CIMB Group

Construction, Infrastructure and Real Estate Sector Position Statement

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Construction and infrastructure development are fundamental to economic growth, urbanisation and improving the quality of life across the communities we serve. As economies continue to expand, the sector plays a critical role in delivering housing, transport networks, utilities and other essential infrastructure. However, these activities may also result in significant environmental and social impacts, including biodiversity loss, resource consumption, pollution, greenhouse gas emissions and impacts on surrounding communities.

CIMB believes sustainable infrastructure development requires environmental and social considerations to be integrated throughout the project lifecycle. Through our Construction, Infrastructure and Real Estate Sector Guide and Group Sustainable Financing Policy, we set clear minimum expectations for clients to conduct Environmental and Social Impact Assessments where required by applicable laws, implement Environmental Management Plans, maintain Occupational Health and Safety (OHS) policies, manage and monitor operational emissions from buildings, and demonstrate respect for human rights through appropriate policies, due diligence processes and effective grievance mechanisms. These requirements help ensure that environmental and social risks are identified, managed and monitored throughout the lifecycle of construction and infrastructure projects.

Our financing approach assesses both client-level sustainability performance and project-specific risks to promote responsible development while supporting economic progress. Where opportunities for improvement are identified, we engage constructively with clients to strengthen environmental and social outcomes.

Sector Scope: This Position Statement applies to clients whose activities include:

- Construction of roads and railways: The construction, expansion, upgrading and maintenance of road and railway infrastructure, including associated civil engineering works.
- Construction of utility projects except roads and railways: The construction of utility infrastructure, including water supply, sewerage, electricity, telecommunications and pipeline systems.
- Construction of airports and harbours: The construction, expansion and upgrading of airports, ports, harbours and related transport facilities.
- Construction of other civil engineering projects: The construction of dams, tunnels, flood control systems and other civil engineering structures not classified elsewhere.
- Demolition: The dismantling or demolition of existing buildings, structures and infrastructure.
- Site preparation: Land clearing, excavation, earthworks, grading and other preparatory activities undertaken prior to construction.
- Infrastructure for airports and harbours: The development, ownership, operation or maintenance of infrastructure supporting airport and harbour operations.
- Infrastructure for highways and bridges: The development, ownership, operation or maintenance of highways, bridges and associated transport infrastructure.
- Other infrastructure: The development, ownership, operation or maintenance of infrastructure assets not specifically classified under other categories.
- Infrastructure: other activities, not elsewhere classified: Other infrastructure-related activities that do not fall within the categories listed above.

- Real Estate: The development, ownership, operation or management of commercial, industrial and mixed-use properties, including retail premises, office buildings, real estate investment trusts (REITs), industrial properties, mixed developments and other accommodation facilities.

Sector Criteria

Prohibition - *Activities We Will Not Finance* CIMB will **not knowingly provide/ prohibits** financing, investment or capital market services to clients engaged in:	• Illegal construction or development activities undertaken without the required licences, permits or approvals. • Illegal logging. • Breaches of applicable labour laws and regulations, including involvement in child labour, forced labour, human trafficking or other serious labour rights violations. • Activities prohibited under the CIMB Exclusion List.

Requirements – *Minimum Expectations for Clients*
 	
CIMB **seeks to provide** financing and related services to clients that demonstrate a commitment to responsible and sustainable construction and infrastructure development. We expect clients, where relevant to their operations, to have in place the following:
	• Conduct Environmental Impact Assessments (EIA) and Social Impact Assessments (SIA), or their equivalent, where required by applicable laws.
	• Implement Environmental Management Plans (EMP) that identify, mitigate and monitor material environmental risks and impacts.
	• Maintain an Occupational Health and Safety (OHS) Policy to promote a safe and healthy working environment.
	• Manage and monitor Scope 1 and 2 operational emissions from buildings.
	• Demonstrate respect for human rights by:
	  ○ Establishing a human rights policy or publicly committing to respect human rights.
	  ○ Conducting human rights due diligence to identify, prevent and mitigate human rights risks.
	  ○ Maintaining accessible grievance mechanisms that protect confidentiality and prohibit retaliation.

Encourage/Support – *Best Practices for Clients* Note: Items listed in encourage/support category are good for the clients to have but not necessary for recommendation. It can also be used as a guide for Business Units when communicating with clients.	**Environment** • Achieve recognised sustainability ratings or certifications for buildings and infrastructure, such as the Green Building Index (GBI), Green Mark, LEED, BREEAM, MyCREST, Sustainable INFRASTAR, GREENSHIP or other equivalent national or internationally recognised standards. **Social** • Develop and publicly communicate commitments to managing material social issues, including

CIMB encourages clients to adopt industry-leading practices that further strengthen sustainability performance across construction and infrastructure projects:	occupational health and safety, community wellbeing and responsible labour practices. • Conduct stakeholder engagement with affected communities, especially for large infrastructure or new developments, where a legal EIA/ SIA is not required. • Establish clear policies and procedures for land acquisition and resettlement, aiming to avoid or minimise displacement and ensure fair compensation where unavoidable. **Governance** • Establish and publicly disclose policies addressing material environmental and social matters, including climate change, energy consumption, biodiversity conservation and responsible project governance.

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