malaysia and Indonesia, we offer preferential financing rates for hybrid or EVs. In Malaysia, we provide up to 90% margin of financing and extend the repayment period to nine years, while in Indonesia, we offer attractive financing rates including a 0% rate for the first two years of the EV financing. Furthermore, this year, we launched our EV campaign in Malaysia, aimed at encouraging more Malaysians to transition to EVs. The comprehensive package covers a wide range of car ownership needs including attractive auto-financing terms, motor insurance and privileged access to selected EV charging stations.

ECOSAVE SAVINGS ACCOUNT-i

By depositing with the CIMB Islamic EcoSave Savings Account-i, our Malaysian customers can play an important role in channelling support to environmental conservation projects. We contribute 0.2% of the total average portfolio balance to environmental initiatives, with portfolio balances now standing at RM2.5 billion. Since its inception, over RM8 million has been directed to support 17 environmental projects.

In 2023, the programme onboarded Forever Sabah with a RM750,000 grant to support community-led restoration and preservation of the Babagon Water Catchment area, a critical source providing approximately 57% of the wider Kota Kinabalu area's supply. We also deepened our partnership with WWF Malaysia with an additional RM1 million commitment towards the protection of the Setiu Wetlands ecosystem.

 | CIMB's EcoSave Savings Account-i



The Babagon Water Catchment provides approximately 57% of the water supply to Kota Kinabalu.



CIMB Islamic Bank allocates RM1 million from EcoSave Savings Account-i towards a three-year partnership with WWF-Malaysia to enhance Setiu Wetlands protection, community education and conservation-driven livelihoods.

WAQF SAVINGS PROGRAMME

CIMB Niaga Sustainability Waqf is a unique form of endowment under the *Mudharabah* principle. It offers a direct gift by CIMB Niaga to customers, which is transferred to the Waqf foundation in the form of a Waqf programme. The goal is to promote sustainability and generate continuous benefits for the community through programmes in education, healthcare, environmental health and community empowerment. In 2023, CIMB Niaga gifted Rp15 million towards Waqf institutions including a well project supporting climate adaptation efforts based on a total portfolio savings of approximately Rp203.5 billion.

ESG INVESTMENTS

Our ESG-themed offerings for our Consumer and Private Banking customers span from ESG funds to structured products, discretionary mandates and investment-linked insurance. We work together with a range of fund management partners such as Principal Asset Management and Sun Life in providing some of these offerings. In Indonesia and Thailand, we also offer our clients access to both government and corporate sustainability bonds.

In 2023, our customers purchased approximately RM658 million of ESG investment products, a slight increase from the previous year. Globally, ESG funds as an investment asset class encountered challenges, including underperformance compared to conventional peers and increased scrutiny regarding greenwashing. These factors contributed to reduced demand for this type of investment product. CIMB remains committed to our fiduciary responsibility, guiding our customers towards appropriate investments that meet their financial objectives and sustainability impact goals.

Sustainable Business



FINANCIAL INCLUSION, HEALTH AND LITERACY

Financial health and inclusion are crucial aspects for financial institutions, reflecting the significant role banks play in providing access to financial services. Regulatory bodies in our key markets have emphasised the importance of improving financial access, financial literacy, consumer protection and distribution channels. This strategic focus aligns with CIMB's commitment to fostering financial inclusion and ensuring our services positively impact the broader community.

OUR FINANCIAL INCLUSION AND HEALTH COMMITMENT

In 2020, having identified financial inclusion and financial health as a material matter, we carried out an in-depth analysis of our operations and portfolio to identify where we could make the most meaningful impact. Based on these insights, we have established strategic goals aimed at enhancing access and support particularly for vulnerable groups. Our progress towards these goals will be tracked and reported annually, overseen by our sustainability teams at both management and Board levels.

OUR TARGETS

As we analysed the financial inclusion and financial health data in each of our key markets, we found that the needs and priorities of the vulnerable groups differ by country. Our target-setting process began in Malaysia, where we have the largest customer base. Based on the results of our analysis, we have decided to focus on the bottom 40% income earners (B40), who face significant economic vulnerability.

Despite widespread access to basic banking services, data shows that many B40 individuals struggle to save for emergencies or retirement, with a majority projected to fall short of essential savings goals. The Employees Provident Fund projected that approximately 70% of its members are at risk of falling short of the Basic Savings goal of RM240,000 by the time they reach 40.^{1,2}

The rising cost of living, compounded by economic disruptions and climate-related disasters, further underscores the urgent need for financial protection of those most susceptible to external shocks. However, there is an evident gap in access to life insurance in Malaysia, where the Life Insurance and Family Takaful penetration rate of 54% in 2022 falls short of the 75% target set by Bank Negara Malaysia (BNM). Furthermore, lower levels of digital literacy pose risks. According to a 2022 BNM survey, a significant percentage of respondents shared passwords and personal data, exposing themselves to online fraud.

To address these challenges, CIMB has launched a targeted initiative in Malaysia, where we aim to provide customers in the vulnerable segments with greater access to wealth-building and insurance products, to empower them with solutions that build their credit history, improve their financial management skills and reduce reliance on high-cost financing sources. Through financial literacy and digital literacy training initiatives, we aim to help customers better understand financial products and risks of banking in a digital world, empowering them to make better informed decisions.

To track our progress in meeting our goal of promoting financial health and inclusion within the communities we serve, we have set a target to increase the number of customers in the vulnerable segment, who hold solutions aimed at improving their long-term financial health. Notably, we exclude products that may lead to negative impacts, such as credit cards and personal loans.



Target
1



378k vulnerable customers with insurance and wealth-building products, compared to 352k in 2022

Target
2



560k vulnerable customers with products beyond savings accounts compared to 492k in 2022

¹ 71% of EPF contributors aged 55 and below do not have enough to rise above poverty level, *New Straits Times*, 2023.

² Special Report: Fixing the Low Retirement Savings of EPF Members, *The Edge*, 2023.

In addition to setting targets, we continue to innovate and expand our range of financial products and services to better align with the needs of the targeted underserved groups based on market research. This analysis helps us to better understand, address and tailor delivery methods based on the needs and preferences of our targeted vulnerable groups, including those with physical disabilities, the elderly and those facing financial hardship.

CIMB Group also actively engages with social welfare organisations, Higher Education Institutions and other industry players to expand the reach of inclusive financial services and offers non-financial support for specific underserved groups. To protect the rights and financial wellbeing of our targeted vulnerable groups, we have internal policies, procedures and safeguards in place when assessing potential borrowers in order to prevent over-indebtedness. We also conduct training programmes to strengthen our employees' understanding of vulnerable groups to ensure communications and information about products and services are easily legible and comprehensible, and to ensure appropriate sales techniques and respectful treatment of these groups. CIMB Group also has complaint mechanisms easily accessible to our vulnerable customers, so that we can respond to their feedback promptly and continuously improve the quality of our services.

 | Financial Inclusion Products and Services

INCLUSIVE ACCESS TO FINANCIAL PRODUCTS AND SERVICES

ACCESS FOR THE UNBANKED AND UNDERBANKED IN THE PHILIPPINES

The Philippines has one of the lowest rates of banking penetration in Southeast Asia, with only 56% of the population having a bank account. From its establishment in 2019 until the end of 2023, CIMB Bank Philippines has extended banking access to 7.5 million depositors. Of these, we have extended loans to more than 3 million customers,

of which more than 50% are first-time bank account holders. Our efforts have been acknowledged and have garnered several awards, including being named the #1 Bank in the Philippines in Forbes' World's Best Banks 2023 ranking.

ENHANCING ACCESSIBILITY TO FINANCIAL SERVICES THROUGH DIGITALISATION

We believe digitalisation plays a pivotal role in promoting financial inclusion. In Malaysia, we collaborate with Alibaba's Ant Financial Group, to provide e-wallet services under TNG Digital, which provides convenient access to financial services to all levels of society.

TNG Digital continued to offer and enhance several key features through its app, which provides low barriers of entry to the B40 segment, including lower minimum amounts for investments and insurance coverage:

- **Insurance Hub:** Enabling users to explore insurance options in one place
- **Investments Platform:** Empowering individuals to grow their wealth
- **Cross-Border Payments:** Facilitating international transactions
- **Government Aid Disbursement Support:** Ensuring timely access to essential funds

TNG eWallet is designed to be inclusive through their straightforward financial services products and user-friendly processes. The e-wallet's financial services currently benefit more than two million users monthly.

EMPOWERING FINANCIAL INCLUSION ACROSS DIFFERENT AGE GROUPS

Our efforts towards financial inclusion extend across various markets. In Indonesia, CIMB Niaga continues to offer SimPel, a Student Savings account, to allow and encourage students to start saving from a young age. It is also widely promoted

in remote areas of the country. As of 2023, there are 100,201 accounts. In addition, we offer savings accounts with special interest rates to senior citizen customers in both Malaysia and Thailand.

Through these initiatives, we strive to enhance user convenience and financial accessibility, fostering a more inclusive financial landscape.

OFFERING AFFORDABLE FINANCING FOR LOW-INCOME INDIVIDUALS

As part of our contribution to promoting financial inclusion, we have mobilised RM7.3 billion in financing to B40 customers in Malaysia. This amount has reduced compared to 2022 mainly driven by lower Amanah Saham Bumiputera (ASB) financing and discontinuation of the government's My First Home Scheme. Through TNG Digital, we aim to further extend financial services to this customer segment to ensure they can easily access banking and financial services.

In Indonesia, CIMB Niaga extended approximately RM480 million under its inclusive financing scheme for low-income individuals with incomes of up to RP8 million. In Thailand, CIMB Thai disbursed RM911 million in financing to customers with incomes of THB20,000 or lower, primarily to purchase vehicles.

ACCESS TO INVESTMENTS FOR WEALTH BUILDING

We firmly believe that facilitating access to wealth-building opportunities within low-income and underserved communities is crucial for achieving social equity. We offer financing for ASB investments in Malaysia, helping customers access affordable funds. Our total ASB financing for B40 communities amounted to RM1.5 billion in 2023, making up more than 68% of all ASB financing extended.

Sustainable Business

This year, we also broadened the investment options for underserved Malaysians. In October, TNG Digital signed a Memorandum of Collaboration (MoC) with Bursa Malaysia and Affin Hwang Investment Bank Berhad to offer a user-friendly platform to make participation in the stock market more accessible to underserved segments by lowering costs and entry barriers.

FOSTERING THE GROWTH OF SMES

We understand the importance of financing SMEs as part of financial inclusion, especially those owned and led by people from vulnerable segments such as low-income earners and women entrepreneurs. We have several initiatives in place to foster the growth of SMEs in Malaysia. For example, through CIMB Islamic's collaboration with Taylor's Education Group, we provide financial grants and capacity building to micro-entrepreneurs to enhance their business knowledge and skills. In addition, through MicroBizReady, we offer financial training to empower entrepreneurs with the necessary skills to grow a small business. We also offer SME QuickBiz financing to SMEs via our zero-collateral SME working capital financing facility to ease financing for small business owners. In Eastern Indonesia, 223 female and vulnerable MSME players received entrepreneurship/business literacy training and working capital financing facility with no interest from CIMB Niaga.

 | Sustainable Business and Banking Products

PROMOTING FINANCIAL LITERACY

Across ASEAN, we support financial literacy programmes that empower vulnerable segments such as youths and entrepreneurs from low-income backgrounds. These programmes are essential to help them take control of their financial future and build long-term wealth. By learning about financial concepts and strategies, they can make better informed decisions on their finances, avoiding financial pitfalls in the journey to their financial goals.

BE\$MART: OUR FLAGSHIP LITERACY PROGRAMME

Be\$mart is CIMB Foundation's flagship financial literacy programme to raise the level of financial literacy among Malaysian youth. Launched in 2016, it targets students from underserved backgrounds studying in public universities and colleges across Malaysia. Over 25,000 students have benefited from the programme since its inception.

The programme aims to equip them with essential financial knowledge to manage their finances effectively as they graduate and enter the workforce, so that they can make well-informed and meaningful financial decisions for a more successful future. Topics covered ranged from understanding the basics of budgeting, saving, investing, managing debt, financial protection and fraud awareness. Our approach emphasises real-world scenarios, utilising relatable examples to make financial concepts easily comprehensible. In 2023, we piloted a revamped approach to the programme and reached 98 students.

FINANCIAL LITERACY PROGRAMMES FOR SCHOOL CHILDREN

CIMB Niaga continues to be a strong supporter of the Financial Services Authority's (OJK) mission to improve financial literacy and inclusion. In 2023, CIMB Niaga's hybrid financial literacy programmes reached 8,395 students from 37 cities.

The financial literacy and inclusion programmes held by CIMB Niaga include the Tour de Bank (TDB) which introduces banking functions and savings benefits to elementary school students, and the Let's Save and Share (Ayo Menabung dan Berbagi) programme which is targeted at middle and high school students, introducing them to financial planning. CIMB Niaga has also extended financial management training to teachers from schools participating in the TDB and AMDB programmes. This programme has reached 7,646 students and 148 teachers across 84 schools in Indonesia.

 | Financial health and literacy initiatives

INITIATIVES TO COMBAT FINANCIAL FRAUD AND SCAMS

Amid the escalating cases of financial fraud and scams, we actively contribute to raising awareness of this critical issue. CIMB is committed to supporting national efforts in tightening banking security and combating financial fraud. We have implemented a freeze function in our online banking apps, enabling users to suspend account activities immediately in case of suspected unauthorised access or fraud. We are also supporting a national scam awareness campaign to educate and protect customers from fraudulent schemes. In our ongoing efforts to safeguard our clients from evolving scams, we regularly share informative infographics across multiple digital channels, including our website, social media platforms and the OCTO App. Our aim is to keep our clients updated on the latest trends and tactics, empowering them to recognise and avoid potential threats effectively.



CUSTOMER EXPERIENCE

At CIMB, we prioritise meeting the ever-changing needs and ambitions of our customers.

We adapt our offerings to anticipate their requirements, delivering experiences that are relevant and personal. Our commitment is crystallised into five key principles of customer experience (CX): Easy, Efficient, Extra Mile, Empathy and Empowerment (5Es). These 5Es are aligned with our new brand proposition and corporate values that steer our conduct. Together, they represent our dedication to service excellence and high standard of care.

CUSTOMER EXPERIENCE GOVERNANCE

Our frontliners serve as the vanguards of our customer experience, embodying our commitment to excellence. Their conduct is guided by our four primary customer-related policies: the Group Treating Customers Fairly Policy, Group Customer Exit Handling Policy, Group Complaints Handling Policy and Group Customer Communication Policy. Detailed information on the management and oversight of our customer service can be found on our website. [🔗](#)

COMMITTED TO TREATING CUSTOMERS FAIRLY

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

6

PRINCIPLES OF TREATING CUSTOMERS FAIRLY



In 2023, we enhanced the Group Treating Customers Fairly Policy and Procedure to include how we support vulnerable customers, and the principles of fair practices in their engagement. We also expanded our Treating Customers Fairly dashboard to provide oversight of operations in Thailand and Indonesia.

ENSURING RESPONSIBLE COMMUNICATIONS

In 2023, we introduced our new Group Customer Communication Policy to elevate the standards of our written engagement with customers, aligning it with regulatory standards across the region. This policy ensures that our correspondences with customers are easily understood and effective.

Sustainable Business

STRENGTHENED COMPLAINTS HANDLING

We are committed to resolving complaints at the first point of contact, ensuring fast and effective resolution to customers' requests and feedback. We have a robust and comprehensive process in place to manage customer dissatisfaction, which is implemented via our Group Complaints Handling Policy and Procedure. In 2023, close to 50% of customer complaints were resolved at the first point of contact. We analyse the underlying reasons for the complaints to avoid future recurrence.

We ramped up CX Booster and New Hire On Job training programmes to ensure a consistent and excellent customer experience. Teams were empowered to go the extra mile to meet the expectations of customers by rewarding those who provided feedback with surprise vouchers. We received over 8,100 customer compliments on their experience through various channels regionally.

We launched the Contact Centre Transformation programme to build a best-in-class Customer Experience Contact Centre in Malaysia. We strengthened our CX Quality Monitoring and established a structured Performance Monitoring Dashboard for our call centres, providing clear visibility of real-time customer experience performance and indicating where corrective actions are needed. These dashboards cover a holistic view of call volume, fulfilment (such as SLA driven and turnaround time), resources and manpower, call disposition and Voice-of-Customers (VoCs).

Our zero tolerance towards mis-selling is reflected in our comprehensive and holistic investigation process, which is designed to ensure fair outcomes for both customers and employees. This year, we registered 14 cases of mis-selling in Malaysia, a significant improvement from 112 cases in 2021.

TACKLING FINANCIAL SCAMS

We have established a comprehensive, cross-divisional initiative to strengthen our fraud prevention measures and raise customer awareness, empowering CIMB customers to effectively recognise and safeguard themselves against scams. Led by the CEO of Consumer Banking, the programme has implemented advanced security protocols to further safeguard our customers' assets and intensified our efforts to combat financial crimes.



Lock Clicks ID

Users can block their digital access upon detecting unusual activities, ensuring immediate protection against unauthorised account access



Single Registered Device

Each CIMB Clicks ID is uniquely paired to a single mobile device, ensuring a personalised and secure banking experience with every login



12-hour Cooling Off Period

Users are unable to access the account for 12 hours to allow verification of their identity when signing on from a new device



Mandatory SecureTAC Approval

Every transaction made through CIMB Clicks/CIMB OCTO App, including FPX and selected non-monetary transactions, is safeguarded by a SecureTAC approval gateway



Heightened Authentication Process

Biometric authentication and facial recognition are required to verify the identity of account owners for the opening of new accounts through non-face-to-face methods or for conducting money transfers exceeding a specified limit



Post Notification for Transactions

Users receive post notifications for transaction performed on mobile and internet banking



Near Real-Time Monitoring System

Accounts that exhibit suspicious activity are immediately secured with a temporary block



Fraud Awareness Assessment

An assessment for customers to test their awareness of fraud on CIMB Clicks/CIMB Octo App is conducted every six months

MEASURING CUSTOMER EXPERIENCE

We use multiple channels and touchpoints to gather customer interaction and experience data across our value chain. These insights are used collectively to design initiatives that drive positive customer outcomes and create stronger brand affinity.

 | Customer Experience Performance Data

Components in our measurement ecosystem	What we measure	How we measure	How we performed
<p>OPERATIONAL</p>	<p> Service Level Agreement (SLA) performance</p>	<p>A consolidated dashboard of more than 100 vital indicators encompassing fulfilment levels across key channels, products and systems, tracked on a monthly basis to ensure we meet basic customer expectations. Examples include customers' time spent at branches and our call centre, product application turnaround time and digital uptime</p>	<p>83% of our core CX indicators met their respective targets</p> <p>Fulfilment across key channels rebounded during the second half of the year across Malaysia, Indonesia, Singapore and Thailand</p>
<p>TRANSACTIONAL</p>	<p> Customer Satisfaction Score</p>	<p>An in-house platform to track service experience and perform recovery across key physical, voice and digital customer interaction channels, supplemented with ad-hoc research or surveys to facilitate business decision-making</p>	<p>We met Customer Satisfaction targets in 11 out of 20 channels tracked. Our complaints handling process was flagged as an area of improvement, notably in the quality and timeliness of issues resolution, and providing customers with timely updates. Through the Customer Resolution Unit Transformation Programme a thorough assessment was conducted to identify and address the root causes. As a result, we strengthened the monitoring of customer experience quality, staff reskilling and capability building</p> <p>We also received feedback on the User Interface and User Experience of the BizChannel platform. These insights were reviewed and incorporated into the design and delivery implementation of the upcoming NextGen BizChannel platform</p>
<p>STRATEGIC</p>	<p> Net Promoter Score (NPS)</p>	<p>An annual Group-wide Customer Engagement Survey to gauge where we stand relative to our key competitors from a total banking relationship standpoint</p>	<p>The combined NPS score for general banking across our four core markets is within 69% of the industry average. This marks a slight improvement from 2022 due to better ranking performance in Malaysia and Thailand. We maintained our NPS score against a progressive industry average in Indonesia. In Singapore, the decline was driven by a shift in consumer sentiment to a more neutral stand towards CIMB while competitors have largely remained status quo</p> <p>Our NPS score significantly improved for both CIMB retail and non-retail customer segments across all four markets</p>

Sustainable Business

JOURNEY TRANSFORMATION AND DIGITISATION

Since 2022, we have accelerated the Journey Transformation and Digitisation (JTD) programme to harness technology and innovation thoughtfully to enhance the way we serve our customers. Employees can take on short- and long-term projects via the JTD initiative to contribute their expertise and capabilities towards enhancing the efficiency of the Bank, while developing new skills and broadening exposure.

This year, we made significant headway with the completion of 41 projects, including our “Every Branch is Home Branch” initiative which allows customers to perform seven common transactions at any branch, regardless of where they initially opened their account. These enhancements significantly improved convenience and reduced wait times. We have since identified seven additional transactional touchpoints for further improvement in the banking experience. CIMB Thailand launched the Pang Verr 1.0 project as a pilot initiative to promote Business Process Re-engineering. The pilot has catalysed bank-wide efforts in process improvement and heightened collaboration.

We have also improved back-end efficiencies by implementing automation in selected functions such as the consistent updating of customer information across documents that require the same information. For example, the ‘Auto Update on Maintenance Forms’ function has significantly reduced errors and time spent associated with manually transferring information from our Banking Communication System to various relevant maintenance forms. The system can now populate and auto-tag pre-set information, such as account name, loan amount, loan details and approval date into seven maintenance forms, freeing up 12 full days annually for employees to focus on providing value-add services for customers.

SOCIAL MEDIA MONITORING

Keeping a close ear to customer feedback is vital for agile responses to their needs. Social media serves as a crucial channel for gathering feedback and monitoring sentiments.

This year, we automated our social media monitoring using machine learning, reducing manual monitoring time by 70% and improving content tagging accuracy. This enhancement enables us to capture social media sentiments more effectively, respond promptly and accurately to customer queries and gain deeper insights into customer preferences.

CIMB WOWEEK!

The CIMB WoWeek! is our signature week-long celebration dedicated to strengthening our bonds with our valued customers and expressing gratitude to the millions who entrust CIMB with safeguarding and growing their assets. In addition to showcasing CIMB product innovations, service enhancements and customer success stories, the event serves as a platform to promote financial literacy, raise awareness about financial fraud and underscore the significance of cybersecurity.



EMPOWERING EMPLOYEES TO MAKE A DIFFERENCE

We recognise that every employee is an ambassador for CIMB and plays a pivotal role in enhancing the customer experience. Often the first and last points of contact with our customers, they are the cornerstones of our pursuit to become a premier ASEAN bank with a deep-rooted customer focus. We invest in empowering our workforce to identify and act on opportunities to elevate our services, and provide them with the tools and platforms necessary to drive meaningful change.

CAPABILITY BUILDING

The CIMB BEATS programme is a strategic bank-wide initiative aimed at reinforcing customer-centricity among employees and equipping them with new skills and knowledge to effectively embody our customer-first values. Through the creative use of gamified learning modules, the programme provides an engaging and interactive five-step pathway for employees to gain competencies in enhancing customer experiences, ensuring fair treatment of customers and promoting clear written communication.

INNOVATION PROGRAMMES

CIMB Innovator is an employee empowerment platform designed to drive agile mindsets across the Group. By implementing a design-thinking process, employees deep dive into the user's experience, relook at existing services, challenge assumptions and redefine problems to identify alternative strategies and solutions. A key feature of this platform is the high level of empowerment our employees have to rapidly rollout prototypes to test and implement their ideas. Solutions from the platform have significantly enhanced various processes. In Singapore, improvements include doubling the processing rate for Consumer deposit account openings from 20% to 40%, cutting SME credit processing time from 11 to five days and enhancing turnaround times for non-retail credit underwriting – from 16 to nine weeks in Corporate Banking and from seven to under four weeks for Mid-corporate.

In 2023, #teamCIMB identified 28 projects, with 10 winners selected for their significant impact on improving customer experience. Winners include:

- **Group Operations:** The team automated the production of audit confirmation letters, achieving a 75% increase in productivity and eliminating the need for the maker role
- **Group Legal and Compliance:** The team introduced ROBO STR 2.0, a scalable data analytics solution that identifies segments with Suspicious Transaction Reporting propensity, leading to improved productivity and efficiency
- **Group Commercial and Transaction Banking:** The team introduced a revolutionary cashline renewal process, providing a significant boost in both customer experience and work efficiency

We launched the "Journey Transformation and Design: Make the Pitch Campaign" competition as a platform for employees to identify, devise and advocate solutions that refine our operational processes. Winning projects were chosen based on the ability to enhance customer experience and improve employee, operational and cost efficiency.

The inaugural event drew 18 qualified entries addressing various issues, including enhancing training platforms, process automation, strengthening anti-money laundering measures and advancing self-service capabilities for customers.

Make the Pitch Campaign Winners



Automation of Merchant ID and Terminal ID for termination request by Group Operations' Business Operations Management – Merchant Ops

The proposal outlines a solution to automate a high-volume and manual process to ensure swifter and more accurate execution of termination requests with reduced errors.

Efficiency Enhancement to Ongoing Due Diligence process for Non-borrowing Customers' Profile Updates by Group Legal and Compliance's AML Transformation capitalise Unit for consistency

The proposal aims to reengineer the due diligence process for non-borrowing customers by leveraging technology to automatically gather the latest information to refresh our records. The strategy uses trusted external sources to keep our non-borrowing customer profiles current, thereby improving the success rate of our engagement efforts.

Establishment of International Settlement Transaction Monitoring Dashboards by Products by Group Operations' Risk Control Unit

The proposal introduced a monitoring system to mitigate the risk of delays or omissions in performing international settlements due to the different cut-off times of applicable countries. Late settlement costs would be avoided through automated email alerts and meticulous oversight of each transaction's journey.

The Pang Verr 1.0 project launched in March 2023 served as a pilot initiative to promote Business Process Re-engineering at CIMB Thai PLC. It was driven by the identification of key pain points in current processes. The pilot was successful in catalysing bank-wide efforts in process improvement and heightened collaboration within the organisation. 16% of projects have been completed with ongoing efforts to address remaining tasks and objectives.

Sustainable Business



DIGITALISATION AND INNOVATION

We embrace technological innovations that enable us to be more agile and responsive to our customers and their evolving needs. The future of banking lies in personalisation. By harnessing the power of data analytics and artificial intelligence, we can generate new insights to create products and services tailored to our customer preferences. At the same time, we can enable our customers and their businesses to make smarter, data-informed decisions that drive success.

We welcome technological innovations and invest in new technology that have the capability to enhance our digital customer experience, deliver the speed of implementation and uncompromisingly safeguard the privacy and data security of our customers.

TECHNOLOGY AND DATA GOVERNANCE

Ensuring the security, availability and integrity of our technology and data is paramount at CIMB. Our Group Technology and Data Division spearheads this effort, guided by the strategic insights of the Group Transformation Committee as well as the Board. The Group Technology and Data teams provide quarterly updates to the Group Operational and Resiliency Risk Committee and bi-monthly updates to the Board Risk and Compliance Committee. We also hold monthly meetings for the Regional Technology Risk Committee.

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

PROACTIVE INTEGRATED IT RISK MANAGEMENT

In 2023, we enhanced our controls across the entire technology value chain, covering day-to-day operations and project life cycle, by implementing an Integrated IT Risk Management tool. This tool enables us to proactively manage technology risks and maintain compliance, thereby limiting our risk exposure and enabling us to meet regulatory expectations. The unified view of controls across technology and risk domains fosters collaboration among our risk specialists, enhancing our ability to mitigate technology risks more effectively. The tool also provides data and insights to guide our actions and prioritisation efforts.

GREATER AVAILABILITY AND RESILIENCE

In addition to our investment in technology refresh for servers, data warehouses and switches, we have rolled out Software Defined Wide Area Network (SD WAN) technology across our regional operations, which enable our employees and customers to enjoy higher bandwidth and faster systems performance. Through the use of SD WAN, we have improved the performance of the systems by three times compared to 2021. Our network latency has also improved by 60%.

We will complete our on-premise managed Platform as a Service (PaaS) project in early 2024. PaaS is a proactive end-to-end monitoring and analytics vehicle that is tailor-made to future-proof CIMB's network for higher performance and better reliability.

We have built an intelligence capability that offers 24/7 monitoring through predictive analysis. Our security operation centre (FusionX) houses cross-sector teams from the Tech and Data division to monitor in real-time all activities of our main technology applications, effectively supporting decision-making and minimising disruptions through early detection.

As a result of our investments in technology to deliver high availability and resiliency, CIMB Clicks and BizChannel achieved average system uptimes¹ of 99.74% and 99.95% respectively in 2023, even as the Group continues to grow its customer base and experiences increased logins and usage. We were also able to scale up and enhance our banking app – CIMB Octo, on a future-ready platform. Powered by a brand-new infrastructure and containerised microservices, this upgrade allows us to scale and accommodate rapid growth of online transactions, while providing greater data security and simplifying cross-team coordination. The microservices platform also allows us to selectively deploy components without major disruptions. Lessons from app enhancements were shared and applied to the regional app enhancement rollout in Indonesia.

¹ These figures are calculated using the simple average of system percentage uptime availability in Malaysia, Indonesia, Singapore and Thailand excluding scheduled maintenance.

EVOLVING OUR TECHNOLOGY AND PEOPLE FOR TOMORROW

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

AGILITY IN TRANSFORMING CUSTOMER JOURNEYS

Agility and design thinking are the key tenets of our Transforming Customer Journey efforts. We have adopted a collaborative approach drawing from across organisational functions to foster innovation and ensure that everything we do is aligned with our customer-centric principles and sustainability goals. This involves:



Iteratively creating and improving our offerings via our Human-Centred Design and Agile framework



Designing products and services with sustainable value



Early prototyping to bring our best ideas to life



Working together across disciplines to boost our knowledge and skills

Data-driven decision-making underpins our strategy, offering a solid foundation for our choices and ensuring that our progress is measurable over time. We encourage the principle of empathy in the ideation of design thinking; successes and failures are equally embraced as learning opportunities as we focus on creating solutions that effectively meet customers' needs while fulfilling our environmental and social responsibilities.

To drive agility and design thinking principles throughout CIMB, we continue to ramp up engagement and training with our Design and Research, Product Management, Programme Management Office and Technology teams across the business units of Retail Deposits, Investment and Commercial Banking. To date, we have engaged over 700 employees through monthly workshops, professional certified programmes, as well as secondment opportunities and on-the-job training.

IMPROVING CUSTOMER JOURNEY

Enhancing our services in 2023, we built upon established approaches, principles and design thinking elements to elevate the customer journey. A notable milestone was the introduction of the CIMB web-based electronic Know-Your-Customer (e-KYC) platform, featuring a fully digital account opening process for our retail deposit customers. This strategic move optimises the customer experience, streamlines the journey, and empowers customers to open accounts effortlessly, anytime and anywhere.

The CIMB e-KYC provides a fully digital account opening process covering the majority of our product portfolio which was traditionally onboarded through branches. The platform has the capability to seamlessly partner with digital apps in the market to provide an online account opening process through other channels.

The digital onboarding process not only offers convenience to the customers but also opens avenues for future expansion and scalability, allowing for the seamless onboarding of other banking products digitally. Furthermore, it presents collaborative opportunities with other digital channels, fostering potential partnerships in the digital ecosystem.

DIGITAL AND TECH TALENT

Talent development and building a culture of "digital first" remains a key focus to drive technology transformation. We adopt a two-pronged approach to building a critical mass of relevant tech talent within CIMB. We invest in training our talents to drive the adoption of new technology aligned with business demands, as well as to enable agile ways of working. Our targeted recruitment initiatives, such as The Complete Banker Digital programme, ensure a talent pipeline of top graduates to support the Bank. We have developed a system of tailoring tech career pathways to nurture and retain talent. In 2023, our Digital and Data Academy has trained approximately 16,000 employees across the region, delivering more than 169,000 training hours.

Sustainable Business

RESILIENT AND NEXT-GEN TECH

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

NETWORK RESILIENCE

Our data centres combine traditional IT systems with the advanced capabilities of an on-premise private cloud. This enables integrated technology management across different business areas, accelerating our digital transformation journey and garnering significant cost savings.

To ensure resilience in our network, we progressively update our data centres to enhance network connectivity and bandwidth, while reducing latency. This year, we initiated a domestic SD-WAN standardisation project aimed at delivering high-quality connectivity and enhanced end-to-end security for all domestic WAN links across CIMB headquarters, branches, campus and data centres.

Our on-premise managed Platform as a Service (PaaS) project is nearing completion. PaaS serves as a proactive end-to-end monitoring and analytics solution tailored to future-proof CIMB for higher performance and improved reliability.

We are also constantly sourcing for solutions and services that are more energy efficient, as part of our commitment to lower our carbon footprint. We have established plans to enhance energy efficiency in our managed data centres and continue to convey our expectations to all service providers.

NEW PLATFORMS AND NEXT-GEN CLOUD MIGRATION

We are starting to migrate our technology infrastructure to the cloud, aiming to streamline processes, accelerate innovation and elevate service quality. To ensure a smooth transition, we have bolstered our Cloud Governance framework, implemented Cloud Standards and established comprehensive policies and procedures. Additionally, a dedicated Cloud Operations Model has been crafted to address organisational structure, job roles, required skillsets and training programmes.

We continue to enhance CIMB OCTO, our digital platform with 5.9 million registered users. This year, we upgraded the platform by introducing a CrossBorder QR payment service in Thailand, Indonesia and Singapore, enabling customers to transact effortlessly with participating merchants. We also enabled the personalisation of the home screen to speed up banking transactions and enhanced our receipt management features for user convenience.

BizChannel, our key digitalisation platform for CIMB's non-retail customers is next in line for an upgrade. Its user base and transaction volume have increased by 3.5% and 1.0% respectively in 2023, with 99.95% uptime reliability. In 2024, we will launch the NextGen BizChannel which will offer more features and greater empowerment for our customers in managing their day-to-day finances.

Uptime for BizChannel and CIMB Clicks

BizChannel		
2019	2022	2023
99.86%	99.99%	99.95%

CIMB Clicks		
2019	2022	2023
99.45%	99.50%	99.74%



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



CYBERSECURITY AND DATA PRIVACY

As custodians of customer data and financial assets, financial institutions and service providers are targets for cyber-criminals. A regional study reveals a 65% increase in application and API attacks within the financial services sector, totaling over 9 billion attacks over 18 months¹. These attacks are largely Layer 3 (network) and Layer 4 (transport) Distributed Denial of Service (DDoS) attacks fueled by the escalation in virtual machine botnet strength and hacktivism linked to the Russia-Ukraine conflict.

At the forefront of this challenge, CIMB is committed to continuously strengthening the credibility and integrity of our online systems to ensure that customers can bank efficiently, securely and with confidence. We achieve this by embedding a stringent risk management culture and by deploying best-in-class systems and processes to deliver on our promise to safeguard our customers' banking experience.

DATA AND INFORMATION GOVERNANCE

We operate in accordance with our Group Data Protection and Management Policies, which articulate our commitment to collecting, using, and safeguarding customer and stakeholder data at a consistent and high standard. Our data and security management policies and processes are seamlessly integrated into our robust risk and control framework. The execution of the policies and framework is a shared responsibility among all employees, overseen through senior level governance forums. To ensure compliance, Data Protection Officers monitor, enforce and update the organisation's policies and procedures, aligning with local laws and regulations.



| Cybersecurity and Data Privacy Governance

OUR PRINCIPLES

CIMB operates in a highly regulated and digital environment. We seek to ensure that our management of data and systems is ethical, responsible and consistent. The core tenets of our approach are available on our website.

Our regional teams engage independent assessors to evaluate our readiness for emerging laws. Thailand and Vietnam enacted their Personal Data Protection laws in 2022 and 2023 respectively, and in line with these, CIMB Thai and Vietnam have rolled out policies and procedures under their newly established Data Protection Office. CIMB Niaga also completed its first phase of readiness in 2023 for the enforcement of the law in 2024.

Read more about our policies for publicly listed entities below. Entities within the Group may publish separate policies if required by local law.

Malaysia | Indonesia | Singapore | Thailand | Philippines | Vietnam

RESPONSIBLE AND FAIR USE OF DATA

CIMB's philosophy of ethical and responsible use of data means that we are respectful and empathetic to those whose personal data we collect, process, store or transmit. Our Privacy Policy and notices outline the fundamental principles guiding the collection, usage and protection of personal data, including our approach to emerging technologies like Cloud and Artificial Intelligence (AI).

This year, we completed the consolidation of Privacy and Data Governance under Group Technology and Data in Malaysia, Indonesia, Singapore and Thailand. The Data Protection/Privacy functions now report to the Group Data Protection Office, led by the Group Data Governance Head for Data, Regulations and Standards. This allows CIMB to be agile and holistic in governing and responding to changes in non-financial laws and regulations pertaining to data and the responsible use of new technologies.

We have completed key revisions in privacy notices and obtained consent as well as revised the data impact analysis and data risk assessments to ensure that privacy controls are considered in new systems and technology deployments. We also retain data in accordance with the legal and regulatory required duration, and proceed to delete or render such data unreadable thereafter. We continuously monitor customer complaints and potential regulatory data breaches. There were no major or material data or security breach incidents experienced or substantiated in 2023 and 2022².

¹ *The High Stakes of Innovation: Attack Trends in Financial Services, Akamai, 2023.*
² *Substantial incidents refer to written statements by regulatory or similar official body addressed to CIMB that identifies a breach, or a compliant or incident recognised as legitimate and material by CIMB.*

Sustainable Business

UPHOLDING TRUST IN PRIVACY AND CONFIDENTIALITY

We foster trust by consistently adhering to our Data Protection (Privacy) principles and standards across the region. We integrate security, privacy, and confidentiality considerations into the design and operations of our systems, products, and services, ensuring the safety of both our data and stakeholders. Our policies, procedures and control measures for safeguarding customer information undergo an independent review at least once every two years, with the most recent audit conducted in 2023.

 | Cybersecurity and Data Privacy Governance

PRUDENT AND CAUTIOUS ADOPTION OF NEW TECHNOLOGIES

Our strategic roadmap and risk management plan for the adoption of new technologies, "Journey to the Cloud", embodies our prudent and phased approach. Following the successful pilot and early adoption of Cloud platforms and services for non-customer/personal data and non-critical systems, we have embarked on several projects to deploy services and products via cloud-based solutions in an incremental manner. This will ensure that our data and systems are ready for customers to continue enjoying our services in a seamless, safe and secure way.

We are also progressing in developing our approach to ethical AI adoption, which will shape and evolve in alignment with emerging regulatory guidelines as well as industry practices. We currently do not permit analytical and operational AI models to function without human oversight and intervention.

PERMITTED DATA DISCLOSURES AND TRANSFERS

The principles of trust, ethics and fair dealing are fundamental expectations from customers, governments and the industry for an ASEAN banking leader like CIMB. This is particularly crucial as the adoption of remote digital banking, assisted by AI-driven solutions, cloud connectivity and increased data sharing between entities continues to gain momentum. The disclosure and transfer of data to third parties are based on legal and regulatory basis, as well as consent where required. For further insights into our key principles, visit our website. 

CYBERSECURITY

Robust information security is fundamental to safeguarding our customers and their data, and it is a critical pillar of our risk management approach. As the digital economy continues to expand, so have our efforts to continuously assess, monitor and strengthen our cybersecurity protection and access controls.

CYBERSECURITY GOVERNANCE

Cybersecurity constitutes a pivotal element of technology risk, and is systematically addressed within our Enterprise-wide Risk Management Framework. This comprehensive framework employs a three-lines-of-defence model to effectively manage technology and cybersecurity risks. Detailed information, encompassing our suite of policies outlining our security approach, along with the oversight from the Board and Senior Management, is available on our website. 

CYBERSECURITY OPERATIONS

The Group IT and Cyber Security department conducts periodic, proactive security assessments and reviews, such as penetration tests, vulnerability assessments, patch assessments and risk and impact analyses, all of which are verified by independent external experts. The team carries out periodic cyber drill simulations, intelligence-led penetration tests, compromised assessments, red teaming exercises and business continuity exercises. It also conducts security awareness exercises and training and provides essential digital-related tools and services for day-to-day operations across the organisation.

Our Security Operating Centre ensures round-the-clock security vigilance by employing an advanced analytics-driven Security Information and Event Management solution. The system collects, analyses and inspects high volumes of network and other machine data in real-time. At the same time, our Cyber Threat Intelligence team proactively monitors various sources and threat intelligence feeds for any information that can potentially impact the Bank's security posture. Any potential risk is promptly escalated to the Computer Emergency Response Team (CERT) for further investigation. We have also continued to strengthen our environmental controls by augmenting CIMB's access, segregation and encryption standards and technologies.

SYSTEM READINESS AND TESTING

Our Group Technology Disaster Recovery Policy outlines our readiness, resilience and ability to provide critical information technology capabilities and services after an incident, emergency or disaster. Developed in alignment with internationally recognised best practices for disaster recovery, it provides the standards for IT disaster recovery planning, execution and business continuity across the Group. We stress-test our business continuity and disaster recovery readiness multiple times annually, covering live, simulation and industry-wide exercises, in accordance with regulatory as well as Group requirements.

DRIVING A PRIVACY AND SECURITY CULTURE

Our corporate culture is key to cultivating better governance and responsible data usage. We actively provide our employees and senior management with comprehensive training on data privacy and cybersecurity, aiming to increase awareness and understanding of associated risks. We also make related policies an integral part of all levels of the organisation.

TRAINING AND AWARENESS

Our e-learning curriculum covers a broad spectrum of information and technology governance topics, ranging from data management and privacy security to business continuity. Complemented by the Digital and Data Academy, along with external trainers, we focus on developing specific skills and enabling key roles. In 2023, our workforce made significant strides in professional development with over 30,000 CIMBians successfully completing more than 100,000 training hours. We also trained and onboarded data stewards and data protection officers in the various Business Units and Enablers, particularly in the entities and markets requiring additional monitoring and support.

In countries where data protection laws are enforced, we update and train our Customer Resolution Units to engage and respond to complaints or allegations of possible breaches, ensuring timely escalation and resolution.

USER ACCOUNTABILITY AND RESPONSIBILITY

We conduct simulation exercises to assess the cybersecurity awareness of #teamCIMB. Those who do not meet the required standards undergo additional online training to strengthen their knowledge of security threats.

As hybrid working becomes the new normal, we are committed to ensuring that our confidential systems remain secure for remote access. Our teams diligently monitor systems access and flag irregular behaviour. We constantly add security threat scenarios to help us better detect and pre-empt potential unusual activities or unauthorised access. To address any residual risks, we implemented essential end-user controls and continue to foster a culture of user awareness to encourage accountability and minimise unintentional data access or sharing. We also monitor selected staff activity on specific systems for any unusual viewing or access to mitigate internal conduct risks.

Our data protection philosophy, centred around principles such as data minimisation and the "need-to-know" basis, incorporates the principle of least privilege. This principle ensures that individuals or systems are granted only the minimum access necessary for their specific tasks, effectively reducing the exposure of sensitive information and minimising the risk of data misuse.

Data integrity and availability, including user readiness, is also a key objective of the various business continuity and data recovery tests performed. Critical systems are tested at least annually, as part of regulatory and industry-wide readiness testing.

IMPROVING CONTROLS AND PROCESSES

CIMB is ISO27001-certified for security operations and we continually assess, test and audit our controls and practices. In addition to these, we appoint independent assessors, security teams and expert testers to validate, challenge and evaluate our security, project readiness and governance controls.

We are implementing a new integrated vulnerability management and rapid incident response solution. The system can perform endpoint security investigations with real-time visibility and control, enhancing our capability to protect, detect and respond to potential cyber threats. Beyond safeguarding customer data, the new system will serve to reinforce our customers' confidence in securing their assets against fraud and scams. We are also strengthening the security of our mobile apps to ensure a safe and secure experience for all users.

To heighten our vigilance and responsiveness, our Security Operating Centre and Cyber Threat Intelligence teams continually monitor, analyse and co-relate anomalies and external intelligence for potential threats. The counter-measures in our security arsenal range from blocking high-threat addresses and connections to launching legal action to "take down" phishing or bogus websites. We recently implemented User Behaviour Analytics, an advanced cyber threat detection solution using Machine Learning technology to boost our capabilities to detect unknown cyber threats.

Corporate Citizenship

In addition to transforming our business practices and offerings to create a net positive impact for our stakeholders, CIMB is also focused on creating fair opportunities for socio-economic and community development as a responsible corporate citizen. We prioritise initiatives that address social inequalities and environmental concerns, targeting impactful areas such as education, economic empowerment, health and community wellbeing, and the environment. By fostering a culture of volunteerism and collaboration, we actively encourage our employees and stakeholders to participate in these efforts, with a target of achieving 100,000 hours of volunteering annually. Our goal is to make a meaningful difference in the lives of those who need it most, such as low-income groups and indigenous communities. Ultimately, we aim to pave the way towards a future with a healthier planet, where prosperity and wellbeing can be enjoyed by all.

Equitable and Inclusive Education



Provide access to quality education for underserved and disadvantaged communities

Our goal is to support programmes that provide quality education to disadvantaged communities and improve the accessibility of quality education to underserved students

Economic Empowerment



Drive inclusive socio-economic development and entrepreneurship that benefit all segments of society

Our near-to-mid-term target is to implement effective entrepreneurship development programmes aimed at empowering economically vulnerable groups to attain higher or more sustainable income

Healthy and Resilient Communities



Provide access to affordable and essential healthcare to safeguard the wellbeing of communities

We work to provide strategic financial support to enhance public and community healthcare, and support for persons with disabilities

Collective Green Action



Raise community awareness of responsible environmental practices

Our environmental programmes aim to support organisations engaged in nature and biodiversity conservation

MATERIAL TOPICS

2023 ACHIEVEMENTS

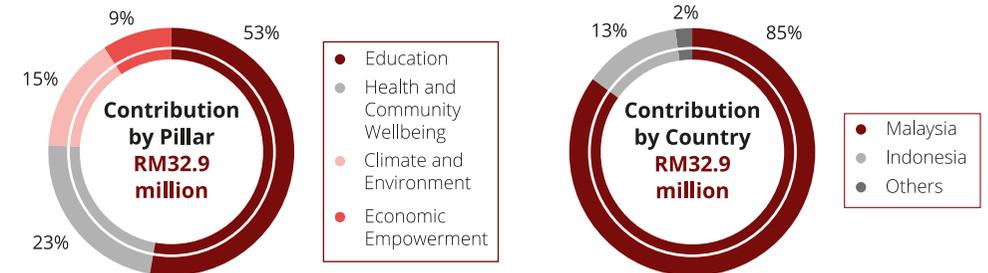


Corporate Citizenship

- Disbursed RM32.9 million in community investments
- Achieved record employee volunteerism hours totalling 203,245 hours

OUR CONTRIBUTION

In 2023, the Group disbursed RM32.9 million through our various entities across the region, funding over 100 projects, with more than 50% allocated towards educational initiatives. Our financial contribution improved the lives of over 100,000 individuals by providing access to medical care, better education, facilitating upskilling, and supporting environmental conservation efforts.



COMMUNITY LINK PROGRAMMES (MALAYSIA AND INDONESIA)

Community Link is CIMB Foundation's  flagship community development platform, facilitating connections between our extensive branch network in Malaysia and local communities. Through this platform, employees, customers, and community members can propose projects for the Foundation's support, which includes covering implementation costs. Our employees actively engage in these initiatives, volunteering their time and skills to provide direct assistance to local communities where possible.

In 2023, CIMB Foundation approved grants for 14 Community Link projects totalling over RM615,000, benefiting approximately 15,000 people. The Community Link programme has also been replicated in Indonesia, where CIMB Niaga disbursed Rp2.4 billion allocated to its three main programmes during the same year.

Community Link Programmes in Malaysia

Education



- Upgraded workshop equipment for a vocational college to help students develop their practical vocational skills
- Provided back-to-school kits and workbooks for underprivileged students in the rural areas of Sandakan, Sabah

Economic Empowerment



- Implemented a community project for mushroom production and compost fertiliser
- Empowered disabled individuals to work in modern agriculture fertigation farms

Health & Community Wellbeing



- Conducted family resilience programmes for B40 working parents in Perlis to enhance their ability to cope with various challenges
- Provided quality monitors and equipment for the Pediatrics Department of Hospital Teluk Intan
- Donated towards the critical needs of the Palliative Care Unit at Hospital Pakar Sultanah Fatimah, Muar
- Organised a free cataract screening and intervention programme for the B40 community in Kelantan
- Provided free health screenings for early detection of diabetes and hypertension, along with diabetes prevention education, to communities in need within Selangor
- Contributed food and essential supplies in support of the Orang Asli community at Pos Piah, Sungai Siput, Perak
- Provided medical equipment to the pediatric cardiology and cardiothoracic departments of various public hospitals in Malaysia
- Contributed to the transformation of a village in Pahang, fostering cleanliness and the adoption of environmentally friendly practices
- Provided food and financial aid through the i-Sayang programme to underprivileged cancer and diabetic patients in Johor, as well as the i-Dapur programme to equip single mothers in Johor with baking equipment and skills
- Established a gated area for a public school in Kuala Lumpur for students to wait for their pickups safely

Community Link Programmes in Indonesia

#JadiPeduli

The programme enables employees to organise social activities aligned with the four pillars of CIMB Niaga's Corporate Citizenship. As of 2023, 52 branch offices and work units contributed to projects such as financial literacy workshops, tree planting, beach cleanups, school renovations and nutrition programmes to prevent stunting in children in parts of Indonesia. As a whole, these initiatives have reached 3,818 beneficiaries.

#JadiNyata

The programme supports and guides community-led proposals in Indonesia addressing environmental, economic, and social issues. In 2023, the three winning proposals focused on transforming plastic waste into furniture, zero-waste agriculture and utilising waste as fertiliser.

#JadiBerkelanjutan

The programme comprises a series of financial literacy training sessions for MSMEs in eastern Indonesia, targeting women entrepreneurs and persons with disabilities. In 2023, the Bank conducted the second batch of training for 223 MSME participants, with 187 females and 36 males, including 14 individuals with disabilities.

Corporate Citizenship



EDUCATION

Education remains one of the most effective means to address social inequality within our communities. Initiatives such as Be\$mart, the CIMB ASEAN Scholarship, and Back to School programmes uplift the lives of youth by providing equitable access to quality education and learning opportunities.

BUILDING FUTURE LEADERS (ASEAN, INDONESIA AND CAMBODIA)

The CIMB ASEAN Scholarship reflects our dedication to nurturing the future leaders of ASEAN. This scholarship, available to ASEAN students, offers them the opportunity to pursue tertiary education at their preferred top-tier institutions. Candidates undergo a rigorous selection process that evaluates their academic achievements, drive for success, and potential for growth. Additionally, the Foundation supports the prestigious Chevening Scholarship Programme to enhance the postgraduate talent pool in Malaysia. Currently, we are co-funding four Chevening scholars pursuing their postgraduate studies in the United Kingdom for the 2023-24 academic year.

In Indonesia, the CIMB Niaga scholarship programme has supported 1,226 Indonesian undergraduates since its inception in 2006. In addition to covering their education expenses, the programme assists scholars in their student activities by providing laptop subsidies, personal development opportunities, and coaching. Upon graduation, scholars are offered the opportunity to pursue careers at CIMB Niaga, furthering their professional journey within the organisation.

In Cambodia, CIMB partnered with the Cambodian Children Fund to support undergraduates attending local universities. We also collaborated with CamEd Business School to provide scholarships to students pursuing undergraduate studies in Accountancy.

DELIVERING QUALITY EDUCATION (MALAYSIA)

In its third year, CIMB Foundation's partnership with Teach For Malaysia (TFM) has positively impacted over 3,000 students through a transformative education programme. TFM provides training to empower Fellows in supporting schools with high needs within the government education system, addressing gaps in educational equity.

TFM also spearheads a programme funded by the Foundation aimed at enriching the learning journeys of children residing in public housing projects in Shah Alam and Subang. In 2023, more than 170 students aged 17 and below benefited from workshops on goal-setting, personal resilience and tutoring sessions.

CIMB Foundation also collaborated with Project ID and supported the Edukerjaya programme, which helped 80 secondary school students in Selangor to broaden their understanding of various career options and pathways, and to identify their career aspirations. Additionally, 25 students were selected for mini-internships with private sector partners to gain practical hands-on experiences.

DIGITAL INCLUSION (MALAYSIA, THAILAND AND CAMBODIA)

CIMB RoboCAMP has been engaging underserved Malaysian primary school students in Science, Technology, Engineering and Mathematics (STEM) through the use of C-Based programming language and robotics. In collaboration with DreamEDGE, 132 students from 33 secondary schools participated in a four-day immersive learning camp. The camp concluded with a competition where students showcased their robotic prototypes.

CIMB Thai contributed to Chonlaprathanphataek School by donating 12 computers, replacing the hard disks of 40 existing computers, and providing 60 headphones and a printer. Additionally, for Banprik School, CIMB Thai supplied 10 computers with LAN connectivity, three monitors and a LCD TV for teachers.

In Cambodia, we extended support by donating desktop computers and study materials to 519 students at Toul Prech Primary School in the southeastern province of Kandal.

SPECIAL NEEDS EDUCATION (MALAYSIA AND CAMBODIA)

We are committed to reducing barriers to education. In partnership with Yayasan Perpustakaan Raja Tun Uda Malaysia, we contributed to enhancing the library's services to better serve the visually impaired community. This involved adding materials in various accessible formats such as braille, audio books and large-print materials, as well as improving access to computers and the internet.

In Cambodia, we improved access to speech therapy by supporting the Rabbit School in training special needs education teachers. Through bi-monthly training sessions, 18 teachers enhanced their skills in speech therapy, aiding in the rehabilitation and integration of individuals with intellectual disabilities into Cambodian society.



ECONOMIC EMPOWERMENT

We collaborate with partners to initiate programmes aimed at enhancing employability, skills and economic opportunities within underprivileged communities. We believe that empowering individuals with the right skills and mindset creates opportunities for long-term improvement in socio-economic mobility.

#JADINYATA PROGRAMME (INDONESIA)

Expanding upon the previous success of #JadiNyata, CIMB Niaga provided mentoring and development support to the three winners from the 2022 cycle to help enhance their business offerings. The previous community-based winners produced coconut-based products, created artistic works by individuals facing mental health challenges, and manufactured styrofoam products from single-use plastic in West Java. With the Bank's involvement and support, the projects were able to increase production capacity, expand product development, and broaden their sales channel.

CIMB MICROBIZREADY (MALAYSIA)

The MicroBizReady (MBR) programme provides mentorship and training to support the development of micro-SMEs, particularly focusing on women entrepreneurs, business owners from the bottom 40% of Malaysia's income group (B40), Asnaf (or eligible Zakat recipients) and differently-abled communities. Launched in 2020, MBR offers training and mentoring support in areas such as digitalisation, business strategy as well as banking and financial literacy.

Developed in partnership with Taylor's Education Group, the programme has assisted more than 400 participants across 10 cohorts since its inception. In 2023, MBR extended its reach to the northern and southern regions of Malaysia, offering business owners an opportunity to attend a five-day physical boot camp.

EMPOWERING WOMEN AND YOUTH (MALAYSIA)

Women often bear a disproportionate share of the household responsibilities and frequently serve as the primary breadwinners of their families. To address this challenge, we partnered with Komuniti Tukang Jahit (KTJ) to support 30 women from B40 communities in improving their financial wellbeing through sewing. The three-month upskilling programme equipped participants with the latest skills and trends, enabling them to leverage their craft for potential business opportunities. We also collaborated with the University of Malaya and Pertubuhan Wanita Prihatin Perak to train 20 women from B40 communities in Perak on how to establish and manage wellness and spa businesses, providing them with avenues to diversify their income.

In partnership with Pertubuhan Pondok Perdana and Universiti Teknologi MARA, Jengka, we supported 20 youths in the Bera district to acquire new skills in fish farming, training them to become aquafarm entrepreneurs. This programme not only promotes economic empowerment but also addresses food security issues within local communities.

Enabling individuals from the B40 group to access opportunities in the gig economy is crucial, especially with the rise of digital jobs. In collaboration with the Forest Interactive Foundation, we launched the #seKODlahForBusiness programme to empower young aspiring Malaysians to kick-start their careers in the digital and technology sector. The 12-day intensive boot camp equipped 16 participants with end-to-end tools, techniques and industry knowledge to build successful careers in digital marketing.



HEALTH AND COMMUNITY WELLBEING

We champion initiatives that promote access to healthcare, medical supplies and disaster relief for communities facing barriers to these essential services. By focusing on these critical areas, we aim to enhance the health and wellbeing of individuals most in need, laying the groundwork for stronger, healthier communities overall.

BETTER ACCESS TO HEALTHCARE (MALAYSIA, CAMBODIA, THAILAND AND INDONESIA)

We funded cutting-edge ophthalmology equipment worth RM1.3 million for Universiti Malaya Medical Centre, a public teaching hospital. This contribution will enhance imaging capabilities, leading to improved screening, diagnosing, and treatment of eye conditions. It is expected to benefit about 50,000 patients annually.

The 20/20 Perfect Vision programme offers free eye screening and eyeglasses to underprivileged students in Kedah and Perlis. 6,124 students underwent eye tests, and 1,900 pairs of free eyeglasses were distributed. In Cambodia, CIMB's eye-care initiative, in collaboration with the National Bank of Cambodia, assisted 250 senior citizens in Kampong Cham province.

CIMB Thai raised over THB632,771 during a nine-month customer campaign aimed at establishing a new heart surgery centre at Banphaeo Hospital in Samut Sakhon province. Through this initiative, our customers were encouraged to donate their reward points, with CIMB Thai matching their donations for every baht donated.

CIMB Niaga and UNICEF are collaborating on a three-year programme to support the Indonesian government's initiatives in combating malnutrition and stunting in East Nusa Tenggara. CIMB Niaga facilitates customers' donation through CIMB Niaga's Peduli account, with fundraising set to commence in 2024. CIMB Niaga, through CIMB Niaga Syariah, initiated a programme for Stunting and Extreme Poverty Alleviation in partnership with the Indonesian Chamber of Commerce and Industry (KADIN) and the Kompas Gramedia Group.

Corporate Citizenship

SUPPORTING INDIGENOUS COMMUNITIES (MALAYSIA)

The indigenous (Orang Asli) community represents one of the most disadvantaged groups in Peninsular Malaysia. Though they account for less than 1% of the population, over 80% of Orang Asli are classified as poor or hardcore poor. Through our collaboration with various partners NGOs, we support Orang Asli communities across the country to create long-term positive impact, one community at a time.

RURAL ELECTRIFICATION

Over the years, CIMB Foundation has been instrumental in providing solar-powered lights to Orang Asli communities in Peninsular Malaysia, as well as in Sarawak. In 2023, in collaboration with our partners, Saora Industries and SKRLWN Enterprises, we extended electricity access to an additional eight villages, positively impacting over 500 individuals and significantly improving their quality of life.

EMPOWERING RURAL & ORANG ASLI COMMUNITIES

In partnership with the International Islamic University Malaysia, we developed a symbiotic system for rearing fish and growing vegetables for the Orang Asli community at Kampung Sungai Relang, Gombak, Selangor. The nutrient-rich water from the fish pond is used to grow vegetables, contributing to the community's food security and enhanced quality of life through increased income.

BUILDING RESILIENCE OF ORANG ASLI CHILDREN

In collaboration with #Inspiracomm, the Raising Resilience Among the Orang Asli Students Programme supports 30 Orang Asli youths from Banting. This three-month training, coaching and mentoring initiative seeks to build personal development skills among 16-year-olds to help them with their learning, and to reduce school drop-out rates. In addition, our Project Cycle Safe with Kechara Soup Kitchen Society Malaysia contributed 100 bicycles to students from indigenous communities to make it easier for them to travel to school.

RELIEF PROGRAMMES (MALAYSIA AND THE PHILIPPINES)

Many parts of Malaysia remained vulnerable to devastating floods brought on by torrential rains in 2023. We collaborated to support affected communities, tailored to the specific requirements of our partners and the communities. We supported MERCY Malaysia by funding disaster recovery efforts, such as distributing clean water, sanitation, and hygiene supplies, as well as assisting with shelter and housing solutions for 1,828 affected individuals in Kelantan, Sabah, and Sarawak. In Johor and Sabah, we partnered with Malaysian Relief Agency Foundation to provide aid to over 3,800 flood victims.

We provided funding for two retort machines that produce ready-to-eat meals with a shelf life of two years, and also funded the production of 25,000 meals to feed thousands of families in crucial times of need.

In the Philippines we partnered with the "Litre of Light" initiative in the aftermath of Typhoon Egay. We assembled solar-powered lights using inexpensive and readily available materials to provide high-quality solar-powered lighting to 50 households and small businesses in San Marcelino.



CLIMATE AND ENVIRONMENT

We actively support environmental conservation and protection initiatives with an emphasis on fostering awareness and community engagement. Our projects support the provision of ecosystem services, address climate change mitigation, and promote biodiversity conservation within communities.

ENVIRONMENTAL CONSERVATION (MALAYSIA AND INDONESIA)

REFORESTATION IN CAMERON HIGHLANDS (MALAYSIA)

We strengthened our collaboration with the Society of Regional Environmental Awareness Cameron Highlands to preserve the Cloud Forest, a unique ecosystem in Cameron Highlands. In support of this effort, students visiting the Biodiversity Education Centre in Gunung Brinchang will be encouraged to contribute by planting 1,000 saplings.

MARINE CONSERVATION AND CORAL RESTORATION (MALAYSIA)

We supported Terengganu's Sea Turtle Conservation and Coral Restoration project aimed at safeguarding turtle nests, increasing hatchling production and promoting awareness about turtle conservation. The project includes funding for school engagement activities, such as experiential learning, assisting with excavating nests and releasing hatchlings, to foster a sense of responsibility towards protecting the environment.

Our partnership with Reef Check Malaysia focused on empowering youths residing on the perimeter of the Tun Sakaran Marine Park in Sabah to become leaders in marine conservation. Over 30 young adults underwent training to become certified divers, enabling them to conduct reef health assessment and restoration efforts, monitor coral bleaching, and install mooring buoys. These initiatives are aimed at supporting the long-term protection of the surrounding ecosystem.

BAMBOO PLANTING (INDONESIA)

Bamboo plays a crucial role in the fight against climate change. It offers benefits in carbon sequestration, erosion control, and reducing water run-off. CIMB Niaga continues to support various initiatives including the purchase of bamboo seeds and the establishment of bamboo nurseries, plantations and capacity-building programmes for bamboo farmers and their families. In 2023, a total of 49,400 bamboo were planted and 172 farmers from Lombok Tengah, Nusa Tenggara Barat, and Flores, Nusa Tenggara Timur, participated in the capacity-building programmes. These programmes included training in the production of processed bamboo shoots, basic and advanced weaving techniques, cooperative management, cooking classes for ecotourism, as well as making bamboo briquettes and bamboo tea.

Tides of Change: CIMB Foundation's Commitment to Marine Ecosystems Through Reef Check Malaysia

By Adzmin Fatta, Programme Manager, Reef Check Malaysia

Reef Check Malaysia, a member of the Reef Check Network since 2007, is dedicated to sustainable coral reef management in Malaysia. We actively involve local communities, especially youth, in reef monitoring, research and conservation efforts, focusing on three Malaysian islands and assessing over 300 sites annually, aligning with the Sustainable Development Goals.

In December 2022, we received a RM250,000 grant from the CIMB Foundation with the objective of enhancing local community capacity and participation in marine resource management by cultivating future conservation leaders among 30 selected Mabul and Larapan islanders.

The training programme includes scuba diving certification, EcoDiver certification for coral reef health data collection, reef rehabilitation and restoration, and mooring buoy installation for coral bleaching monitoring. Our ultimate goal is to empower youths to become leaders in marine conservation by taking ownership and participating in the management of marine parks.

In the long term, we envision community leaders independently spearheading programmes, inspiring others, and intensifying the overall impact. I have witnessed remarkable changes in participants. Youth who were previously unable to attend school and faced negative perceptions from locals are now leading clean-up efforts and projects. In a conservative environment grappling with gender discrimination, one female participant was elevated to the rescue team.



While corporate social responsibility is often viewed as financial obligation to be met, CIMB Foundation distinguishes itself through its dedication to long-term investments, notably in youth empowerment programmes. In my 10 years in this field, I know CIMB Foundation's commitment is rare and commendable. Their unwavering support amplifies the impact of our initiatives, significantly contributing to marine conservation and community empowerment goals.

Read the perspective of a youth engaged in programmes on Mabul Island. 

CIMB ISLAMIC AND CIMB NIAGA SYARIAH INITIATIVES

CIMB Islamic in Malaysia contributed RM15 million in Corporate Zakat and RM2 million in donations towards charitable causes through various programmes aimed at improving the living standards of underserved communities in Malaysia. These projects are conducted in collaboration with respective state religious authorities, benefiting Asnaf.

PROGRAM KEUSAHAWANAN CIMB ISLAMIC-TAYLOR'S

CIMB Islamic continues to strengthen its long-term collaboration with Taylor's Community, the CSR division of Taylor's Education Group, by providing financial grants and capacity-building opportunities to micro-entrepreneurs. The Program Keusahawanan CIMB Islamic-Taylor's aims to empower socio-economic groups by enhancing their business knowledge and skills, as well as establishing business connections.

Since the partnership began, the programme has empowered approximately 500 beneficiaries through CIMB's total contribution of RM3 million. This year, the modules focused on culinary opportunities, supporting more than 30 home-bakers in scaling up their businesses.

CIMB ISLAMIC ITEKAD RIDER ENTREPRENEURSHIP PROGRAMME

Launched in 2021, CIMB Islamic's iTEKAD Rider Entrepreneurship Programme is a blended social finance initiative that provides seed capital, microfinancing, and structured training to micro-entrepreneurs in collaboration with implementation partners. Since its inception, CIMB Islamic has contributed RM2.2 million, benefiting 92 participants.

This year, CIMB Islamic supported 54 participants with training, guidance and seed funding to grow business opportunities and increase productivity. The support included a motorcycle grant and a one-year employment opportunity with Foodpanda, our delivery partner. The programme is being scaled up and extended to other states, including Melaka, Pahang, Sabah and Sarawak.

Corporate Citizenship

AGROPRENEUR PROGRAMME

CIMB Islamic, in partnership with Yayasan Diraja Sultan Mizan and Universiti Sultan Zainal Abidin, contributed seed funding to support the Melon Manis Terengganu (MMT) Agropreneur Programme. This initiative is designed to provide comprehensive training and development opportunities for university graduates keen on pursuing careers within the agriculture-based industries. With an initial investment of RM350,000, we aim to empower 20 graduates to excel in the high-tech agriculture sector.

CIMB NIAGA SYARIAH

To enhance awareness and encourage the adoption of sustainable lifestyles and work ethics, CIMB Niaga Syariah conducted three employee volunteer programmes and awareness campaigns in 2023. The initiatives included a Sustainability Week donation programme for staff, the launch of a weekly sustainability newsletter for internal circulation, and the organisation of two sustainability webinars focusing on carbon emissions and achieving sustainability through social impact.

RELIEF BEYOND BORDERS

In response to the devastating effects of the Turkey-Syria earthquake, CIMB Islamic donated RM100,000 to the Earthquake Emergency Response effort managed by MERCY Malaysia. This donation played a critical role in delivering immediate necessities to the earthquake survivors, demonstrating CIMB Islamic's dedication to making a real difference beyond local borders by addressing urgent international crises.

In 2023, CIMB Islamic supported various initiatives aimed at alleviating the impact of annual monsoon floods on vulnerable communities. Through a contribution of RM500,000, CIMB Islamic supported several NGOs, including Islamic Relief Malaysia, Yayasan Dakwah Islamiah Malaysia, Benevolent Brigade of Malaysia, and Yayasan Belia Malaysia, in providing food and non-food items to flood-affected families. This support resulted in assistance being provided to 3,400 beneficiaries from disadvantaged backgrounds.

RAMADHAN INITIATIVES

Through Zakat Wakalah, CIMB Islamic provided one-off cash contributions to various NGOs to purchase dry food boxes during Ramadhan and Syawal for Asnaf families, orphans, senior citizens, and students across Malaysia. The RM1.6 million contributed touched the lives of more than 30,000 beneficiaries.



EMPLOYEE VOLUNTEERISM

At CIMB, we firmly believe in the transformative impact of employee volunteerism, a powerful force that breathes life into our values. Through volunteerism, CIMBians actively contribute their time and skills to make meaningful impacts in communities. This not only engages our employees but also raises awareness about the challenges faced by local communities and pressing environmental concerns.

In 2023, we dedicated over 203,000 hours of volunteering efforts across our key markets, surpassing our target of investing 100,000 volunteer hours annually, a goal we aim to achieve by 2024¹.



Highlights:

- Collaborated with Uplift Malaysia to provide tutoring support and financial literacy education to children from Orang Asli communities in Kuala Kubu Bharu and Slim River over the weekends from July to September
- Donated and distributed breakfast and essential items to 11 charity homes under the Nasi Lemak Drive initiative
- Supported the Lost Food Project, which collects excess food and essential items from manufacturers/businesses and vegetables from a wholesale market to redistribute to NGOs, communities in public housing and charity homes

¹ In addition to the countries highlighted in this section, our branches in London, Hong Kong, and Shanghai collectively contributed 336 hours.

Indonesia





Total hours
50,884

Highlights:

- Conducted a Bank-wide employee campaign to reduce, reuse and recycle inorganic waste through the "A Better Climate and Environment Challenge"
- Conducted an education programme, "Sharing and Caring with CIMB Niaga Employees," in Bogor, Jawa Barat

Thailand





Total hours
41,695

Highlights:

- Raised over THB525,000 through the "Run to Win - Save Children Heart" project, an employee health promotion campaign and fundraiser for children with heart disease at Banpheao Hospital
- Donated more than 500 books to Umphang Non-Formal and Informal Education Centre in NFE Umphang, Tak Province

Vietnam





Total hours
1,350

Highlights:

- Raised over VND151 million and installed 26 1000-litre water tanks and 10 solar-powered street lamps in local communities and organised mid-autumn festival for children as part of the "Tank of Love" project
- Co-sponsored "UpRace", which raised nearly VND7 billion towards the Vu A Dinh Scholarship Fund and GreenViet Organisation and Association in Support of Vietnamese Handicapped and Orphans

Singapore





Total hours
5,122

Highlights:

- Supported the Children's Wishing Well project by organising grocery shopping trips and providing a S\$50 spending allowance for 79 children
- Assisted in food preparation on a monthly basis at the Willing Hearts soup kitchen for meal deliveries to support those in need
- Supported excursion trips at Rainbow Centre, a social service agency which operates special education schools for people with disabilities

Cambodia





Total hours
10,546

Highlights:

- Planted over 1,500 trees and 5,000 square metres of grass as part of the effort to preserve the Angkor World Heritage Site
- Donated KHR41 million for the Eyes Care Project led by the National Bank of Cambodia. Employees also volunteered to provide assistance to patients at the clinic

Performance Data

CUSTOMERS

NUMBER OF BRANCHES, SELF SERVICE TERMINALS, AND CUSTOMERS

Countries	Branches				Total Self Service Terminals (SSTs) ⁷				Total Consumer Banking Customers (Million)				Total Active Clicks Users (Million) ⁸				Total Active Mobile App Users (Million) ⁸			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Malaysia ¹	234	230	217	217	3,228	3,107	2,934	2,936	8.2	8.1	8.3	8.0	3.9	4.4	4.7	5.0	2.8	2.8	4.1	4.6
Indonesia ²	352	324	312	309	5,250	4,481	4,383	3,893	4.4	4.1	4.3	8.2	0.9	1.0	1.3	1.3	0.6	0.9	1.1	1.3
Singapore ³	2	1	1	1	6	2	2	2	0.4	0.4	0.4	0.5	0.2	0.2	0.2	0.3	0.1	0.1	0.2	0.3
Thailand ⁴	59	54	53	54	0	0	0	0	0.5	0.5	0.6	0.6	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.2
Cambodia ⁵	14	14	14	14	60	60	63	56	0.04	0.04	0.04	0.04	N/A	N/A	N/A	0.01	N/A	N/A	N/A	0.01
Others ⁶	7	7	7	6	2	2	1	2	3.2	5.6	7.2	8.4	N/A	N/A	N/A	1.5	N/A	N/A	N/A	1.5

N/A – Not Available

1. Malaysia branches excluding Bureau de Change, Trade Service Centres and Trade Desks.
2. Indonesia branches excluding Micro, cash counters and payment points, Payment and Cash Centres, Mobile Cash Vans, and Trade Service Centres.
3. Singapore branches excluding Private Banking and Trade Service Centres.
4. Thailand branches excluding FX Booths, Private Banking and Trade Service Centres. ATM includes passbook update and cash deposit.

5. Cambodia branches excluding Trade Service Centres.
6. Other countries including the Philippines, Vietnam, Shanghai, Hong Kong, London and Laos (closed in 2023).
7. Self-Service Terminals include ATMs, Cash Deposit Machines, and others.
8. Figures reported represent the total number of active digital users, excluding CIMB BizChannel. Active users include users who have logged in at least once for the last three months as of 31 December 2023.

NET PROMOTER SCORE (NPS) AND CUSTOMER SATISFACTION

Indicators	Years				
	2020	2021	2022	2023	
Net Promoter Score (NPS) ¹	Within 72%	Within 54%	Within 74%	Within 69%	
Customer Satisfaction ²	Malaysia	87%	84%	82%	88%
	Indonesia	81%	85%	93%	88%
	Singapore	N/A	87%	88%	86%
	Thailand	N/A	99%	95%	99%

N/A – Not Available

1. The NPS indicator is the ranking for General Retail Banking, calculated using a weighted average of NPS ranking across Malaysia, Indonesia, Singapore and Thailand, with reference based on CIMB's operating income.
2. Customer satisfaction measures the percentage of customers who rated "satisfied" or "extremely satisfied" with their overall experience with the bank in the General Retail Banking survey conducted across countries. In Malaysia, Singapore and Thailand, the answer is based on a 5-point scale (whereby customer satisfaction is based on those who rated us 4 or 5), whereas in Indonesia, the answer is based on a 10-point scale (whereby customer satisfaction is based on those who rated us 8 to 10).

CUSTOMERS (CONTINUED)

GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES

Products and Services	Definitions and Notes ²	Group (RM mil)			
		2020	2021	2022	2023
Consumer Banking³		7,289.9	8,241.1	10,761.7	10,945.8
Financial Inclusion¹		6,976.7	7,643.5	9,535.2 ⁵	8,720.7
Vehicles Financing	Financing committed	2,729.7	2,528.4	3,394.5	4,600.0
Home Financing	Financing committed	2,087.6	2,356.5	2,622.3	1,935.9
Personal Financing	Financing committed	205.8	224.6	666.4	727.3
Unit Trust Financing	Financing committed	1,953.6	2,533.9	2,852.1	1,457.5
Green Financing		183.6	300.8	582.4	1,567.3
Green Vehicles Financing	Financing committed	24.4	48.3	231.8	504.0
Green Home Financing	Financing committed	159.2	252.4	350.5	1,043.1
Solar Financing	Financing committed	N/A	N/A	N/A	20.2
Wealth Management		129.6	296.9	644.1	657.8
ESG Investment Products ⁶	New sales	129.6	296.9	644.1	657.8
Commercial Banking		2,041.5	2,175.8	3,916.5	7,158.9
Green, Social and Sustainable Financing	Financing committed	78.6	122.0	253.2	1,005.1
Micro and Small Enterprise Financing (Financial Inclusion)	Financing committed	1,962.9	2,053.8	3,663.3	6,153.8
Wholesale Banking		1,070.0	15,456.8	12,565.6	14,313.0
Green, Social and Sustainable Financing	Financing committed	970.0	6,277.3	5,700.9 ⁴	3,722.9
Sustainability-linked Financing	Financing committed	N/A	366.7	1,596.2 ⁴	3,938.0
Sustainability-linked Treasury Products	Notional amount	N/A	N/A	663.8	1,333.7
Sustainable Bonds/Sukuk	Apportioned issuance amount	100.0	8,812.8	4,604.8	5,318.4
Total		10,401.4	25,874.1	27,243.8	32,417.7

N/A – Not Available

- Home financing for B40 in Malaysia includes financing for homes priced less than RM500,000 only; for Indonesia, low-income individuals are defined as those who earn an income of up to Rp8 million from 2022 onwards; for Thailand, low-income individuals are defined as those who earn THB20,000 and below from 2023 onwards.
- Our latest definitions follow the Sustainable Finance Classification Guiding Principles, refer to CIMB's Sustainable Finance Framework for details.
- Financing committed amount recognised for Consumer Banking represents financing disbursed, except for the amount recognised for home and green home financing in Malaysia and green renovation loans in Singapore, which represent financing accepted from 2023 onwards.

- Figures have been restated to include 2022 corporate banking deals, which were not counted in the previous sustainability report.
- Figures for Indonesia's Consumer Banking financing under the Financial Inclusion Category for 2022 have been restated to align with an updated computation guideline.
- ESG Investment Products include sales for private banking and consumer banking clients.
- Environmental-focused deposit accounts (MY) and Sustainability Waaf (ID) were included in 2021 but excluded from 2022 onwards. These figures are now disclosed under the sustainability-themed deposits and investments accounts section on page 117.

Performance Data

CUSTOMERS (CONTINUED)

GREEN, SOCIAL, SUSTAINABLE IMPACT PRODUCTS AND SERVICES

Products and Services	Definitions and Notes ²	Malaysia (RM mil)				Indonesia, Singapore, Thailand, Cambodia, and Others (RM mil)			
		2020	2021	2022	2023	2020	2021	2022	2023
Consumer Banking³		6,700.6	7,698.1	9,619.0	8,681.2	589.4	543.0	1,142.7	2,264.6
Financial Inclusion¹		6,508.1	7,187.7	9,034.7	7,329.7	468.7	455.8	500.5 ⁵	1,391.1
Vehicles Financing	Financing committed	2,509.7	2,390.0	3,184.3	3,548.0	220.1	138.4	210.2	1,052.0
Home Financing	Financing committed	1,839.0	2,039.1	2,458.6	1,769.0	248.6	317.4	163.7	167.0
Personal Financing	Financing committed	205.8	224.6	539.7	555.2	N/A	N/A	126.6	172.1
Unit Trust Financing	Financing committed	1,953.6	2,533.9	2,852.1	1,457.5	N/A	N/A	N/A	N/A
Green Financing		168.2	275.6	545.6	1,285.0	15.4	25.2	36.8	282.3
Green Vehicles Financing	Financing committed	20.1	39.3	215.0	405.1	4.3	9.0	16.9	98.8
Green Home Financing	Financing committed	148.1	236.2	330.6	859.8	11.1	16.2	19.9	183.3
Solar Financing	Financing committed	N/A	N/A	N/A	20.0	N/A	N/A	N/A	0.2
Wealth Management		24.3	234.9	38.7	66.6	105.3	62.0	605.4	591.2
ESG Investment Products ⁶	New sales	24.3	234.9	38.7	66.6	105.3	62.0	605.4	591.2
Commercial Banking		1,193.0	754.0	2,205.5	5,023.0	848.5	1,422.2	1,711.0	2,135.9
Green, Social and Sustainable Financing	Financing committed	31.0	30.0	165.8	617.4	47.6	92.3	87.4	387.7
Micro and Small Enterprise Financing (Financial Inclusion)	Financing committed	1,162.0	723.9	2,039.7	4,405.5	800.9	1,329.9	1,623.6	1,748.3
Wholesale Banking		1,070.0	10,423.5	7,956.5	9,564.9	N/A	5,033.3	4,609.2	4,748.1
Green, Social and Sustainable Financing	Financing committed	970.0	5,102.1	3,798.7	2,330.1	N/A	1,275.2	1,902.2 ⁴	1,392.8
Sustainability-linked Financing	Financing committed	N/A	100.0	770.0 ⁴	2,730.3	N/A	266.7	826.2	1,207.7
Sustainability-linked Treasury Products	Notional amount	N/A	N/A	663.8	798.9	N/A	N/A	N/A	534.8
Sustainable Bonds/Sukuk	Apportioned issuance amount	100.0	5,321.4	2,724.0	3,705.7	N/A	3,491.4	1,880.8	1,612.7
Total		8,963.6	18,875.6	19,781.0	23,269.1	1,439.7	6,998.5	7,462.8	9,148.6

N/A – Not Available

- Home financing for B40 in Malaysia includes financing for homes priced less than RM500,000 only; for Indonesia, low-income individuals are defined as those who earn an income of up to Rp8 million from 2022 onwards; for Thailand, low-income individuals are defined as those who earn THB20,000 and below from 2023 onwards.
- Our latest definitions follow the Sustainable Finance Classification Guiding Principles, refer to CIMB's Sustainable Finance Framework for details. 
- Financing committed amount recognised for Consumer Banking represents financing disbursed, except for the amount recognised for home and green home financing in Malaysia and green renovation loans in Singapore, which represent financing accepted from 2023 onwards.

- Figures have been restated to include 2022 corporate banking deals, which were not counted in the previous sustainability report.
- Figures for Indonesia's Consumer Banking financing under the Financial Inclusion Category for 2022 have been restated to align with an updated computation guideline.
- ESG Investment Products include sales for private banking and consumer banking clients.
- Environmental-focused deposit accounts (MY) and Sustainability Waqf (ID) were included in 2021 but excluded from 2022 onwards. These figures are now disclosed under the sustainability-themed deposits and investments accounts section on page 117.

CUSTOMERS (CONTINUED)

SUSTAINABILITY-THEMED DEPOSITS AND INVESTMENT ACCOUNTS

Consumer Banking		2020	2021	2022	2023
Environmental-focused Deposits Account (Malaysia) (RM mil)	Growth in balances	477.8	622.3	189.5	453.8
	Total portfolio balances	1,208.1	1,830.4	2,020.0	2,473.8
Waqf Savings (Indonesia) (RM mil)	Total portfolio balances	1.8	43.3	19.8	60.6
Commercial Banking					
Sustainable Term Investment Account-i (Malaysia) (RM mil)	Placement amount	N/A	N/A	523.2	308.7
Giro Kartini (Indonesia) (RM mil)	Total portfolio balances	N/A	N/A	N/A	25.7

N/A – Not Available

1. These products are no longer counted towards the Group's RM100 billion Sustainable Finance target from 2022 onwards as per the Sustainable Finance Classification Guiding Principles.

RENEWABLE ENERGY FINANCING

Definitions and Notes	Malaysia				Indonesia, Singapore, Thailand, Cambodia				Group			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Financing outstanding (RM mil)	666.9	433.0	165.6	940.8	132.0	94.0	221.5	277.7	798.9	527.0	387.1	1,218.5

1. Data from 2021 onwards include contingencies while the figure in 2020 excludes them.

2. Data includes financing provided to both Corporate and Commercial Banking clients.

3. Renewable energy financing numbers here are a subset of the Green, Social, Sustainable Products and Services above, and displayed separately here for further clarity and transparency.

Performance Data

CUSTOMERS (CONTINUED)

SUSTAINABLE FINANCING POLICY, ENHANCED DUE DILIGENCE (ESDD) OUTCOMES

Country	BSDD & ESDD Cases, Outcomes and Action Plans	Years			
		2020	2021	2022	2023
Malaysia	Number of Basic SDD cases ¹	9,124	9,621	9,773	9,883
	Number of Enhanced SDD cases	125	97	118	142
	<i>Recommended</i>	92.0%	82.5%	66.1%	79.6%
	<i>Recommended with Action Plans</i>	8.0%	16.5%	33.1%	19.7%
	<i>Not Recommended</i>	0.0%	1.0%	0.8%	0.7%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	8 87.5%	9 88.9%	18 94.4%	39 92.0%
Indonesia	Number of Basic SDD cases ¹	3,420	2,899	1,703	1,615
	Number of Enhanced SDD cases	50	246	295	398
	<i>Recommended</i>	82.0%	87.4%	83.4%	95.5%
	<i>Recommended with Action Plans</i>	12.0%	12.2%	16.3%	4.2%
	<i>Not Recommended</i>	6.0%	0.4%	0.3%	0.3%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	0 N/A	0 N/A	2 100.0%	25 60.0%
Singapore	Number of Basic SDD cases ¹	1,459	2,169	2,904	3,173
	Number of Enhanced SDD cases	4	6	4	18
	<i>Recommended</i>	75%	83.3%	75.0%	94.4%
	<i>Recommended with Action Plans</i>	25.0%	16.7%	25.0%	5.6%
	<i>Not Recommended</i>	0.0%	0.0%	0.0%	0.0%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	0 N/A	0 N/A	1 100.0%	0 N/A
Thailand	Number of Basic SDD cases ¹	0	359	337	357
	Number of Enhanced SDD cases	0	66	24	62
	<i>Recommended</i>	0	95.5%	95.8%	82.3%
	<i>Recommended with Action Plans</i>	0	4.5%	4.2%	17.7%
	<i>Not Recommended</i>	0	0.0%	0.0%	0.0%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	0 N/A	0 N/A	4 25.0%	5 100.0%
Cambodia	Number of Basic SDD cases ¹	0	147	177	173
	Number of Enhanced SDD cases	0	2	3	3
	<i>Recommended</i>	0	100.0%	100.0%	100.0%
	<i>Recommended with Action Plans</i>	0	0.0%	0.0%	0.00%
	<i>Not Recommended</i>	0	0.0%	0.0%	0.00%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	0 N/A	0 N/A	0 N/A	0 N/A
Total	Number of Basic SDD cases ¹	14,003	15,195	14,894	15,201
	Number of Enhanced SDD cases	179	417	444	623
	<i>Recommended</i>	88.8%	87.5%	79.5%	90.5%
	<i>Recommended with Action Plans</i>	9.5%	12.0%	20.0%	9.2%
	<i>Not Recommended</i>	1.7%	0.5%	0.5%	0.3%
	Clients ² with E&S action plans due <i>Action plans completed</i> ²	8 87.5%	9 88.9%	25 84.0%	46 84.2%

N/A – Not Applicable

- Number of Basic SDD is estimated based on the number of clients within scope of the Group Sustainable Financing Policy (GSFP). Figures for Indonesia only includes clients with outstanding loans, with reduced numbers in 2021 onwards due to a client database cleansing exercise in 2020-2021. Indonesia and Thailand client numbers exclude capital raising activities.
- Numbers are counted based on ESDD cases with action plans due in order to cover various due action plans under the same client. E.g., Case 1 (Client A) with an action plan due on reporting year and Case 2 (Client A) with an action plan due on reporting year will be counted as two cases.
- The Sustainable Financing Policy was implemented in 2020 for Indonesia and Singapore; and in 2021 for Thailand and Cambodia.

GOVERNANCE AND ETHICS

PERCENTAGE OF CIMB GROUP HOLDINGS BERHAD DIRECTORS BY GENDER AND AGE GROUP

Categories		2023	
		Number of Directors	Percentage of Directors (%)
Gender	Male	6	66
	Female	3	33
Age	<30	0	0
	30-50	1	11
	>50	8	89
Total		9	100

NUMBER OF SUBSTANTIATED COMPLAINTS CONCERNING HUMAN RIGHTS VIOLATIONS

Indicator	2020	2021	2022	2023
Number of complaints ¹	0	0	0	0

1. Substantiated complains refer to written statements by regulatory or similar official bodies addressed to the company that identifies violations of human rights, or a complaint lodged with the company that has been recognised as legitimate by the company.

NUMBER OF CORRUPTION-RELATED INCIDENTS

Indicators	2020	2021	2022	2023
Operations assessed for corruption-related risks ¹	100%	100%	100%	100%
Confirmed incidents of corruption and action taken (Malaysia only)	NA	NA	1	1 ²

1. Operations are assessed based on divisions (eg. Group Consumer Banking, Group Wholesale Banking, Group Finance) across CIMB Group's operations in all countries.

2. This case involved a breach of the Code of Ethics by a Branch Manager (BM) in connection with potential irregularities surrounding sales incentives. The Bank is no longer associated with the BM, and has flagged the BM's misconduct for future employment screenings. The case will be escalated to MACC after relevant internal governance processes have been completed.

EMPLOYEES

NUMBER AND PERCENTAGE OF EMPLOYEES, BY COUNTRY AND GENDER¹

Country	2020						2021						2022 ³						2023 ³					
	Male		Female		Total		Male		Female		Total		Male		Female		Total		Male		Female		Total	
	FTEs	%	FTEs	%	FTEs	%	FTEs	%	FTEs	%	FTEs	%	FTEs	%										
Malaysia	5,987	40.2	9,529	49.4	15,516	45.4	6,136	42.6	9,920	52.6	16,056	48.3	6,141	42.8	10,039	53.1	16,180	48.7	6,230	42.4	10,259	52.7	16,489	48.3
Indonesia	6,469	43.5	6,433	33.3	12,902	37.7	6,105	42.4	5,917	31.4	12,022	36.1	6,017	41.9	5,758	30.5	11,775	35.4	6,194	42.1	5,875	30.2	12,069	35.3
Singapore	543	3.6	630	3.3	1,173	3.4	451	3.1	456	2.4	907	2.7	477	3.3	489	2.6	966	2.9	506	3.4	520	2.7	1,026	3.0
Thailand	1,505	10.1	2,251	11.7	3,756	11.0	1,307	9.1	2,033	10.8	3,340	10.0	1,250	8.7	2,018	10.7	3,268	9.8	1,161	7.9	2,020	10.4	3,181	9.3
Cambodia	176	1.2	243	1.3	419	1.2	183	1.3	266	1.4	449	1.3	192	1.3	269	1.4	461	1.4	194	1.3	287	1.5	481	1.4
Others	197	1.3	220	1.1	417	1.2	210	1.5	281	1.5	491	1.5	273	1.9	329	1.7	602	1.8	419	2.8	501	2.6	920	2.7
Total	14,877		19,306		34,183		14,392		18,873		33,265		14,350		18,902		33,252		14,704 ²		19,462 ²		34,166 ²	

1. The data covers CIMB branches, entities, and subsidiaries that either contribute materially to CIMB or exhibit high to medium interdependency with CIMB, in accordance with the Group's Entity Governance Policy.

2. Numbers are based on 31 December 2023 FTEs (34,166).

3. 2022 figures onward include employees whose costs are borne by a third party.

Performance Data

EMPLOYEES (CONTINUED)

HIRES AND TURNOVER BY COUNTRY, GENDER, AGE, AND JOB CATEGORY

Categories		Hires, By Country, Gender, Age and Job Category ¹								Turnover, By Country, Gender, Age and Job Category ¹							
		2020		2021		2022		2023		2020		2021		2022		2023	
		FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs	FTEs	% of FTEs
Country	Malaysia	1,640	10.6	1,657	10.3	2,316	14.4	2,442	15.0	1,899	12.0	1,702	10.6	2,191	13.6	1,924	11.8
	Indonesia	1,736	13.5	976	8.1	1,930	16.4	2,059	17.4	2,108	16.2	1,857	15.0	2,176	18.5	1,760	14.9
	Singapore	108	9.2	163	18.0	259	27.6	197	20.0	214	17.2	429	41.9	203	21.6	146	14.8
	Thailand	178	4.7	218	6.5	488	14.8	443	13.9	462	11.8	631	18.1	562	17.1	535	16.7
	Cambodia	76	0.2	82	0.3	80	17.5	76	16.0	45	11.1	49	11.5	69	15.1	56	11.8
	Others	100	0.3	233	0.7	310	56.3	364	42.2	106	25.1	155	35.7	196	35.6	239	27.7
Job Category	Non-Mgt	783	18.9	550	16.5	726	13.5	823	14.7	868	17.1	662	13.7	864	16.0	758	16.3
	Junior Mgt	2,903	70.2	2,254	67.7	3,903	72.5	4,077	73.1	3,434	67.7	3,329	69.0	3,734	69.2	3,192	68.5
	Middle Mgt	339	8.2	408	12.3	628	11.7	579	10.4	572	11.3	608	12.6	605	11.2	558	12.0
	Senior Mgt	103	2.5	114	3.4	122	2.3	100	1.8	179	3.5	217	4.5	189	3.5	144	3.1
	Key Mgt	5	0.1	3	0.1	4	0.1	2	0.0	17	0.3	8	0.2	5	0.1	8	0.2
Age	<30	2,256	6.6	1,775	5.3	2,706	8.2	2,850	45.9	1,396	4.1	1,634	4.8	1,865	5.6	1,449	23.3
	30-50	1,529	4.5	1,514	4.6	2,615	7.9	2,664	11.3	2,698	7.9	2,746	8.1	3,115	9.4	2,723	11.5
	>50	53	0.2	40	0.1	62	0.2	67	1.8	740	2.2	443	1.3	417	1.3	488	12.8
Gender	Male	1,950	5.7	1,679	5.0	2,660	8.0	2,752	19.0	2,393	7.0	2,355	7.0	2,701	8.2	2,380	16.4
	Female	1,888	5.5	1,650	5.0	2,723	8.2	2,829	14.7	2,441	7.1	2,468	7.3	2,696	8.1	2,280	11.9
Total		3,838	11.2	3,329	10.0	5,383	16.3	5,581	16.3	4,834	13.9	4,823	14.3	5,397	16.3	4,660⁴	13.8⁴
		Open positions filled by internal candidates (internal hires) (%) ²								Voluntary turnover							
		39.6		36.0		19.8		11.4³		3,709	10.9	3,820	11.3	4,456	13.5	3,681	10.9

1. The rate of new and turnover for the Country category is calculated based on the respective country's average headcount whereas the overall average headcount is used for the Country, Job Category, Age and Gender.
2. Open positions filled by internal candidates are shown as a proportion of jobs posted internally and not total new hires. Data from 2022 to 2023 onwards includes Malaysia, Indonesia, Singapore, Thailand and Cambodia while data from 2020 to 2021 only covers Malaysia.

3. 2023 data includes positions filled through Forward Your Career platform, while data from 2020 – 2022 includes internal transfers.
4. 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.

EMPLOYEES (CONTINUED)

DIVERSITY AND INCLUSION

PERCENTAGE OF EMPLOYEES THAT ARE CONTRACTORS OR TEMPORARY STAFF¹

Countries	Contractors or Temporary Staff (%)			
	2020	2021	2022	2023
Malaysia	1.3	1.1	1.2	0.9
Indonesia	0.9	1.4	1.9	2.2
Singapore	0.0	0.1	0.1	0.2
Thailand	1.1	1.0	1.2	1.1
Cambodia	0.0	0.1	0.0	0.0
Others	0.0	0.0	0.0	0.0
Total	3.3	3.7	4.4	4.4

1. Contractors or temporary staff includes Contingent Workers, Interns, Protégés & Development Programmes.

NUMBER OF EMPLOYEES BY JOB CATEGORY AND GENDER

Job Category	Gender	2020		2021		2022		2023		
		FTEs	%	FTEs	%	FTEs	%	FTEs	%	% of FTEs
Non-Management	Male	2,799	45.4	2,590	47.1	2,353	47.7	2,272	48.2	6.6
	Female	3,371	54.6	2,905	52.9	2,576	52.3	2,443	51.8	7.2
Junior Management	Male	9,024	40.6	8,773	39.9	8,767	39.6	9,060	39.6	26.5
	Female	13,176	59.4	13,220	60.1	13,361	60.4	13,791	60.4	40.4
Middle Management	Male	2,163	50.7	2,165	50.7	2,353	50.6	2,466	49.5	7.2
	Female	2,101	49.3	2,102	49.3	2,295	49.4	2,514	50.5	7.4
Senior Management	Male	842	56.7	819	56.5	830	56.1	863	55.5	2.5
	Female	644	43.3	630	43.5	649	43.9	693	44.5	2.0
Key Management	Male	49	77.8	45	73.8	47	69.1	43	67.2	0.1
	Female	14	22.2	16	26.2	21	30.9	21	32.8	0.1
Total		34,183		33,265		33,252		34,166		

PERCENTAGE OF EMPLOYEES, BY NATIONALITY

Job Category	2023											
	Malaysian		Indonesian		Thai		Singaporean		Cambodian		Others	
Non-Management	1,967	11.7%	2,364	19.6%	4	0.5%	172	5.4%	56	11.7%	152	19.6%
Junior Management	11,433	67.8%	7,884	65.3%	428	54.7%	2,330	73.5%	350	72.9%	426	55.0%
Middle Management	2,451	14.5%	1,555	12.9%	235	29.4%	542	17.1%	61	12.7%	136	17.6%
Senior Management	974	5.8%	265	2.2%	121	15.2%	126	4.0%	12	2.5%	58	7.5%
Key Management	49	0.3%	10	0.1%	2	0.1%	0	0.0%	1	0.2%	2	0.3%
Total¹	16,874	49.4%	12,078	35.4%	790	2.3%	3,170	9.3%	480	1.4%	774	2.3%

1. Total percentages by nationality are based on 31 December 2023 FTEs (34,166).

Performance Data

EMPLOYEES (CONTINUED)

DIVERSITY AND INCLUSION

MANAGEMENT EMPLOYEES IN REVENUE GENERATING FUNCTIONS, BY COUNTRY AND GENDER¹

Country	Gender	2020		2021		2022		2023	
Malaysia	Male	316	52.2%	322	53.2%	301	52.7%	303	53.4%
	Female	289	47.8%	283	46.8%	270	47.3%	264	46.6%
Indonesia	Male	490	53.1%	441	52.4%	447	53.9%	472	53.2%
	Female	433	46.9%	401	47.6%	383	46.1%	416	46.8%
Singapore	Male	34	69.4%	27	71.1%	35	68.6%	35	68.6%
	Female	15	30.6%	11	28.9%	16	31.4%	16	31.4%
Thailand	Male	72	54.5%	101	53.4%	108	56.0%	107	54.6%
	Female	60	45.5%	88	46.6%	85	44.0%	89	45.4%
Cambodia	Male	13	50.0%	15	53.6%	15	51.7%	12	41.4%
	Female	13	50.0%	13	2.0%	14	48.3%	17	58.6%
Total	Male	925	53.3%	906	53.2%	906	54.1%	929	53.7%
	Female	810	46.7%	796	46.8%	768	45.9%	802	46.3%

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

RATIO OF REMUNERATION BETWEEN MALE AND FEMALE, BY JOB CATEGORY

Job Category	Gender	2020	2021	2022					2023				
		Malaysia	Malaysia	Malaysia	Indonesia	Singapore	Thailand	Group	Malaysia	Indonesia	Singapore	Thailand	Group
Non-Management	Male	1.00	1.00	1.00	1.00	N/A	1.00	1.00	1.00	1.00	N/A	1.00	1.00
	Female	0.99	0.99	1.00	1.08	N/A	1.00	1.01	0.99	1.05	N/A	1.01	1.00
Junior Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	1.06	1.07	1.08	1.00	1.00	1.01	1.05	1.09	1.01	1.01	1.00	1.05
Middle Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.94	0.94	0.94	1.00	0.98	1.04	0.98	0.95	1.00	0.96	1.05	0.98
Senior Management	Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Female	0.97	0.96	0.98	1.03	0.95	0.96	0.98	0.96	0.98	0.98	0.98	0.97
Key Management	Male	1.00	1.00	1.00	1.00	N/A	N/A	1.00	1.00	1.00	N/A	N/A	1.00
	Female	1.00	1.00	0.96	1.06	N/A	N/A	0.98	0.88	1.04	N/A	N/A	0.91
Overall	Male	1.00											
	Female	1.01	1.01	1.02	1.00	0.97	1.01	1.01	1.02	0.99	0.98	1.01	1.01

N/A – If there are no employees in this category, or only employees of one gender

1. Pay ratios for 2020 onwards are shown as men's base pay: women's pay, with men's pay indexed to 1 and weighted average across business units, business enablers and population size.
2. Excludes iCIMB/Touch n Go entities (Malaysia) and subsidiaries of CIMB Niaga.
3. Excludes secondees/expatriates/country CEOs/GCEO/contract staff.

PERSON WITH DISABILITIES (PWD) WORKFORCE

Indicator	2020	2021	2022	2023
Hired Workforce (FTEs)	13	13	13	14

EMPLOYEES (CONTINUED)**LEARNING AND DEVELOPMENT****TRAINING INVESTMENT, HOURS AND AVERAGE TRAINING HOURS BY COUNTRY**

Country	Training Investment In RM Million				Training Hours in '000, by Country				Average Training Hours per Employee			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Malaysia ¹	46.2	36.2	45.6	40.8	1,160	1,088	809	1,069	75	69	51	66
Indonesia	43.6	42.4	45.5	53.7	1,601	1,094	1,644	1,653	124	88	140	139
Singapore	-0.2 ¹	0.9	1.8	3.8	58	40	42	53	49	39	45	53
Thailand	4.2	2.3	2.6	3.6	178	175	138	166	47	50	42	52
Cambodia	0.2	0.1	0.2	0.2	11	17	16	19	26	40	35	39
Total	94.0	81.8	95.8	102.1	3,008	2,413	2,650	2,959	89	73	82	90

1. Malaysia numbers exclude Touch 'n Go.

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

AVERAGE TRAINING HOURS PER EMPLOYEE, BY JOB CATEGORY AND GENDER¹

Job Category	Male				Female			
	2020	2021	2022	2023	2020	2021	2022	2023
Non-Management	51	34	63	54	74	45	70	54
Junior Management	104	85	96	105	101	81	88	103
Middle Management	70	65	65	65	70	71	67	72
Senior Management	52	67	54	68	60	76	58	74
Key Management	61	87	59	82	49	99	59	80
Total	86	72	83	89	91	74	82	92

1. Malaysia (excluding Touch 'n Go), Indonesia, Singapore, Thailand and Cambodia.

Performance Data

LEARNING AND DEVELOPMENT (CONTINUED)

EMPLOYEES TRAINED (EXCLUDING E-LEARNING) ON SUSTAINABILITY ISSUES

Country	2020	2021	2022	2023
Malaysia	658	2,692	2,988	9,946
Indonesia	215	422	458	3,491
Singapore	210	210	450	668
Thailand	55	111	460	2,470
Cambodia	49	30	42	418
Others	36	29	18	335
Total	1,223	3,494	4,416	17,328

PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION BY EMPLOYEE CATEGORY AND FUNCTION¹

Job category	Function	2021	2022	2023
Non-Management	Business Unit	98.4%	98.9%	97.5%
	Business Enabler	98.2%	96.5%	99.4%
Junior Management	Business Unit	99.2%	99.2%	97.9%
	Business Enabler	98.5%	98.1%	98.9%
Middle Management	Business Unit	98.9%	99.4%	98.1%
	Business Enabler	98.2%	99.7%	99.2%
Senior Management	Business Unit	99.2%	98.0%	99.0%
	Business Enabler	97.7%	98.5%	99.3%
Key Management	Business Unit	100%	100%	100%
	Business Enabler	100%	100%	100%

1. Anti-Bribery and Corruption Awareness training for Malaysia, Singapore and Thailand commenced from 2021 onwards.

2. Anti-Bribery and Corruption Awareness training for Cambodia commenced from 2022 onwards.

3. Pakta Integritas, Kode Etik & Komitmen Antikorupsi training for Indonesia commenced from 2022 onwards.

KEY COMPULSORY E-LEARNING MODULES

Course Title ¹	Compliance Frequency	Percentage of Staff Completed (%)			
		2020	2021	2022	2023
Anti-Money Laundering/Counter Financing of Terrorism (AMLA/CFT)	Annual	93.2	93.3	98.2	99.8
Anti-Bribery and Corruption Awareness (for MY and SG only)	Alternate Odd Years	N/A	98.9	99.0	99.8
Pakta Integritas, Kode Etik & Komitmen Antikorupsi (ID only)	Annual	N/A	N/A	97.8	96.2
Anti Corruption (for TH only)	One-off	N/A	98.9	90.3	100.0
Scenario-Based Financial Services Act/Islamic Financial Services Act (FSA/IFSA) (For MY only)	Half-yearly (1st & 2nd H)	96.1	97.8	98.6	99.7
Business Continuity Management (BCM)	Alternate Even Year	99.4	98.9	98.0	98.9
Introduction to Customer Experience (CX)	One-off	99.8	98.5	97.3	99.3
Introduction to Competition Act 2010 (Malaysia)	Alternate Odd Years	96.5	99	98.4	99.7
Data Protection (Malaysia and Singapore)	One-off	99.3	99.1	98.6	99.6
Digital & Data Compulsory Learning	One-off	97.7	98.7	95.6	99.6
Information Security Awareness	Annual	99.3	99	98.1	99.3
Shariah Governance Framework (Malaysia)	One-off	99.7	99.6	98.9	99.9
Risk Appetite Principles (Malaysia and Singapore)	One-off	99.8	99.7	98.9	99.9
Operational Risk Management	One-off	99.8	99.3	97.7	99.2

N/A - Not Available

1. Malaysia, Indonesia, Singapore and Thailand, unless otherwise stated.

HEALTH, SAFETY AND WELLBEING

OCCUPATIONAL SAFETY AND HEALTH INDICATORS

Indicators	2020	2021	2022	2023
Accident with Fatality	0	0	0	0
Accident with Lost Work Days	1	0	1	2
Accident without Lost Work Days	0	0	0	0
Total Number of Accidents	1	0	1	2
Total Work Days Lost	34	0	5	8
Fatality Rate	0	0	0	0
Number of Safety and Health Training Sessions	5	3	19	44
Number of Employees Trained on Safety And Health	96	146	725	1,474

ABSENTEEISM RATE, BY COUNTRY

Country	2020	2021	2022	2023
Malaysia	1.68%	1.63%	2.08%	1.74%
Indonesia	0.08%	0.16%	0.21%	0.19%
Singapore	1.67%	1.59%	2.20%	2.29%
Thailand	0.64%	0.70%	1.22%	0.79%
Cambodia	0.32%	0.67%	1.40%	0.33%
Total	0.95%	0.97%	1.30%	1.08%*

* This data was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

EMPLOYEE ASSISTANCE, WORK-LIFE BENEFITS AND THEIR TAKE-UP RATES

Initiatives	2020	2021	2022	2023
Staff Rejuvenation Programme	45	57	73	63
Medical Leave without Medical Certificate	3,693	8,297	7,263	14,395
Financial Assistance for Staff with Special Needs Children	124	120	136	27
Financial Support for Single Parents	16	13	13	2
0% Home Financing	70	65	41	0
Flex4All	223	1,295	1,101	335
Reduced Work Week	4	7	2	3
Flex4Sustainability	0	1	1	1
Extended Maternity Leave	89	24	19	69
Paternity Leave	250	296	333	550
Adoption Leave	0	0	3	3
Flex4Moms	15	1	3	2
Child Care Subsidy	1,267	1,149	1,185	1,036

Performance Data

SUPPLIERS

NUMBER OF SUPPLIERS, BY COUNTRY

Country	Total Suppliers				Total Local Suppliers (%)				Total Spending of Local Suppliers (%)
	2020 ¹	2021	2022	2023	2020 ¹	2021	2022	2023	2023
Malaysia ²	1242	783	610	607	89	89	89	86	87.6
Indonesia ³	430	454	568	660	93	92	94	94	94.4
Singapore ²	248	322	197	146	75	76	73	73	90.2
Thailand ⁴	319	470	253	320	90	90	82	89	94.0
Cambodia ⁵	46	51	75	111	87	92	92	80	64.0
Total	2,285	2,080	1,703	1,844	88	88	87	88	94.4

1. The 2020 numbers for Malaysia, Indonesia, Singapore, and Thailand include all suppliers registered on our e-Procurement Portal.

2. From 2021 onwards, the total number of suppliers in Malaysia and Singapore only includes actively engaged suppliers with Purchase Orders issued during the year.

3. From 2022 onwards, the total number of suppliers in Indonesia includes all suppliers on our vendor master list file, while the number from 2020 to 2021 only includes suppliers registered on our e-Procurement portal.

4. From 2021 onwards, the total number of suppliers in Thailand includes all active suppliers on our e-Procurement Portal.

5. From 2020 onwards, the total number of suppliers in Cambodia only includes all active suppliers in our vendor master list file.

COMMUNITY

TOTAL CONTRIBUTION IN RM MILLION, BY COUNTRY¹

Country		2020	2021	2022	2023
Malaysia ²	CIMB Foundation	11.1	14.0	18.8	15.2
	Non-CIMB Foundation	11.8	11.9	10.8	12.6
Indonesia		4.8	2.3	4.1	4.3
Singapore		-0.1 ³	0.1	0.3	0.4
Thailand		1.3	0.2	0.2	0.2
Cambodia		N/A	0.2	0.2	0.2
Vietnam		N/A	0.1	0.1	0.0
Others		0.4	0.0	0.0	0.0
Total		29.3	28.8	34.5	32.9

N/A – Not Available

1. 2020 figures reflect total amount approved, while figures from 2021 onwards represent disbursements, and excludes operating costs. We have updated our reporting definitions to more closely align to impacts created.

2. Contribution from Malaysia excludes Zakat contribution from CIMB Islamic from 2021 figures and onwards.

3. Singapore's 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.

TOTAL CONTRIBUTION IN RM MILLION, BY STRATEGIC PILLAR

Pillars ¹	2020	2021	2022	2023
Education	11.1	17.1	19.0	17.4
Health and Community Wellbeing	17.7	9.1	9.1	7.5
Economic Empowerment	0.3	0.8	1.3	2.9
Climate and Environment	0.2	1.7	5.0	5.1
Total	29.3	28.7	34.4	32.9

1. 2020 figures reflect total amount approved, while figures from 2021 onwards represent disbursements, and excludes operating costs. We have updated our reporting definitions to more closely align to impacts created.

COMMUNITY (CONTINUED)

TOTAL NUMBER OF BENEFICIARIES OF THE INVESTMENT IN COMMUNITIES

Country	Number of Individuals impacted in 2023
Malaysia	122,625
Indonesia	39,819
Singapore	N/A ¹
Thailand	2,216
Cambodia	1,372
Total	166,032

1. CIMB Singapore donates directly to social causes through Community Chest, which is the philanthropy and engagement arm of the National Council of Social Service. Community Chest then disbursed the donation to various Family Service Centres and Rainbow Centre. As the funds go towards supporting the programmes costs of these organisations, the exact number of individuals impacted is not tracked.

EMPLOYEE VOLUNTEERISM

Indicators	2020	2021	2022	2023
Total Volunteer Hours	4,216	67,278	142,914	203,245
Average Volunteer Hours/Employee	0.1	2.0	4.3	5.9
Flex4Sustainability Take-Up for Volunteering Purposes	0	1	0	1

1. Coverage expanded and now comprise Malaysia, Indonesia, Singapore, Thailand, Cambodia, Vietnam, London, Hong Kong and Shanghai for 2023.
2. Flex4Sustainability is only available in Malaysia.

SOCIAL IMPACT VIA FINANCIAL LITERACY PROGRAMMES

Programmes	Total Participants				Improvement in Financial Literacy Awareness (%)			
	2020	2021	2022	2023	2020	2021	2022	2023
AMDB ¹	7,451	1,765	6,374	4,737	7 ⁴	12 ⁴	7	37
TDB ²	2,960	1,201	3,878	2,909	11 ⁴	10 ⁴	16	28
Be\$mart ³	3,811	1,458	771	185	142	133	177	35 ⁵
Total	14,222	4,424	11,023	7,831				

1. AMDB – Ayo Menabung dan Berbagi (Indonesia only).

2. TDB – Tour De Bank (Indonesia only).

3. Be\$mart (Malaysia and Indonesia only).

4. 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.

5. Improvements in financial literacy awareness for Be\$mart for 2023 is the average improvement of Basic and Advanced programmes in Indonesia.

Performance Data

ENVIRONMENT

ORGANISATIONAL BOUNDARY

Our methodology takes into account the following GHGs: carbon dioxide (CO₂), methane (CH₄), Nitrous Oxide (N₂O) and hydrofluorocarbons (HFCs). CH₄, N₂O, and HFCs were converted into CO₂ equivalents based on their global warming potential from the IPCC Fifth Assessment Report. CIMB Group's consolidation and reporting on GHG emissions is based on the 'control approach' i.e., we will account for 100% emissions only from our operations where we have direct operational control.

In 2023, we conducted a base year recalculation to update our baseline GHG emissions to reflect the recently updated emission factors provided by respective national agencies. This has resulted in a restatement to our GHG emissions data from 2019 to 2022. While this is not strictly necessary, our restatement of historical emissions data is to provide a meaningful emissions data that is comparable over time.

We have disclosed Direct (Scope 1) GHG emissions and Indirect (Scope 2) GHG emissions for operations in Malaysia, Indonesia, Singapore, Thailand and Cambodia. For Other Indirect (Scope 3) GHG emissions, three categories have been included: emissions from purchased water, emissions from business travel and emissions from waste generated and disposed.

PROPERTIES WITHIN THE OPERATIONAL BOUNDARY

Country	2020	2021	2022	2023
Malaysia ¹	Menara CIMB, Menara Southern Bank, Akademi Nazir Razak, Menara UAB Bangunan CIMB, Wisma CIMB, Plaza Pantai, Bangsar South	Menara CIMB, Menara Southern Bank, Akademi Nazir Razak, Menara UAB-CIMB, Bangunan CIMB, Wisma CIMB, Plaza Pantai, Bangsar South	Menara CIMB, Menara Southern Bank, Akademi Nazir Razak, Menara UAB-CIMB, Bangunan CIMB (closed in September 2022), Wisma CIMB, CIMB Hub (starting July 2022), Plaza Pantai (closed in October 2022), Bangsar South (closed in October 2022)	Menara CIMB, Menara Southern Bank, Akademi Nazir Razak, Menara UAB-CIMB, Wisma CIMB, CIMB Hub
	233 branches in Peninsular, Sabah, Sarawak and Labuan	230 branches in Peninsular, Sabah, Sarawak and Labuan	217 branches in Peninsular, Sabah, Sarawak and Labuan	250 operating locations* including HQ & HO in Peninsular, Sabah, Sarawak and Labuan
Indonesia	Graha CIMB Niaga, Puri Indah Financial Tower, Menara Sudirman, Alam Sutera Icon, Bintaro Griya Niaga 1, Bintaro Griya Niaga 2, Gedung CIMB Niaga Cikarang, Pondok Indah Icon, Sentraya	Graha CIMB Niaga, Puri Indah Financial Tower, Menara Sudirman, Alam Sutera Icon, Bintaro Griya Niaga 1, Bintaro Griya Niaga 2, Menara Sentraya, Berita Satu Plaza, Dynaplast Building	Graha CIMB Niaga, Puri Indah Financial Tower, Menara Sudirman, Alam Sutera Icon, Bintaro Griya Niaga 1, Bintaro Griya Niaga 2, Menara Sentraya, Berita Satu Plaza (sold in 2022), Dynaplast Building	Graha CIMB Niaga, Puri Indah Financial Tower, Menara Sudirman, Synergy Building Alam Sutera (Alam Sutera Icon), Bintaro – Griya Niaga 1, Bintaro – Griya Niaga 2, Menara Sentraya, Dynaplast Building
	451 branches (including mobile branches)	412 branches in Indonesia (including mobile branches)	401 branches in Indonesia (including mobile branches)	412 branches in Indonesia (including 33 mobile branches) 8 KNFO (Kantor Fungsional Non Operasional)
Singapore	Singapore Land Tower, Park Hotel Orchard, Changi @ Plaza 8	Singapore Land Tower, Park Hotel Orchard (closed in July 2021), Changi @ Plaza 8, 30 Raffles Place (starting November 2021)	Changi @ Plaza 8, 30 Raffles Place	30 Raffles Place – CIMB Plaza, Changi @ Plaza 8
	2 branches	1 branch	1 branch	1 branch
Thailand	CIMB Thai Langsuan Building, 5 & 6 Floor ThaiSri, 26, 27, 33 & 34 Floor Phythai, 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 Phythai, 7 Floor Century Plaza	CIMB Thai Langsuan Building, CIMB Thai DR-Site Suksawat, 26, 27, 33 & 34 Floor Phythai, 7 Floor Century Plaza	CIMB Thai Langsuan Building, CIMB Thai DR-Site Suksawat (Disaster Recovery Site)
	53 branches	54 branches	53 branches	53 branches
Cambodia	GT Tower, Norodom North, Exchange Square	GT Tower, Norodom North, Exchange Square	GT Tower, Norodom North, Exchange Square	Exchange Square, GT Tower, Sihanouk Boulevard, Olympic
	14 branches	14 branches	14 branches	14 branches

1. Malaysia boundary excludes Touch 'n Go.

2. Partial emissions from both closed and newly opened branches throughout the year are accounted for all stated years.

* The operating locations include locations where CIMB Malaysia have operational control. This includes Head offices, Headquarters, Branches, CIMB Bureau de Change, Rental Spaces, Auto Finance Centre, Service Kiosk and CIMB's placed ATMs.

ENVIRONMENT (CONTINUED)

TOTAL GHG EMISSIONS

Scopes (tCO ₂ e)	2019 (Base Year)	2020	2021	2022	2023	Reduction in GHG Emissions (%) 2023 vs 2019	Absolute Emissions Target for 2023 (tCO ₂ e)
Direct GHG emissions (Scope 1)	4,719 ²	2,192 ²	4,907 ²	2,638 ²	3,077	35	4,998
Indirect GHG emissions (Scope 2, Location-Based)	99,536	93,358	87,301	86,336	84,813*	15	N/A
Indirect GHG emissions (Scope 2, Market-Based)	99,536	93,358	87,301	86,336	74,005	26	76,320
Other Indirect GHG emissions (Scope 3), Category 1, 5 & 6 excluding Category 15 ¹	161	165	189	4,242	5,245	N/A	N/A
Total (Scope 1+2 Market-Based) GHG emissions	104,254	95,550	92,209	88,974	77,082	26	22
Total (Scope 1+2 Market-Based +3) GHG emissions	104,416	95,715	92,398	93,215	82,327	N/A	N/A

N/A – Not Available

* Scope 2 (Location-Based) – Purchased Electricity Emissions was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

1. In 2019, 2020, 2021 only Category 1 Purchased Water Emissions was accounted for.

2. Scope 1 was restated based on the updated emission factors made available by the relevant national agencies.

DIRECT GHG EMISSIONS (SCOPE 1)

Country	Genset Emissions (tCO ₂ e)					Transport Emissions (tCO ₂ e)					Refrigerant Emissions (tCO ₂ e)					Total Scope 1 Direct Emissions (tCO ₂ e)				
	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023
Malaysia	22.5 ¹	17.6	12.1	31.9	26.6	155.3 ¹	65.6	40.8	40.9	42.9	14.1 ¹	69.1 ¹	77.4 ¹	580.3	605.4	191.9 ¹	152.4 ¹	130.3 ¹	653.1	674.9
Indonesia	334.6	132.9 ¹	67.1	211.0	217.4	3,110.6	1,086.3	4,131.4 ¹	1,226.8	1,563.6	0.0	0.0	0.0	0.0	0.0	3,445.1 ¹	1,219.2 ¹	4,198.4 ¹	1,437.8	1,781.0
Singapore	0.3	0.1	0.3	0.3	0.1	20.8 ¹	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.1 ¹	3.9	0.3	0.3	0.1
Thailand	5.3 ¹	7.9	8.0	6.2	11.5	936.6 ¹	709.9	443.6	393.1	382.2	0.0	0.0	40.4	36.8 ¹	109.8	941.9 ¹	717.9	492.0	436.1 ¹	503.6
Cambodia	11.3	5.2	1.3	3.2	2.6	107.4	93.4	84.7	107.2	114.6	0.0	0.0	0.0	0.0	0.0	118.6	98.6	86.1	110.4	117.2
Total	373.9¹	163.8¹	88.8	252.6	258.2*	4,330.6¹	1,959.0	4,700.5¹	1,768.0	2,103.3*	14.1¹	69.1¹	117.8¹	617.1¹	715.2	4,718.6¹	2,191.9¹	4,907.2¹	2,637.7¹	3,076.8

* Scope 1 – Genset & Transport Emissions in relation to stationary combustion and mobile combustion respectively was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

1. Scope 1 was restated based on the updated emission factors made available by the relevant national agencies.

Petrol and diesel:

• Malaysia, Singapore, Thailand, and Cambodia: Default emission factors for Direct (Scope 1) GHG emissions from diesel and motor gasoline combustion are taken from IPCC Guidelines for National Greenhouse Gas Inventories (2006). Methane (CH₄) and nitrous oxide (N₂O) were converted into CO₂ equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).

• Indonesia: Emission factor was adopted from Ministry of Environment and Forestry (2012). Methane (CH₄) and nitrous oxide (N₂O) were converted into CO₂ equivalents based on global warming potential from the IPCC Fifth Assessment Report, while the default emission factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).

Refrigerants:

• Global Warming Potential by GHG Protocol based on IPCC Fifth Assessment Report and Guidelines.

Performance Data

ENVIRONMENT (CONTINUED)

TOTAL ELECTRICITY CONSUMPTION

Country	Net Grid Electricity Consumption ¹ (MWh)					RECs Purchased (MWh)					Rooftop Solar (MWh)				
	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023
Malaysia	74,599	64,113	63,013	62,153	56,275	0	0	0	0	4,402	0	0	0	0	0
Indonesia	40,315	39,004	39,332 ²	39,604 ²	31,751	0	0	0	0	7,453	0	0	0	0	0
Singapore	2,489	2,173	1,862	1,055	0	0	0	0	0	1,168	0	0	0	0	0
Thailand	10,982	10,794	9,670 ²	9,294	7,889	0	0	0	0	1,000	0	0	0	12	28
Cambodia	1,100	1,290	1,427	1,328	1,249	0	0	0	0	0	0	0	0	0	0
Total	129,484	117,376	115,330²	113,433²	97,164*	0	0	0	0	14,023	0	0	0	12	28

* This data was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

1. The Net grid Electricity Consumption has deducted the RECs being purchased in MWh.

2. Previous years' data is restated, where necessary, to account for improvements in coverage and quality of available data.

INDIRECT GHG EMISSIONS (SCOPE 2 LOCATION & MARKET-BASED)

Country	Total Scope 2 Market-Based Emissions ¹ (tCO ₂ e)					Total Scope 2 Location-Based Emissions ¹ (tCO ₂ e)				
	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023
Malaysia	56,779	51,989	46,366	45,672	41,358	56,779	51,989	46,366	45,672	44,695
Indonesia	35,829	34,592	34,780	35,069	28,223	35,829	34,592	34,780	35,069	34,707
Singapore	1,017	885	760	440	0	1,017	885	760	440	487
Thailand	5,490	5,396	4,847	4,646	3,944	5,490	5,396	4,847	4,646	4,444
Cambodia	422	495	548	510	480	422	495	548	510	480
Total	99,536	93,358	87,301	86,336	74,005	99,536	93,358	87,301	86,336	84,813*

* This data was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

1. The Scope 2 (Location- and Market-Based) data for 2019 to 2022 was restated based on the updated grid emission factors made available by the relevant national agencies.

Sources of emission factors:

- Malaysia: Default emission factors for grid electricity were obtained from Suruhanjaya Tenaga, Grid Emission Factor (GEF) in Malaysia 2017-2021 (published 2023).
- Indonesia: Emission factors were obtained from the Ministry of Mineral Resources Economy (2019) method.

- Singapore: Default emission factors were obtained from Singapore Energy Market Authority.
- Thailand: Default emission factors were obtained from Thai Carbon Label.
- Cambodia: Default emission factors were obtained from the Institute for Global Environmental Strategies (iGES) – Grid Emission Factors in Cambodia (2016), applying National Grid 50:50 Combined Margin Emission Factor.

ENVIRONMENT (CONTINUED)

TOTAL ENERGY CONSUMPTION

Types of Energy (MWh)	2019 (Base Year)		2020		2021		2022		2023	
	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ
Purchased Grid Electricity	129,484	466,143	117,376	422,552	115,330	415,189	113,433	408,360	97,164	349,792
Purchased RECs	0	0	0	0	0	0	0	0	14,023	50,484
Rooftop Solar Electricity	0	0	0	0	0	0	12	45	28	101
Fuel Consumption–Genset ¹	1,474 ⁴	5,306	646	2,326	351 ⁴	1,263	995 ⁴	3,584	1,022	3,680
Fuel Consumption–Transportation ^{1, 2}	16,778 ⁴	60,402	7,614	27,412	18,157 ⁴	65,364	6,857 ⁴	24,684	8,198	29,514
Total	147,736 ⁴	531,851	125,636	452,290	133,838 ⁴	481,817	121,298 ⁴	436,672	120,435	433,569*

1. Petrol and diesel consumption: Gross calorific values for liquid fuels used for energy conversion was based on Carbon Trust (2022).

2. This accounts for diesel and petrol used by company-owned fleets.

3. The conversion factor of 1 MWh = 3.6 GJ was used.

4. Previous years' data is restated, where necessary, to account for improvements in coverage and quality of available data.

* This data was assured by KPMG. Read the full Statement of Assurance on pages 165 to 167. 

GHG EMISSIONS, CARBON CREDITS RETIRED, NET GHG EMISSIONS (SCOPE 1 AND SCOPE 2 MARKET-BASED)

Country	GHG Emissions (Scope 1 and 2 Market-Based) (tCO ₂ e)					Carbon Credits Retired (tCO ₂ e)					Net GHG Emissions (tCO ₂ e)				
	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023
Malaysia	56,970.4	52,141.8	46,495.9	46,325.1	42,033.3	0.0	0.0	0.0	0.0	0.0	56,970.4	52,141.8	46,495.9	46,325.1	42,033.3
Indonesia	39,273.7	35,811.0	38,978.7	36,506.6	30,004.4	0.0	0.0	0.0	0.0	0.0	39,273.7	35,811.0	38,978.7	36,506.6	30,004.4
Singapore	1,037.7	889.4	760.7	439.8	0.1	0.0	0.0	0.0	0.0	1.0	1,037.7	889.4	760.7	439.8	-0.9
Thailand	6,431.8	6,113.9	5,339.3	5,082.0	4,447.2	0.0	0.0	0.0	0.0	0.0	6,431.8	6,113.9	5,339.3	5,082.0	4,447.2
Cambodia	540.8	593.9	633.9	620.4	596.7	0.0	0.0	0.0	0.0	0.0	540.8	593.9	633.9	620.4	596.7
Total	104,254.4	95,550.0	92,208.5	88,973.9	77,081.6	0.0	0.0	0.0	0.0	1.0	104,254.4	95,550.0	92,208.5	88,973.9	77,080.6

Performance Data

ENVIRONMENT (CONTINUED)

OTHER INDIRECT GHG EMISSIONS (SCOPE 3) - CATEGORY 1 PURCHASED GOODS AND SERVICES

Country	Water Consumption (m ³)					Purchased Water Emissions (tCO ₂ e)				
	2019 (Base Year)	2020	2021	2022	2023	2019 (Base Year)	2020	2021	2022	2023
Malaysia	365,595	251,339	231,155	226,524	297,687	124	87	80	78	53
Indonesia	N/A	136,905	249,215	111,053	122,622	N/A	47	86	38	22
Singapore	5,481	4,181	2,633	2,696	4,608	2	2	1	1	1
Thailand	96,060	81,674	61,461	54,912	67,092	33	28	21	19	12
Cambodia	7,395	6,040	6,246	5,303	5,852	3	2	2	2	1
Total	474,531	480,139	550,709	400,488	497,861	161	165	189	138	88

N/A - Not Available

Sources of emission factors:

Water consumption emission factor was obtained from the UK Government Conversion Factors for Company Reporting (2023).

OTHER INDIRECT GHG EMISSIONS (SCOPE 3) - CATEGORY 5 WASTE GENERATED AND DISPOSED

Country	2022	2023					
	GHG Emissions from Waste Disposed (tCO ₂ e)	Landfilled (kg)	Incinerated (kg)	Recycled (kg)	Total Waste Generated (kg)	Annual Generated Waste Intensity (kg/FTE)	GHG Emissions from Waste Disposed (tCO ₂ e)
Malaysia	1,057	2,967,838	0	51,880	3,019,717	117	1,545
Indonesia ⁴	233	245,881	0	23,791	269,672	27	202
Singapore	149	0	49,989	8,737	58,726	53	26
Thailand	80	339,514	0	0	339,514	89	177
Cambodia	37	725	0	0	725	2	0
Total	1,557	3,553,958	49,989	84,407	3,688,355	288	1,950

1. All recycled waste data are based on actual data provided by vendor.

2. The total general waste generated is estimated based on extrapolation of sampled data in Malaysia, Indonesia, Thailand and Cambodia except Singapore data extrapolated from 2022 annual waste generated.

3. All waste that are not recycled are assumed to be landfilled/incinerated depending on the country's common practice for waste disposal.

4. Graha CIMB Niaga Head Office has implemented 'Zero Waste to Landfill' diverting 30,530kg of waste generated from going to the landfill.

5. We have substantially expanded our sample size across all countries this year, enhancing the precision of our waste emission estimations.

ENVIRONMENT (CONTINUED)**OTHER INDIRECT GHG EMISSIONS (SCOPE 3) - CATEGORY 6 BUSINESS TRAVEL**

Country	2022		2023	
	Distance Covered (km)	Emission (tCO ₂ e)	Distance Covered (km)	Emission (tCO ₂ e)
Malaysia	8,939,753	1,442	8,834,843	1,518
Indonesia	7,216,323	1,031	11,348,957	1,476
Singapore	200,167	24	1,609,458	177
Thailand	236,524	47	294,305	34
Cambodia	27,689	3	300,492	28
Total	16,620,456	2,547	22,388,055	3,234

Source of emission factors:

Emission factors obtained from EPA, "Emission Factors for Greenhouse Gas Inventories," Table 10 Scope 3 Category 6 : Business Travel and Category 7 : Employee Commuting, Sept 2023.

GRI Content Index

CIMB Group has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.

THE ORGANISATION AND ITS REPORTING PRACTICES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-1	Organisational details	<p>Group profile: Page 4 Name: CIMB Group Holdings Berhad Location: Kuala Lumpur, Malaysia</p> <p>Key entities: Page 4</p> <p>Our presence and solutions: Page 5 to 6</p>	
2-2	Entities included in the organisation's sustainability reporting	<p>About the CIMB Group Sustainability Report 2023: Page 3 This report covers our activities in our key markets, primarily Malaysia, Indonesia, Singapore, Thailand and Cambodia.</p>	
2-3	Reporting period, frequency and contact point	<p>About the CIMB Group Sustainability Report 2023: Page 3</p> <ul style="list-style-type: none"> • Reporting period: 1 January 2023 to 31 December 2023 • Frequency: Annually • Contact point: sustainability@cimb.com 	
2-4	Restatements of information	<p>Climate Change: Our Operational Footprint: Page 70 We recalculated our baseline GHG emissions to reflect the recently updated emissions factors provided by respective national agencies, resulting in a restatement to our GHG emissions data from 2019 to 2022.</p>	
2-5	External assurance	<p>Statement of assurance: Pages 165 to 167 The authenticity of this report was verified with an independent assurance conducted by KPMG PLT.</p>	

ACTIVITIES AND WORKERS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-6	Activities, value chain and other business relationships	<p>CIMB at a glance: Pages 4 to 7 In 2023, there were no significant changes to the organisation's size, structure, ownership, or supply chain.</p>	
2-7	Employees	<p>Performance data: Pages 129 to 124</p>	
2-8	Workers who are not employees	<p>Sustainable supply chain: Pages 72 to 73</p> <p>Performance data: Page 126</p>	

GOVERNANCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-9	Governance structure and composition	Governance and ethics: Pages 27 to 28 Governance of sustainability: Pages 34 to 35	
2-10	Nomination and selection of the highest governance body	Governance and ethics: Pages 27 to 28 Governance of sustainability: Pages 34 to 35	
2-11	Chair of the highest governance body	Governance and ethics: Pages 27 to 28	
2-12	Role of the highest governance body in overseeing the management of impacts	Governance of sustainability: Pages 34 to 35	
2-13	Delegation of responsibility for managing impacts	Governance of sustainability: Pages 34 to 35	
2-14	Role of the highest governance body in sustainability reporting	Governance of sustainability: Pages 34 to 35	
2-15	Conflicts of interest	CIMB Integrated Annual Report 2023: Pages 182, 218 and 237 	
2-16	Communication of critical concerns	Governance and ethics: Pages 27 to 28	
2-17	Collective knowledge of the highest governance body	Governance and ethics: Pages 27 to 28	
2-18	Evaluation of the performance of the highest governance body	Governance and ethics: Pages 27 to 28 Governance of sustainability: Pages 34 to 35	
2-19	Remuneration policies	Governance of sustainability: Pages 34 to 35 Talent, attraction, growth and retention: Page 78 CIMB Integrated Annual Report 2023: Page 143 	
2-20	Process to determine remuneration	Talent, attraction, growth and retention: Page 78 CIMB Integrated Annual Report 2023: Page 142 to 145 	
2-21	Annual total compensation ratio	CIMB Integrated Annual Report 2023: Page 144 	

GRI Content Index

STRATEGY, POLICIES AND PRACTICES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
2-22	Statement on sustainable development strategy	Sustainability progress report by Group Chairman and Group CEO: Pages 10 to 13 Doing Well by Doing Good: Pages 14 to 15	
2-23	Policy commitments	CIMB's Sustainability framework and approach: Page 17	
2-24	Embedding policy commitments	CIMB's Sustainability framework and approach: Pages 21 to 24	
2-25	Processes to remediate negative impacts	Governance and ethics: Page 28 Talent attraction, growth and retention: Page 80	
2-26	Mechanisms for seeking advice and raising concerns	Governance and ethics: Page 28 Talent attraction, growth and retention: Page 80	
2-27	Compliance with laws and regulations	CIMB Integrated Annual Report 2023: Pages 154 to 165 	
2-28	Membership associations	Partnerships: Page 24 to 25	
2-29	Approach to stakeholder engagement	Stakeholder engagement: Pages 18 to 19	
2-30	Collective bargaining agreements	Talent attraction, growth and retention: Page 80	

MATERIAL TOPICS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-1	Process to determine material topics	Material matters: Page 20	
3-2	List of material topics	Material matters: Page 20	

SUSTAINABLE AND RESPONSIBLE FINANCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Sustainable and responsible finance: Managing E&S risks in transactions: Pages 35 to 40 Sustainable and responsible finance: Driving positive impacts: Pages 85 to 91	
Non-GRI Disclosures	Green, Social, Sustainable Impact Products and Services (GSSIPS) Disbursed	Performance data: Pages 115 to 117	

GOVERNANCE AND ETHICS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Governance and ethics: Pages 27 to 28	
205-1	Operations assessed for risks related to corruption	Governance and ethics: Page 28	
205-2	Communication and training about anti-corruption policies and procedures	Governance and ethics: Page 28 Performance data: Page 124	
207-1	Approach to tax	Governance and ethics: Page 28	
207-2	Tax governance, control, and risk management	Governance and ethics: Page 28	
207-3	Stakeholder engagement and management of concerns related to tax	Governance and ethics: Page 28	

CYBERSECURITY AND DATA PRIVACY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Cybersecurity and data privacy: Pages 103 to 105	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and data privacy: Page 103	

GRI Content Index

FINANCIAL INCLUSION AND LITERACY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Financial inclusion and literacy: Pages 92 to 94	
Non-GRI Disclosure	Micro and small enterprise financing	Performance data: Page 115	
Non-GRI Disclosure	People reached via financial literacy programmes	Performance data: Page 127	

RISK MANAGEMENT AND BUSINESS RESILIENCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Risk management and business resilience: Pages 29 to 33	
201-2	Financial implications and other risks and opportunities due to climate change	Climate change: Risks and opportunities: Pages 45 to 46	

DIGITALISATION AND INNOVATION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Digitalisation and Innovation: Pages 100 to 102	
Non-GRI Disclosures	Registered digital users	Digitalisation and innovation: Page 102	

HUMAN RIGHTS

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Human rights: Pages 67 to 68	
410-1	Security personnel trained in human rights policies or procedures	Human rights: Page 68	

CLIMATE CHANGE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Climate change: Risks and opportunities: Pages 41 to 63 Climate change: Scope 1 and 2 emissions: Pages 70 to 71	
302-1	Energy consumption within the organisation	Performance data: Page 131	
302-4	Reduction of energy consumption	Climate change: Scope 1 and 2 emissions: Page 70	
305-1	Direct (Scope 1) GHG emissions	Climate change: Scope 1 and 2 emissions: Page 70 Performance data: Page 129	
305-2	Energy indirect (Scope 2) GHG emissions	Climate change: Scope 1 and 2 emissions: Page 70 Performance data: Page 130	
305-3	Other indirect (Scope 3) GHG emissions	Operational scope 3 emissions: Page 70 Performance data: Pages 132 to 133	
305-4	GHG emissions intensity	Performance data: Page 133	
305-5	Reduction of GHG emissions	Climate change: Scope 1 and 2 emissions: Page 70	
306-1	Waste generation and significant waste-related impacts	Operational scope 3 emissions: Pages 70 to 71	
306-2	Management of significant waste-related impacts	Operational scope 3 emissions: Pages 70 to 71	
306-3	Waste generated	Performance data: Page 133	

DIVERSITY AND INCLUSION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Diversity and inclusion: Pages 82 to 83	
405-1	Diversity of governance bodies and employees	Diversity and inclusion: Page 82 Performance data: Page 121	
405-2	Ratio of basic salary and remuneration of women to men	Performance data: Page 122	
406-1	Incidents of discrimination and corrective actions taken	Talent attraction, growth and retention: Page 80	

GRI Content Index

CUSTOMER EXPERIENCE

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Customer experience: Pages 95 to 99	
Non-GRI Disclosure	Net Promoter Score (NPS)	Performance data: Page 114	
Non-GRI Disclosure	Customer Satisfaction	Performance data: Page 114	

BIODIVERSITY AND ECOSYSTEM INTEGRITY

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Biodiversity and ecosystem integrity: Pages 64 to 65	
304-2	Significant impacts of activities, products and services on biodiversity	Risk management and business resilience: Pages 30 and 32	
304-3	Habitats protected or restored	Sustainable and responsible finance: Driving positive impacts: Page 91 Corporate Citizenship: Pages 110 to 111	

TALENT ATTRACTION, GROWTH AND RETENTION

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Talent attraction, growth and retention: Pages 73 to 81	
401-1	New employee hires and employee turnover	Performance data: Page 120	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent attraction, growth and retention: Page 81	
403-1	Occupational health and safety management system	Talent attraction, growth and retention: Page 80	
403-2	Hazard identification, risk assessment, and incident investigation	Talent attraction, growth and retention: Page 80	
403-4	Worker participation, consultation, and communication on occupational health and safety	Talent attraction, growth and retention: Page 80	

TALENT ATTRACTION, GROWTH AND RETENTION (CONTINUED)

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
403-5	Worker training on occupational health and safety	Talent attraction, growth and retention: Page 80	
403-6	Promotion of worker health	Talent attraction, growth and retention: Pages 80 to 81	
403-8	Workers covered by an occupational health and safety management system	Talent attraction, growth and retention: Page 80	
403-9	Work-related injuries	Performance data: Page 125	
404-1	Average hours of training per year per employee	Performance data: Pages 123 to 124	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent attraction, growth and retention: Pages 76 to 78	

CORPORATE CITIZENSHIP

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
3-3	Management of material topics	Corporate citizenship: Pages 106 to 113	
203-1	Infrastructure investments and services supported	Corporate citizenship: Pages 106 to 113 Performance data: Page 127	
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate citizenship: Pages 106 to 113	

OTHER DISCLOSURES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, References and Page Numbers	Omission
201-1	Direct economic value generated and distributed	CIMB Integrated Annual Report 2023: Page 75 	
204-1	Proportion of spending on local suppliers	Sustainable supply chain: Page 72	
415-1	Political contributions	Governance and Risk: Page 28	

TCFD Index

Core Element	Recommended Disclosures	Page References
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities.	Pages 34 to 35, 41 to 43
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Pages 34 to 35, 41 to 43
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 45 to 46
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 10 to 11, 17, 21 to 22, 44, 50 to 51, 60 to 63, 70 to 71
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celcius or lower scenario.	Pages 52 to 55
Risk Management		
Disclose how the organisation identifies, assesses and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 56 to 58
	b. Describe the organisation's processes for managing climate-related risks.	Pages 29 to 33, 35 to 40, 50 to 51, 58, 60 to 63, 70 to 71
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Pages 29 to 33, 35 to 40, 50 to 51, 58, 60 to 63, 70 to 71
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 48 to 49, 59 to 63, 70, 85 to 87, 115 to 118, 128 to 133
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Pages 48 to 49, 59, 70, 129 to 133
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 17, 21 to 22, 50 to 51, 60 to 63

PRB Index

PRINCIPLE 1: ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

CIMB Group Holdings Berhad ("CIMB") is a leading focused ASEAN Bank. Headquartered in Kuala Lumpur, Malaysia, CIMB offers consumer banking, commercial banking, wholesale banking, Islamic banking, wealth management and digital payment products and services. It is the fifth largest banking group by assets in ASEAN, with around 33,000 staff and over 20 million customers across 15 countries.

CIMB Group Holdings Berhad has been listed on the Main Market of Bursa Malaysia since 1987 and has a market capitalisation of RM61.9 billion as at end December 2023. Total assets stood at RM666.7 billion, with total shareholders' funds of RM62.5 billion and total Islamic assets of RM183.3 billion. Substantial shareholders were Khazanah Nasional Berhad with 24.1%, Employees Provident Fund with 12.9% and Kumpulan Wang Persaraan (Diperbadankan) with 6.1%.

CIMB Sustainability Report 2023, CIMB at a Glance, page 4

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting, Bank Negara Malaysia's Climate Risk Management and Scenario Analysis Policy Document, Monetary Authority Singapore's Guidelines on Environmental Risk Management for Banks, Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: (i) The International Bill of Human Rights, including the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights; (ii) UN Guiding Principles on Business and Human Rights, particularly the "Protect, Respect, or Remedy" Framework; (iii) International Labour Organization Declaration on Fundamental Principles and Rights at Work
 None of the above

PRB Index

As a leading ASEAN bank, our greater purpose is to serve and advance our customers and the societies we interact with. This purpose motivates every decision made, as we strive towards becoming an ASEAN sustainability leader. In line with this, we integrate economic, environmental and social (EES) considerations into all aspects of our business. Our strategy is two-pronged. We commit to investing resources and influencing networks to reduce negative EES impacts. We also aspire to create a net positive impact through our business activities.

ASEAN is projected to be one of the regions most impacted by climate change. If global temperatures continue to rise at their current rate, the region will face extreme heat, longer monsoon seasons and increased droughts. The financial system is crucial in facilitating the region's long-term socio-economic progress, as well as financing low-carbon transitions and climate adaptation. At CIMB, we acknowledge the far-reaching impacts we have on people and the planet and are committed to using this influence for good.

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

In keeping with our inclusive growth strategies, we support the 2030 Agenda for Sustainable Development. Based on our material matters, sector exposure, and areas of our direct impact and influence, we have prioritised 7 of the 17 SDGs. All our sustainability efforts, programmes and initiatives, performance tracking, and impact reporting in relation to our focus areas are structured and designed to meet specific targets of our seven priority SDGs.

CIMB was the first ASEAN bank to join the NZBA, which forms part of the Glasgow Financial Alliance for Net Zero (GFANZ). As a signatory of NZBA, we mobilise our products, services and relationships to help facilitate a just transition towards a climate-resilient future. CIMB also committed to the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

Our Journey 

PRINCIPLE 2: IMPACT AND TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

- a) **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the Interactive Guidance on impact analysis and target setting. 

We used the UNEP FI Impact Analysis methodology and tools to undertake an analysis of our businesses (wholesale banking, commercial banking, consumer banking) and the relevant Sustainable Development Goals (SDGs) given our exposure across our main geographies (Malaysia, Indonesia, Singapore, Thailand, Cambodia, the Philippines, Vietnam). Our offices in Myanmar and Brunei, and branches in other countries (e.g. UK, China, Hong Kong) were excluded as it does not contribute to more than 11% of our consolidated net interest income or 15% of our total assets (CIMB Financial Statements 2022).

The outcome of our context analysis identified two most significant impact areas i.e. Financial Inclusion and Financial Health and Climate. This is elaborated in the Context Analysis section (c) below.

Financial Inclusion and Financial Health

CIMB Group's core business which can drive impact in this area is Consumer Banking which forms a total of around 30% of our Group portfolio by assets. Within Consumer Banking, Malaysia has the largest asset size among countries that CIMB Group has presence in, with an asset size of around 20%.

Climate

As a financial institution, our impact to climate primarily stems from the way we finance or invest, or broadly defined as "financed emissions" under Category 15: Investments of our indirect Scope 3 greenhouse gas (GHG) emissions. According to the CDP (formerly known as Carbon Disclosure Project), financed emissions of global financial institutions are on average, over 700x larger than their direct emissions.

Based on our initial establishment of the Group's financed emissions inventory for 2019 to 2021, it was found that our financed emissions were around 150 times higher than our Scope 1 and 2 emissions combined and made up to around 99% of the Group's total reported Scope 1, 2 & 3 GHG emissions. This signifies the importance of decarbonising our financing and investment portfolios by establishing meaningful targets and implementing transition strategies targeted at carbon-intensive sectors, asset classes or products, as well as clients.

To better understand the Group's overall climate impact from a financed emissions perspective and to identify the most carbon intensive sectors, asset classes and/or products that the Group should prioritise and pivot towards low carbon or Net-Zero pathways, a **total portfolio financed emissions estimation** was carried out based on the following methodological decisions:

- **To focus on key operational markets**, i.e. **Malaysia, Indonesia, Singapore, and Thailand** as these markets contribute to more than 95% of the Group's portfolios in terms of total assets and net interest income respectively;
- **To cover only emissions associated with on-balance sheet financing and investments** (i.e. financed emissions) due to greater sphere of influence that we could potentially exert over our clients, and on the grounds that guidance on facilitated emissions estimation was relatively recent at the time of this assessment (note: PCAF Facilitated Emissions Standard was launched in December 2023);
- To rely on financing and investment positions **as of 31 December 2022** due to limited data availability;
- To estimate the Group's financed emissions associated with the **nine carbon-intensive sectors** (i.e. Scope 1 and 2 emission of our financing clients and investee companies in the Agriculture, Cement, Coal, Iron & Steel, Oil & Gas, Real Estate¹, Transport², Power³ sectors, which are listed in the UN Environment Programme Finance Initiative (UNEP FI) Guidelines for Climate Target Setting for Banks) in accordance with the Global GHG Accounting and Reporting Standard developed by the Partnership for Carbon Accounting Financials (PCAF Standard);
- To use a **pragmatic top-down approach⁴ to estimate Scope 1 and 2 emissions** of the **rest of the sectors⁵ at sectoral level**, with several assumptions made (e.g. assuming that all loans/financing and investments are for general corporate purposes); and
- To **aggregate** financed emissions of the nine carbon-intensive sectors (derived based on PCAF Standard) with the high-level estimates of the rest of the sectors, to obtain the Group's total portfolio emissions.

CIMB Financial Statements 2022, page 192 

CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 46 to 49, and 59

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The portfolio view offers several useful insights:

- Collectively, **carbon-intensive sectors**, which represent **55%** of the Group's financing and investment portfolios, contribute to around **71%**, a significant majority, of our total portfolio emissions; and
- The **rest of the sectors** only contribute to **29%** of our total financed emissions, despite making up to **close to half** of the Group's financing and investment exposures.

Notes:

¹ Also entails mortgages for retail clients.

² Also covers auto loans/financing for retail clients.

³ Subsumed under the Utilities sector, which includes other utilities such as water and sewerage.

⁴ The estimated financed emissions of the rest of the sectors are highly indicative in nature due to inherent methodological limitations (for example, estimation was done at sector level instead of a more granular sub-sector level) and assumptions applied. Users should exercise caution when interpreting such data.

⁵ Consist of exposures to, among others, Banks and Non-Bank Financial Institutions, Sovereigns, Manufactured Goods (where not already covered under other sectors), Hospitality, Telecommunications, Media & IT, Wholesale & Retail.

- b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
- by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
 - by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Financial Inclusion and Financial Health

In assessing our Consumer Banking portfolio, we analysed our businesses by Number of Customers as of 2022 as per Table 1.0 below.

CIMB Businesses – by Number of Customers (No mil), 2022

Countries	Consumer Banking
Malaysia	8.3**
Indonesia	4.3
Singapore	0.4
Thailand	0.6
Cambodia*	0.0
Philippines	6.5
Vietnam	0.7

Table 1.0: CIMB Business by Number of Customers, 2022

* Number of consumer banking customers in Cambodia is roughly 30,000

** This includes SME Customers tagged under Consumer Business

Information about the PRB methodology used for mapping portfolio impact is publicly available on PRB's website 

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

Climate

The following exposures, by sector and customer type, were covered in our financed emissions inventory (as of 31 December 2022):

Sector	Non-Retail Customers (Including SMEs)	Retail Customers
Agriculture	RM25.4 billion	N/A
Cement	RM2.2 billion	
Coal	RM2.4 billion	
Iron & Steel, Aluminium	RM3.3 billion	
Oil & Gas	RM9.8 billion	
Utilities (including Power)	RM13.2 billion	
Real Estate	RM77.2 billion	RM131.5 billion*
Transportation	RM9.2 billion	RM28.2 billion**
% of total Group financing and investment portfolios	55% (RM302.4b)	

* Refers to mortgages for retail customers

** Refers to auto loans/financing for retail customers

Table 2.0: CIMB Group's Financing and Investment Exposures Covered in the Financed Emissions Inventory, by Sector

This year, we began the process of updating FY2022 financed emissions inventory by among others, developing calculators to standardise the Group's financed emissions measurement approach across different asset classes, and expanding the coverage of PCAF asset classes to include Listed Equity and Corporate Bonds.

c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

In our context analysis, we supplemented the UNEPFI tools with additional analysis i.e.:

To determine the Environmental, Economic and Societal (EES) areas we can significantly impact, we analysed priorities and needs in our geographical areas based on SDG performance and national policies and UN SDG reports across all our key markets. Recurring challenges and priorities were on:

1. Social issues: Around availability, accessibility, affordability, quality of resources and services
2. Natural environment: Climate stability

Global and National Development driving Regulatory and Policy Shifts:

The global landscape is rapidly shifting towards a low-carbon future. As governments seek to meet their climate and sustainability goals, they are adding pressure on companies to take into account and mitigate their environmental and social impacts, for example, via regulatory disclosures, taxonomies and taxation mechanisms (e.g. ASEAN Taxonomy, BNM Policy Document on Climate Risk Management and Scenario Analysis, Indonesia Green Taxonomy, etc.) As a responsible financial intermediary with the power to catalyse positive change, we consider this as a priority.

CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 46 to 49, and 59

CIMB Sustainability Report 2022, Material Matters, page 18 to 19 

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

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<p>Material Matters: In 2022, we conducted a major materiality update exercise to comprehensively reassess the relevance of material ESG matters to the Group's key stakeholders. We engaged over 5,000 clients, suppliers and employees across Malaysia, Indonesia, Singapore, Thailand and Cambodia through surveys. Inputs from other stakeholders, such as investors, regulators and communities, were also gathered based on our engagements with them over the past 12 months. The two impact areas we have identified are part of our 13 material matters identified from the materiality assessment performed.</p> <p>The results from our analysis were discussed with key internal stakeholders including at our management and board level sustainability committee meetings.</p>	
<p>Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritise to pursue your target setting strategy (see 2.2)⁵? Please disclose.</p>	
<p>We have prioritised two significant impact areas to pursue for target-setting i.e. Financial Inclusion and Financial Health, and Climate, as explained below:</p> <p>Financial Inclusion and Financial Health:</p> <ul style="list-style-type: none"> Consumer Banking <ul style="list-style-type: none"> Our significant Consumer Business portfolio is able to make an impact in the areas of Availability, Accessibility, Affordability, Quality of Resources and Services (SDGs 2, 3, 4, 6, 7, 8, 9, 11, 16), where access alludes to financial inclusion of vulnerable groups, while affordability and quality speak to financial health of the population. The population's ability to access resources and services that pertain to their individual needs such as water, food, housing, mobility and finance can be directly served by our consumer portfolio Other impact areas are in Equality and Justice (SDGs 5, 10) towards vulnerable groups, i.e. by gender (rural women, female-led MSMEs, gender-based victims of abuse), age (elderly, youth), geographical areas (rural, urban), low income or financial distress. Equality and justice can be addressed via products that are inclusive towards vulnerable groups At the same time, increased access can create negative impact due to the risk of over indebtedness <p>Climate</p> <ul style="list-style-type: none"> Our business, through our financing and investment decisions particularly, is able to make an impact in the areas of Climate Stability (SDG13), Biodiversity and Healthy Ecosystems (SDGs 6, 11, 12, 14, 15), and Circularity (11, 12). These impact areas were consistently identified as priority SDGs and are prioritising politically in our key markets. Analysis on negative impact from sectors we finance relating to Climate: As guided by the UNEP FI Guidelines for Climate Target Setting for Banks, Coal, Cement, Power, Agriculture, Oil & Gas, and Real Estate are amongst the sectors identified as the most climate-critical, being responsible for a significant portion of global CO2 emissions. These sectors are also leading contributors to biodiversity loss. However, the Power and Agriculture sectors also provide energy and food security thereby supporting economic development and wellbeing of societies. 	<p>Information about the PRB methodology used for mapping portfolio impact is publicly available on PRB's website </p> <p>CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 50 to 51, and 60 to 63</p> <p>CIMB Our Path To Net Zero Whitepaper </p>
<p>d) For these (min. two prioritised impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</p>	

⁵ To prioritise the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Financial Inclusion:

- To monitor progress towards achieving the targets that we have set, we will monitor indicators from the Annex as below. Our response to these indicators is included in the section 2.2 (b)* baseline:
 - Practice: C.1.1: Number of products and services in the portfolio with a focus on financial inclusion
 - Impact: C.4.1: Percentage* of active vulnerable customers holding 2 or more product categories
- In measuring the performance of our Consumer Banking portfolio in relation to indicator C.4.1, we identified that a significant percentage of the economically vulnerable customer group in Malaysia are holding only 1 product with the bank (details are in the target setting section). This may be due to a lack of knowledge, suitable product conditions, creditworthiness, or other reasons. We believe that for customers to be financially strong, they should be using a range of products according to their needs – rather than falling back to high cost & opaque sources for fulfilling their financial needs. This is the impact indicator that we chose to focus on for target-setting

Financial Health:

- We assessed the feasibility of measuring the performance of our Consumer Banking portfolio using Financial Health indicators, however we lacked transaction level or survey data
- Given that we do not yet collect data that allows us to measure and therefore set targets on a customer's Financial Health, our approach for target-setting is to focus on Financial Inclusion impact indicators with product categories that promote Financial Health. Meanwhile we are assessing initiatives that will allow us to start monitoring the Financial Health of our prioritised group of vulnerable customers as highlighted in section 2.2 (b) baseline

Climate

Our total portfolio financed emissions estimation (refer to item 2.1 above for more details) shows that the carbon-intensive sectors as listed in the UNEP FI Guidelines for Climate Target Setting for Banks represent the majority (71%) of the Group's total portfolio financed emissions, with **Utilities** including power, **Real Estate** including mortgages, and **Agriculture** including forestry, livestock & fisheries, being the highest. These nine carbon-intensive sectors constitute 55% of our total financing and investment exposures.

Among these identified carbon-intensive sectors, we initiated our interim (2030) Paris-aligned target setting exercise with Thermal Coal Mining and Cement in 2022. These two sectors were prioritised due to (among others) a combination of financed emissions materiality as well as methodology and data availability (clear science-based pathways¹ and where foundational level of data readiness exists in our portfolio).

In 2023, we set two more targets for Power and Agriculture (specifically for the palm sub-sector) alongside high-level transition plans, in line with Net Zero Banking Alliance's expectation for its members. Each target and plan are described in detail in our Net Zero Whitepaper, including scope and methodology considerations.

By 2024, we aim to set targets for Oil and Gas and Real Estate sectors. We will measure and disclose our performance against these targets and pathways.

Notes:

¹ IEA Net Zero report shows that for the world to be on track with 2050 Net Zero, no new thermal coal mines are needed post 2021 while cement sector must cut CO2 emissions by 3% per year by 2030.

CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 46 to 51, 59 to 63

CIMB Our Path To Net Zero Whitepaper 

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Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope: Yes In progress No Context: Yes In progress No
 Portfolio composition: Yes In progress No Performance measurement: Yes In progress No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Financial Inclusion and Financial Health and Climate

How recent is the data used for and disclosed in the impact analysis?

Up to 6 months prior to publication Up to 12 months prior to publication Up to 18 months prior to publication Longer than 18 months prior to publication

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

We have set two targets which address our two significant impact areas i.e.:

1. Financial Inclusion and Financial Health
2. Climate

Financial Inclusion and Financial Health

- The target-setting exercise focused on the Consumer Business in Malaysia which represents around 20% of total assets across key markets in 2022
- Within Malaysia, the context analysis identified the B40 (Bottom 40% income earners of the population) as the Prioritised Group for target-setting. This group is the most economically vulnerable and are the focus for support from the government and broader stakeholders considering the rising cost of living
- About 88% of Malaysians have access to bank accounts, hence the concern for Malaysia is to improve Financial Health and not just access. Gaps relating to the B40 also include access to loans and life insurance, lack of monthly savings & financial literacy

Bank Negara Malaysia
Financial Inclusion
Framework (2023 – 2026)
Strategy Paper 

CIMB Our Path To Net
Zero Whitepaper 

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

- Our goal is therefore to enhance the financial health and quality of life of our prioritised vulnerable group in Malaysia. Given the data limitations explained in the previous section, our approach to target-setting is to start with a Financial Inclusion Impact Target, in alignment with the UNEPFI and Principles of Responsible Banking theory of change indicators. This will allow us to gain a deeper understanding of our prioritised group and enable us to gather more data to eventually measure indicators that pertain to Financial Health
- We aim to empower our prioritised vulnerable groups by ensuring they have access to a wide range of financial solutions, and we have carefully excluded unsecured products such as credit cards and personal loans. Increasing access to these products is an important step for these customers to build a strong credit history and improve their financial health and we will provide financial education and literacy initiatives alongside these campaigns to ensure responsible usage of our banking products. We will do so through 2 KPIs that we have set as detailed in section (c)
- Management has also considered control measures to mitigate negative impacts of over indebtedness and to ensure that the targeted customer base is educated to manage their finances responsibly and are designing initiatives for those who would like to take up such financing to attend online training on financial literacy. Our Consumer Banking business will work closely with CIMB Foundation to this end i.e. to tie in financial education initiatives and awareness campaigns with this initiative
- These KPIs have the potential to assist Malaysia with its national policies to drive financial inclusion, in line with the Financial Inclusion Framework (2023–2026) Strategy Paper by Bank Negara Malaysia, in which its desired outcomes include access to affordable and suitable financial products and services, and responsible usage of financial products and services, among others

Prioritised Group

CIMB Bank has developed, documented, and formalised detailed definitions of "Prioritised Group" to be followed for setting and tracking this KPI, outlined below:

- Financially vulnerable customers i.e. active B40 customers. These customers are at risk of financial difficulties and it includes those living in poverty and those who face additional obstacles in accessing financial services to build economic resilience

The above definition will be reviewed on annual basis to align with prevailing market definitions.

Climate

Our interim sector targets are aligned to recognise science-based reference scenarios as follow:

Thermal coal mining: The IEA NZE scenario from the 2021 Net Zero Roadmap for the Global Energy Sector underpins our net zero ambitions in the Coal sector. Anchoring on the IEA NZE scenario ensures that our pathway trajectory is aligned to a 1.5°C warming scenario, and has high credibility and wide acceptance among companies, financial institutions, and policy makers alike.

Our thermal coal target is also aligned to IEA's NZE 2050 scenario where the power sector will need to phase out unabated coal power generation by 2040, reducing demand for coal and putting an end to the need for new or lifetime extensions of thermal coal mines after 2021.

- Target: Halve our financing and investment exposure to the thermal coal mining sector from 2021 baseline, by 2030, and phase out thermal coal financing by 2040
- Refer to section 6 of the Group's Net Zero Whitepaper for further info. 

CIMB Sustainability Report 2022, 2030 Sector-Specific Climate Targets, page 70



CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 50 to 51, 60 to 63

CIMB Our Path To Net Zero Whitepaper 

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Cement: The cement sector’s emission intensity target was set using SBTi Cement Target Setting Guidance –Sectoral Decarbonisation Approach (SDA), which refers to the global IEA Net Zero by 2050 (NZE) scenario. SBTi Cement Target Setting Guidance provides a credible pathway to decarbonise cement sector in alignment to the 1.5°C warming scenario. It also has acceptance with companies across the cement sector, financial institutions, and policy makers alike. Do note that the scenarios adopted for cement sector is limited to global scenarios as there is no regional scenario available at the point of target setting. We will review the scenario in future to reflect a more representative regional scenario for cement sector if it is made available in future.

- Target: Reduce the physical emissions intensity in the cement sector by 36% from 0.72 (2021 baseline) to 0.46 tCO₂e/t cement produced, by 2030.
- Refer to section 7 of the Group’s Net Zero Whitepaper for further info 

Palm Oil: We have anchored our reference scenario on the Science-Based Targets Initiative (SBTi) Forests, Land and Agriculture (FLAG) emission intensity pathway specific to palm oil commodity, as it is the only credible and widely accepted science-based target specific to palm oil. To account for treatment and discharge of palm oil mill effluent (POME), which is not currently included in SBTi FLAG, we have scaled up the pathway with emissions intensity associated with POME in line with scientific literature while maintaining the same decarbonisation trajectory. This ensures that it is consistent with our value chain coverage and covers >95% of the emissions intensity of palm oil.

- Target: Reduce the physical emissions intensity by 16% from 1.81 (2022 baseline) to 1.52 tCO₂e/tCPO, by 2030
- Refer to section 4 of the Group’s Net Zero Whitepaper for further info 

Power: The IEA’s Net Zero Emissions by 2050 (NZE) reference scenario from the 2023 Net Zero Roadmap forms the core guidance for our Net Zero ambitions in the Power sector, which ensures our pathway trajectory is aligned to 1.5°C warming scenario. We have enhanced our reference pathway with regional insights from the IEA Sustainable Development Scenario (SDS) to better reflect our power generation clients who primarily operate assets in Southeast Asia, to chart a pathway that is feasible and equitable safeguarding energy security and affordability.

- Target: Reduce the physical emissions intensity by 38% from 439 (2022 baseline) to 272 kgCO₂e/MWh, by 2030
- Refer to section 5 of the Group’s Net Zero Whitepaper for further info 

b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritised climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation		

Impact area	Indicator code	Response
Financial health & inclusion		

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Impact area	Indicator code	Response (CIMB Malaysia)	
Financial inclusion* <i>* Many Financial Health indicators are not yet measured as explained in previous sections hence excluded from this table</i>	C.1.1 # of products and services in the portfolio with a focus on financial inclusion	In Progress. Products currently exist but they are not dedicated for Financial Inclusion in terms of product design to facilitate access and usage by vulnerable groups. We have identified action plans to improve availability. Refer to section 2.2 (d)	<p>CIMB Our Path To Net Zero Whitepaper </p> <p>CIMB Sustainable Finance Framework </p> <p>CIMB Sustainability Report 2023, Sustainable and Responsible Finance, page 85</p>
	C.2.1 # of individuals supported with dedicated and effective financial and/or digital education initiatives	Data is not yet available. We provide financial literacy training but do not yet track the individuals trained against our customer base	
	C.3.1 % of individuals with a good and/or very good level of financial skills	Data is not yet available. We developed a Financial Confidence Survey to measure the Financial Literacy of participants of one of our programmes, to understand their feelings of security and control over finances: (a) right before the program; (b) right after the program; and (c) twelve months after the program. The survey is being refined	
	C.4.1 % of customers with 2 or more active financial products, from different categories, with the bank	As of 2022, ~26% of Active B40 customers hold products in 2 or more product categories with CIMB	
	C.1.2 % of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Specific employee groups in the bank are prioritised for training programs (e.g. on products, services, debt-to-service ratio etc.) due to their direct impact on the customers' financial health. Our Learning and Development team also provides training to employees on financial inclusion/financial health. However the number of employees trained is currently not measured and reported	
Climate change mitigation	A.1.1 Climate strategy: Does your bank have a climate strategy in place?	We have a climate strategy in place	<p>CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 41 to 63</p> <p>CIMB Sustainability Report 2023, Sustainable and Responsible Finance: Driving Positive Impacts, pages 85 to 91</p> <p>CIMB Sustainable Finance Framework </p> <p>CIMB Our Path To Net Zero Whitepaper </p>
	A.2.1 Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	We have been engaging our business clients from the carbon intensive sectors across Malaysia, Indonesia, Singapore and Thailand on their Net Zero strategy and transition plan	
	A.3.1 Financial volume of green assets/low-carbon technologies: How much does your bank lend to invest in green assets/loans and low-carbon activities and technologies?	Please refer to the Sustainable Business section of the report for the Group's total Sustainable Finance mobilised	

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Impact area	Indicator code	Response
	A.4.1. Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	Indicator is not yet disclosed. We will measure and disclose our performance against these targets and pathways on an annual basis.
	A.1.2. Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	We have set a target to achieve Net Zero by 2050. Intermediate 2030 targets have been set for coal, cement, palm and power sectors as set out in section 2.2 (c)
	A.2.2 Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio	16,477,916 tCO ₂ e for nine carbon intensive sectors and across five asset classes as of 31 December 2022, following the PCAF Standard and the UNEP FI Guidelines for Climate Target Setting for Banks. Other sectors outside of the nine carbon intensive sectors (e.g. Services) and several other asset classes (i.e. Sovereign Debt, Project Finance, Facilitated Emissions) were excluded due to data availability issues and uncertainties around calculation methodologies at the point when financed emissions calculation/ estimation was performed.
	A.3.2 Financial volume lent to/ invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to/invest in carbon-intensive sectors and activities? How much does your bank invest in transition finance?	55% of the Group's financing and investment exposures are attributable to carbon intensive sectors – refer section 2.1(b)
	A.4.2. Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	Indicator is not yet measured.
	A.1.3 Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes, the Group is guided by our Sustainable Finance Framework and Group Sustainable Financing Policy.

Impact area	Indicator code	Response
	A.2.3 Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	See sector-specific emission intensity in baseline table below, under section 2.2 (b)
	A.1.4 Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes, refer to section 2.1 (a) to (d)
	A.2.4 Proportion of financed emissions covered by a decarbonisation target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	The first four sectors with an interim sector target around 39% of our total portfolio's financed emissions.
	A.1.5 Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Financial products which promotes our client's reduction in GHG emissions, such as sustainability linked financing and green financing, are in place. Refer to business opportunities section and/or the Group's Sustainable Finance Framework
Impact area: Financial Inclusion In 2022, we have ascertained the baseline for the Financial Inclusion target i.e. % of Active B40 customer segment who hold products in two or more Product Categories with CIMB. Our progress will be tracked from this baseline.		

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<p>Climate The baseline for the interim sectoral targets we have set to date are as follow:</p> <table border="1" data-bbox="129 384 1749 582"> <thead> <tr> <th>Sector</th> <th>Target Metric</th> <th>Baseline Year</th> <th>Baseline</th> <th>2030 Target</th> <th>Year published</th> </tr> </thead> <tbody> <tr> <td>Palm</td> <td>tCO₂e/tCPO</td> <td>2022</td> <td>1.81</td> <td>1.52</td> <td>2023</td> </tr> <tr> <td>Power</td> <td>kgCO₂e/MWh</td> <td></td> <td>439</td> <td>272</td> <td></td> </tr> <tr> <td>Thermal coal mining</td> <td>% of portfolio exposure</td> <td>2021</td> <td>100%</td> <td>50%</td> <td>2022</td> </tr> <tr> <td>Cement</td> <td>tCO₂e/t cement</td> <td></td> <td>0.72</td> <td>0.46</td> <td></td> </tr> </tbody> </table> <p>For further details on our approach to establish our baseline, refer to sub-section 3 under sections 4-7 in the Group's Net Zero Whitepaper. </p>	Sector	Target Metric	Baseline Year	Baseline	2030 Target	Year published	Palm	tCO ₂ e/tCPO	2022	1.81	1.52	2023	Power	kgCO ₂ e/MWh		439	272		Thermal coal mining	% of portfolio exposure	2021	100%	50%	2022	Cement	tCO ₂ e/t cement		0.72	0.46		<p>CIMB Our Path To Net Zero Whitepaper </p>
Sector	Target Metric	Baseline Year	Baseline	2030 Target	Year published																										
Palm	tCO ₂ e/tCPO	2022	1.81	1.52	2023																										
Power	kgCO ₂ e/MWh		439	272																											
Thermal coal mining	% of portfolio exposure	2021	100%	50%	2022																										
Cement	tCO ₂ e/t cement		0.72	0.46																											
<p>c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>																															
<p>Impact area: Financial Inclusion We have set the following targets:</p> <ul style="list-style-type: none"> • KPI 1: 378,000 prioritised vulnerable customers with insurance & wealth building products by 2026, compared to a 2022 baseline of 352,000 customers • KPI 2: 560,000 prioritised vulnerable customers with products beyond savings accounts, by 2026, compared to a 2022 baseline of 492,000 customers <p><i>Note: Credit cards and personal loans are excluded for both targets, and numbers indicated above have been rounded up</i></p> <p>We will monitor the year-on-year growth of the prioritised group holding two or more products, as a means of tracking progress towards achieving these targets.</p> <p>Climate The Group's long term target to align with the 1.5°C pathway (ie Net Zero by 2050) was followed by interim Paris Aligned sector targets for Thermal Coal Mining, Cement, Palm Oil and Power. By 2030, we aim to:</p> <ul style="list-style-type: none"> • Halve our financing and investment exposure to the Thermal Coal Mining sector from 2021 baseline by 2030, and phase out Thermal Coal financing by 2040 • Reduce the emissions intensity of our Cement portfolio by 36% from 0.72 (2021 baseline) to 0.46 tCO₂e/t cement produced by 2030 • Reduce the emissions intensity of our Palm Oil portfolio by 16% from 1.81 (2022 baseline) to 1.52 tCO₂e/tCPO by 2030 • Reduce the emissions intensity of our Power portfolio by 38% from 439 (2022 baseline) to 272 kgCO₂e/MWh by 2030 <p>We will monitor the year-on-year exposure and physical emissions intensity highlighted above as a means of tracking progress towards achieving these targets.</p>	<p>CIMB Sustainability Report 2023, Financial Inclusion, Health and Literacy, page 92</p> <p>CIMB Sustainability Report 2023, Set Targets and Strategise, page 51</p> <p>CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 50 to 51, 60 to 63</p> <p>CIMB Our Path To Net Zero Whitepaper </p>																														
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>																															

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Financial Inclusion

To drive product holding among the Active B40 segment, we have undertaken a comprehensive review of our portfolio and overlaid it with our understanding of the Active B40 segment.

Accordingly, our action plans revolve around three key aspects:

1. Drive availability: Modify or introduce new products/services that can be easily accessible by Active B40 segment (e.g., lowering the threshold limits for placing a fixed deposit)
2. Drive awareness: Periodic campaigns to drive awareness around the products and services that B40 segment can use to drive financial and fiscal responsibility (incl. borrowing and savings)
3. Drive education: Develop information portals for customers to understand different banking services/products, when to use them, and what are ideal situations to use them

Climate

Our strategy to realise our Coal phase out involves the following elements:

- Strict adherence with prohibitions within our current Coal sector guide such as prohibition on any forms of asset-level or general corporate financing including project financing and capital raising specified for greenfield thermal coal mines and Coal Fired Power Plants (CFPP), including expansions.
- Periodically strengthening our Coal sector guide by expanding the scope of thermal coal related segments, prohibitions, mandatory requirements and introduction of specific thresholds on revenue and/or fuel mix from thermal coal for both new clients and existing clients.
- Encouraging and supporting our clients to
 - o Diversify and transition to other business activities outside of the thermal coal, particularly towards green and/or sustainable projects in line with our Green, Social and Sustainable Impact Products and Services (GSSIPS) Framework
 - o Adopt necessary measures to mitigate socio-economic impacts on workers and surrounding communities due to their diversification and transition plans

Our strategy to realise our cement target involves the following elements:

- Committed to continuously engaging with our clients to provide the necessary support and financing for them to decarbonise their operations. Our strategy involves the following elements: Near-term approach to regularly engage with clients to set mid-term targets, and encourage the implementation of technologies that reduce emissions.
- Supporting our clients to meet their transition targets by financing their decarbonisation efforts.
- Continuously influencing our real estate clients to decarbonise, including in their supply chains, which will provide an indirect signal to upstream supply chain players, including the Cement sector to decarbonise. Similarly, we will collaborate closely with industry organisations and engage in regulatory conversations to contribute ideas and forms of support. We hope that engaging with peers, standard-setters and policymakers will help create a demand signal for the Cement sector to decarbonise both in the near- and long term.
- Selectively onboarding Cement sector clients with a clear transition plan aligned with Net Zero 2050.

For detailed decarbonisation levers/transition strategies for our palm oil and power targets, please refer to "Our Net Zero Approach" under sections 4 and 5 of the Group's Net Zero Whitepaper. 

CIMB Sustainability Report 2023, Financial Inclusion, Health and Literacy, pages 92 to 94

CIMB Sustainability Report 2023, Sustainable and Responsible Finance: Managing Environmental & Social Risks in Financing Transactions, pages 35 to 40

CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 41 to 63

CIMB Sustainability Report 2023, Sustainable and Responsible Finance: Driving Positive Impacts, pages 85 to 91

CIMB Sustainable Finance Framework 

CIMB Our Path To Net Zero Whitepaper 

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Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... Financial Inclusion and Financial Health	... second area of most significant impact: Climate	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Financial Inclusion

Not applicable, as this is the first year in which we have established this target.

Climate

In 2023, implementation was undertaken by Group Sustainability in partnership with business units and enablers and is monitored by our Sustainability governing committees. Summary of our progress in 2023:

- For Thermal Coal Mining target, our portfolio exposure has decreased to 63% (indexed against the 2021 baseline), ahead of our targeted trajectory
- For Cement target, our emissions intensity for the cement portfolio decreased to 0.64 tCO₂e/t cement, bringing us closer to the sector reference pathway benchmark

CIMB Sustainability Report 2023, Our Scorecard, pages 26 to 28

CIMB Sustainability Report 2023, Climate Change: Risks and Opportunities, pages 41 to 63

<ul style="list-style-type: none"> Established 2030 climate targets at portfolio level for Palm Oil and Power, together with the publication of the Group's whitepaper which details the transition plan to achieve these targets Expanded the scope of the Group's financed emissions inventory, covering financing and investment portfolios Completed a climate scenario analysis proof-of concept on the Group's non-retail segment Enhanced the Group Risk Appetite Statement with a qualitative statement on sustainability risk (including climate) 	<p>CIMB Our Path To Net Zero Whitepaper </p>
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PRINCIPLE 3: CLIENTS AND CUSTOMERS

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>3.1 Client engagement</p> <p>Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> <p>This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).</p>	
<p>Supporting our clients through a just transition is a core tenet of our ambition and key to achieving our targets. We acknowledge the challenges in striving for a just transition compatible with economic growth and positive social outcomes. We engage and providing financing support to clients to enable and accelerate their decarbonisation efforts, whilst helping to mitigate potential impacts to vulnerable individuals and communities to enable them to achieve a just transition. This journey is relevant to a broad swathe of our clients. Whether they are large corporates or SMEs, whether they operate in carbon-intensive industries or are involved in scaling up the new technologies required in a Net Zero future, we will be a partner to them by continuing to innovate our financing solutions and to increase our engagement to serve as catalysts for their transition. Ultimately, we will be able to realise our own decarbonisation ambition when we have impactfully helped our clients to realise theirs.</p> <p>Our Sustainable Finance Framework describes the governance, policies and implementation of sustainable finance for our customers. We have also set targets to mobilise sustainable finance to support our clients in their transition, as published in our Sustainability Report 2023.</p>	<p>CIMB Our Path To Net Zero Whitepaper, page 8 </p> <p>CIMB Sustainability Report 2023, Sustainable and Responsible Finance, pages 85 to 91</p>

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

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<p>Financial Inclusion</p> <p>To safeguard the financial wellbeing of our prioritised underserved group, CIMB has established comprehensive internal policies and guidelines for evaluating borrower creditworthiness, aiming to avert over-indebtedness among clients. We implement training initiatives on raising awareness of the challenges faced by vulnerable clients to ensure that all communications and information on our products and services are clear and easy to understand while curbing aggressive sales tactics and disrespectful interactions with clients. CIMB also has in place a straightforward complaint mechanism for our financial inclusion clients, allowing us to address their needs promptly and uphold service excellence.</p>	<p>CIMB Sustainability Report 2023, Financial Inclusion, Health and Literacy, pages 92 to 94</p>
<p>3.2 Business opportunities</p> <p>Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p>	
<p>The transition to a low carbon economy will be challenging but we recognize the opportunities it provides to financial institutions. As a bank we intend to play our part and work with our existing and new clients to encourage and facilitate their strategies towards sustainable practices. We engage with stakeholders to seek out opportunities for collaboration, to enable and accelerate the decarbonisation of sectors, while standing ready to provide the financing necessary to achieve it.</p> <p>Our commitment to continuously create positive, sustainable impact through our financing is encapsulated in our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. The GSSIPS Framework guides our efforts towards facilitating a just transition and financial inclusion through our products and services, and is aligned with the principles of Islamic finance through the Value-Based Intermediation (VBI), and the UN SDGs.</p> <p>Our sustainability report includes examples of GSSIPS mobilised to support our clients.</p>	<p>CIMB Sustainable Finance Framework </p> <p>CIMB Sustainability Report 2023, Sustainable and Responsible Financing, pages 85 to 91</p>

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

PRINCIPLE 4: STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organisations.

At CIMB we engage with a wide range of stakeholders to understand to capture their valuable feedback on how we can continue to meet their evolving needs and expectations. This is guided by a comprehensive engagement framework that enables us to effectively gain insights into delivering innovative programmes and solutions that address their most critical environmental, social, economic and governance concerns.

Through our interactions with stakeholders, we gather valuable insights that inform our materiality assessment. This assessment helps us identify sustainability-related challenges and opportunities that are crucial for both our business and society.

CIMB Sustainability Report 2023, Stakeholders Engagement, pages 18 to 19

PRINCIPLE 5: GOVERNANCE & CULTURE

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

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

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

The Board is the highest governing body accountable for CIMB's sustainability strategy. Sustainability-related roles and responsibilities of the Board are incorporated in the Board Charter. The Group Sustainability and Governance committee assists the board in fulfilling its responsibilities in advocating and fostering a culture of sustainability, ethical conduct, and integrity in our corporate DNA.

The Group Sustainability Council (GSC) assists the Group Chief Sustainability Officer in leading the development and successful execution of CIMB's sustainability. The GSC reports to the Group Transformation Committee, which assists the Group CEO in directing and steering CIMB's overall strategy.

CIMB Sustainability Report 2023, Governance of Sustainability, pages 34 to 35

PRB Index

<p>The Sustainability Risk Management Framework defines how we govern sustainability risks in our business. Sustainability risks, including climate-related physical and transition risks and human rights risks, are integrated into both the Group's Risk Library and the Enterprise-Wide Risk Management Framework.</p> <p>The analysis, reports and targets for the Principles of Responsible Banking impact analysis including on the two impact areas are reported and approved by our management and board committees (i.e. GSC, GTC, GSGC, as above) in accordance with our Sustainability Governance Operating Model.</p> <p>Our commitment to sustainability is demonstrated by the linkage of our CEO, top management, and employees of all divisions to sustainability related key performance indicators (KPIs) which impact their remuneration.</p>	
<p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p>We have embedded sustainability specialist and champions into business units and enablers. The Integrated Sustainability Operating Model ensures that sustainability issues are discussed throughout our operations.</p> <p>In addition, we have established the Sustainability Academy with the aim of enhancing our employees' knowledge, understanding, and technical expertise in the sustainability realm.</p>	<p>CIMB Sustainability Report 2023, Integrated Operating Sustainability Model, page 34</p> <p>CIMB Sustainability Report 2023, Learning and Development, page 76</p>
<p>5.3 Policies and due diligence processes</p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	
<p>All financing and capital raising transactions for businesses (excluding SMEs), including annual reviews of financing facilities, are subject to a Basic Sustainability Due Diligence (BSDD).</p> <p>Our Group Sustainability team carries out Enhanced Sustainability Due Diligence (ESDD) on clients and transactions who are exposed to a high level of environmental or social risk.</p>	<p>CIMB Sustainability Report 2023, Sustainable Financing Framework and Policy, pages 35 to 37</p>

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Our responses to certain sections within the PRB Index have been subject to KPMG Independent Limited Assurance, in accordance with the PRB guidelines. This includes our responses under Principle 2.1 Impact Analysis, Principle 2.2 Target Setting, Principle 2.3 Target Implementation and Monitoring and Principle 5.1 Governance Structure for Implementation of the Principles. The metric on the Percentage of Active B40 Customers holding 2 or more product categories (%) has also been assured. We plan on obtaining assurance for our Financed Emissions data within the year.

Read the full Statement of Assurance on pages 165 to 167

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other:

PRB Index

Our Sustainability Report has been prepared in accordance with:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Global Reporting Initiative Standards 2021
- The United Nations Environment Programme Finance Initiative Principles for Responsible Banking

CIMB Bank reports annually to the CDP.

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

We expect to track and report the progress against our targets to our Sustainability Committees as per our Sustainability Governance structure. We are committed to improving our reporting and alignment as methodologies continue to evolve and as industry standards align and data quality improves.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritised to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritised to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

The Board of Directors
CIMB Bank Berhad
Level 16 Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur

Dear Sirs,

Independent Limited Assurance Report to Board of Directors of CIMB Group Holdings Berhad ("CIMB") and its subsidiaries (the "Group")

We, KPMG PLT ("KPMG"), were engaged to provide limited assurance on the Group's Selected Sustainability Information (the "Subject Matter"), published in CIMB's Sustainability Report for the financial year ended 31 December 2023 (the "Sustainability Report"), in the form of an independent limited assurance conclusion as to whether anything has come to our attention that would cause us to believe that the Subject Matter, in all material respects, has not been prepared in accordance with the following applicable criteria:

Selected Sustainability Information

- Group's definition and calculation methodologies, including any significant inherent limitations; and

CIMB's Principles for Responsible Banking ("PRB") Index

- The United Nations Environment Programme Finance Initiative ("UNEP FI") PRB Reporting and Self-Assessment Template, (V2, September 2022) published by UNEP FI in September 2022, the PRB Guidance Document, published by UNEP FI in November 2021 and Guidance for assurance providers, (V2, October 2022) published by UNEP FI in October 2022.

herein after referred to as applicable criteria (the "Applicable Criteria").

Subject Matter

The Selected Sustainability Information and CIMB's PRB Index covered by our limited assurance engagement for the financial year ended 31 December 2023 are as follows:

Selected Sustainability Information

- Absenteeism Rate (%);
- Total Energy Consumption (GJ) – within the organisation;
- Total Greenhouse Gas ("GHG") Emissions (Scope 1) – Fuel Consumption from generator set and company-owned vehicles (tCO₂e); and
- Total GHG Emissions (Scope 2) – Purchased Electricity (tCO₂e).

The boundary of the limited assurance engagement by KPMG on the Selected Sustainability Information represents the Group's operations in Malaysia, Indonesia, Singapore, Thailand, and Cambodia.

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CIMB Group Holdings Berhad ("CIMB")
Independent Limited Assurance Report to Board of Directors
of CIMB and its subsidiaries
21 March 2024

Subject Matter (continued)

CIMB's PRB Index

Selected responses within the CIMB PRB Index for the financial year ended 31 December 2023 comprised CIMB's responses to the following PRB Reporting and Self-Assessment Template, (V2, September 2022) published by UNEP FI in September 2022:

- Principle 2.1 Impact Analysis;
- Principle 2.2 Target Setting;
- Principle 2.3 Target Implementation and Monitoring; and
- Principle 5.1 Governance Structure for Implementation of the Principles.
- Percentage of Active B40 Customers holding 2 or more product categories (%) for the financial year ended 31 December 2022 (Malaysia only)

We have not been engaged to provide an assurance conclusion on any other information disclosed within CIMB's 2023 PRB Index, except where specifically identified.

Board of Directors and Management's Responsibilities

The Board of Directors and the management of CIMB (the "Directors" and the "Management", respectively) 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 that the criteria is appropriate to meet their needs; and for establishing and maintaining appropriate performance management and internal control systems from which the Subject Matter is derived.

The Directors and the Management are responsible for the prevention and detection of fraud and error mainly through the implementation and continued operation of an adequate system of internal control.

The Directors and the Management are also responsible for ensuring that staff involved with the preparation and presentation of the description of the Subject Matter in the Sustainability Report are properly trained, ensuring that information systems are properly updated and that any changes in reporting encompass all significant business units.

The Directors and the Management are responsible for disclosing to us their knowledge of: (i) known, actual or possible non-compliance with laws or regulations that have or may have a material effect on the Subject Matter; and (ii) allegations of or suspected fraud or dishonesty committed against the Group.

The Directors and the Management are responsible to make available to us the Subject Matter and any other information timely to facilitate the completion of the engagement within the required time frame.



CIMB Group Holdings Berhad ("CIMB")
Independent Limited Assurance Report to Board of Directors
of CIMB and its subsidiaries
21 March 2024

Board of Directors and Management's Responsibilities (continued)

The Directors and the Management are responsible for disclosing to us facts that may affect the Subject Matter, of which they may become aware up to the date of the independent limited assurance report.

The Directors and the Management are responsible for designing, implementing and maintaining internal processes and controls over information relevant to the preparation of the PRB Reporting and Self-Assessment Template, ensuring it is free from material misstatement, whether due to fraud or error.

The Directors and the Management are responsible for the preparation of the Selected Responses within the PRB Reporting and Self-Assessment Template, and for measuring and reporting qualitative information and data in accordance with the PRB Reporting and Self-Assessment Template, (V2, September 2022) published by UNEP FI in September 2022, the PRB Guidance Document, published by UNEP FI in November 2021 and Guidance for assurance providers, (V2, October 2022) published by UNEP FI in October 2022.

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 Malaysian Approved Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Applicable Criteria.

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, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

Selected Sustainability Information

- Enquired Management to gain an understanding of the processes established from which the Subject Matter is derived;
- Interviewed relevant staff responsible for preparing and presenting the Subject Matter in the Sustainability Report;
- Compared the Subject Matter presented in the Sustainability Report to underlying sources on a sample basis to determine whether the relevant information has been appropriately disclosed; and
- Read the Subject Matter presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of CIMB.



CIMB Group Holdings Berhad ("CIMB")
Independent Limited Assurance Report to Board of Directors
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Procedures Performed (continued)

CIMB's PRB Index

- Enquired Management responsible to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- Interviewed Management responsible for developing the content (narrative and data) within the information subject to assurance to understand the approach for monitoring, collation and reporting;
- Walkthrough with management responsible for the UNEP FI's PRB Impact Analysis;
- Assessed whether the information is presented was in accordance with the Applicable Criteria;
- Reviewed the responses to the Reporting and Self-Assessment Template questions identified in the Subject Matter and obtaining evidence. This includes comparing information to the Guidance for Assurance Providers Document, published by UNEP FI in October 2022.
- Read the 2023 CIMB's PRB Index presented in the Sustainability Report to the responses in the Reporting and Self-Assessment Template questions to determine whether they are in line with our overall knowledge of the 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.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.



*CIMB Group Holdings Berhad ("CIMB")
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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 for the financial year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction on distribution and use of our report

In accordance with the terms of our engagement, this report on the Subject Matter has been prepared for the Directors for the purpose as described in the first paragraph of this report and for no other purpose. Our report should also not be regarded as suitable to be used or relied on by any other party.

We consent to the inclusion of this report in CIMB's Sustainability Report in respect of the financial year ended 31 December 2023, to assist the Directors in responding to their governance responsibilities by obtaining independent limited assurance report on the Subject Matter. We will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

A handwritten signature in black ink, appearing to read 'Kpmg', written in a cursive style.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 21 March 2024

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