



# Sustainable Action

At CIMB, operating in a socially and environmentally responsible manner is driven by more than moral obligations or ethics. There is increasing evidence that shows how integrating sustainability throughout the value chain can generate positive financial outcomes. For example, a report estimated that companies that excelled in sustainability recorded operating profits that were 3.1% higher than average and delivered higher annual total returns to shareholders<sup>1</sup>. Through Sustainable Action, we also create stakeholder trust, demonstrate strong leadership by example, and build our resilience against sustainability risks – all of which enable our continued performance.



## A Low-Carbon Bank

Minimising our operational carbon emissions, along with other environmental impacts



## An Engaged and Productive Workforce

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



## An Inclusive and Fair Work Culture

Encouraging creativity through diversity and inclusion in the workplace

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

## MATERIAL TOPICS

## 2022 ACHIEVEMENTS



### Climate Change: Operational Emissions

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



### Talent Attraction, Retention and Growth

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



### Diversity and Inclusion

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

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



## CLIMATE CHANGE: SCOPE 1 AND 2 EMISSIONS

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

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

## METHODOLOGY, BASELINE AND PERFORMANCE

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

CIMB developed its scope 1 and 2 GHG baselines in 2019, covering Malaysia, Indonesia, Singapore, Thailand, and Cambodia. Vietnam, with two branches and 161 staff, and the Philippines, with one branch and 292 staff, along with two other international branches, were excluded due to their immateriality. The scope for this baselining included direct scope 1 GHG emissions<sup>3</sup> and indirect scope 2 GHG emissions<sup>4</sup>.

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

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

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

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

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

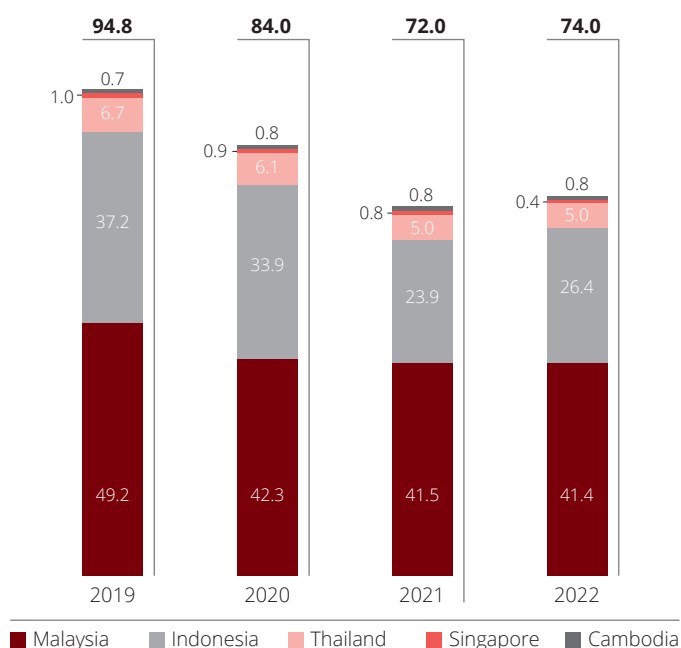
<sup>4</sup> Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.



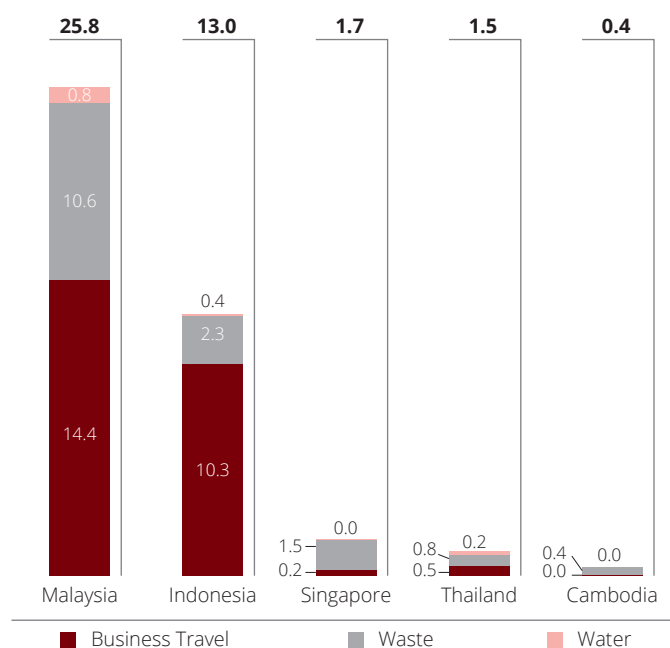
## Sustainable Action

### GHG Scope 1, 2 and 3 Emissions

GHG Scope 1 and 2 emissions  
(thousand tCO<sub>2</sub>e)



GHG Scope 3 emissions for 2022, excluding category 15  
(hundred tCO<sub>2</sub>e)



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

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

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



#### LEVER 1: BUSINESS PREMISES OPTIMISATION

Optimise existing office facilities



#### LEVER 2: AVOID AND REDUCE ENERGY CONSUMPTION

Invest in energy efficiency upgrades, and promote behavioural change



#### LEVER 3: GREEN ENERGY

Transition to renewable energy sources or purchase verified renewable energy credits



#### LEVER 4: CARBON OFFSETS

Purchase high-quality carbon offsets for unavoidable emissions

## SHORT-TERM INITIATIVES (2022-2025)

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

## MEDIUM-TERM INITIATIVES (2025-2027)

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

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

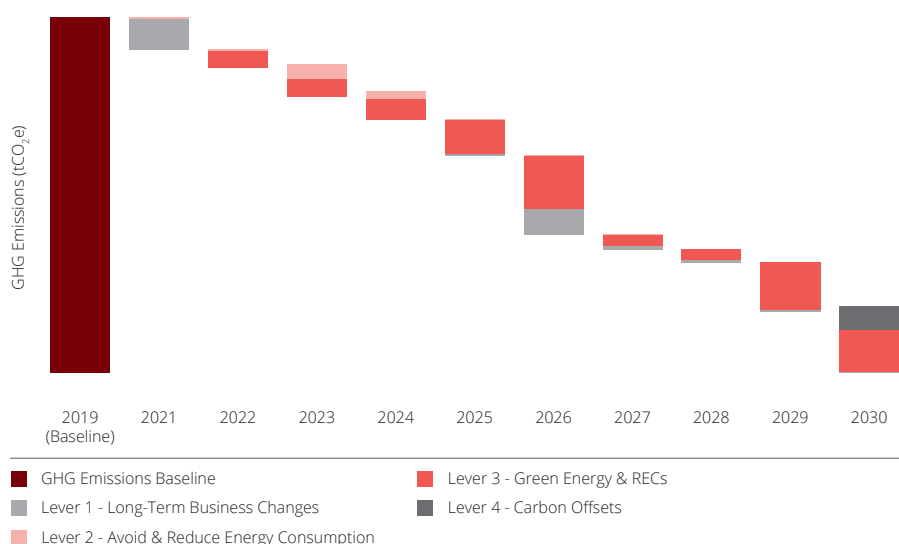
## LONG-TERM INITIATIVES (BEYOND 2027)

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

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

## ROADMAP TO 2030

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








## Sustainable Action

### KEY PROJECTS AND INITIATIVES

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

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

### GREEN CANTEEN

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



Rooftop solar PV system



Plastic recycling collection point

## INTERNAL CARBON PRICE


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

The objectives of ICP include:

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

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

## OPERATIONAL SCOPE 3 EMISSIONS

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

## WATER

We have been recording water consumption since 2019, and after three years of increased water consumption, 2022 recorded a 27% year-on-year reduction in water consumption, equal to 400,488 m<sup>3</sup> or 138 tCO<sub>2</sub>e.

## WASTE

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

We recorded a total of 1,794 tonnes of waste generated in 2022, of which 14% was recycled and the rest sent to the landfill or incinerated. This resulted in an annual waste intensity of 0.05 tonnes per full-time employee and an annual GHG emission of 1,557 tCO<sub>2</sub>e. With a better view of the waste generated across our operations, we will be developing initiatives to reduce waste and increase the diversion of waste from landfill starting in 2023.

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

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

## BUSINESS TRAVEL

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



## Sustainable Action

### SUSTAINABLE SUPPLY CHAIN

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


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

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

#### PROCUREMENT GOVERNANCE AND VENDOR CODE OF CONDUCT

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

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

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



### ENCOURAGING SUSTAINABLE PRACTICES AMONG OUR SUPPLIERS

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

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

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

### CASE STUDY

#### HUMAN RIGHTS ASSESSMENT ON OUR SUPPLIERS

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

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

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





## Sustainable Action



### TALENT ATTRACTION, GROWTH AND RETENTION

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

By paying attention to how we manage, reward, develop and motivate our people, we are able to attract and retain valuable talent to help meet our long-term objectives while helping to avoid costs related to high employee turnover. Recruitment, onboarding and training new employees takes time and resources. A report estimates that replacing exiting employees cost companies around 1.5 to 2.0 times their salary<sup>2</sup>. There are also less obvious costs to employee attrition, such as impacts on employee morale, our reputation, and lower productivity and quality of work.

### EMPLOYEE HEALTH, SAFETY AND WELL-BEING

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

#### Wellness Programmes in 2022



##### Physical and Mental Health

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



##### Financial Well-being

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



##### Family-friendly Workplace

- **Six-month maternity leave (first-time mothers)**  
180 days (26 weeks) of paid maternity leave for the birth of their firstborn child, beyond the minimum legal requirement of 14 weeks<sup>3</sup>
- **Enhanced maternity leave for subsequent children**  
Up to 90 days (13 weeks) of extended maternity leave on a half-pay basis, and no change to benefits
- **One-month paternity leave (first-time fathers)**  
30 days of paid paternity leave for first-time fathers (beyond the minimum regulatory requirement of seven), and five working days paid leave for subsequent children<sup>4</sup>
- **Adoption leave**  
Up to 60 days of paid leave for adopted children
- **Onsite lactation rooms for breastfeeding mothers**

<sup>1</sup> Mental Health at Work, World Health Organization (WHO), September 2022.

<sup>2</sup> The High Cost of Employee Turnover, Workhuman, October 2022.

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

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

## OCCUPATIONAL SAFETY AND HEALTH GOVERNANCE

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

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

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

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

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

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

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

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

- **Hazard Identification, Risk Assessment and Risk Control (HIRARC)**

This sets the necessary process for us to identify OSH risks in the workplace and outline the risk control action plans to address them. The HIRARC process also extends to implementation planning and performance monitoring.

- **OSH performance, measurement and monitoring**

This element prioritises and integrates action plans (including those that arise from HIRARC) with quantitative performance targets to address the identified OSH risks.

- **Emergency preparedness and response**

This element includes the necessary processes to prepare for emergencies, such as the process for Emergency Response Team (ERT) setup and establishing requirements to ensure the competency of the ERT. We outline specific tasks for different scenarios to integrate emergency preparedness into our OSH Management System.

- **Control of Infectious Diseases**

This element aims to reduce and/ or prevent workplace health issues and risks (such as tuberculosis, influenza and COVID-19). We continuously strive towards zero health issues and risks within our workplace.

- **OSH Audit and Workplace Safety Inspection**

This element is integrated into our OSH Management System, with inspections by the OSH Committee every quarter. In addition, we are also subjected to yearly Inspections by the Department of Occupational Safety and Health, Malaysia and our OSH Internal Auditors.

- **Incident Reporting and Investigation**

We provide specific guidelines for reporting and investigation of OSH-related incidents (such as work-related injuries, ill health or diseases) as part of our OSH Management System.



## Sustainable Action

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

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

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

### HYBRID WORK ENVIRONMENT

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

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

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



Guidelines for successful hybrid working for both supervisors and staff



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

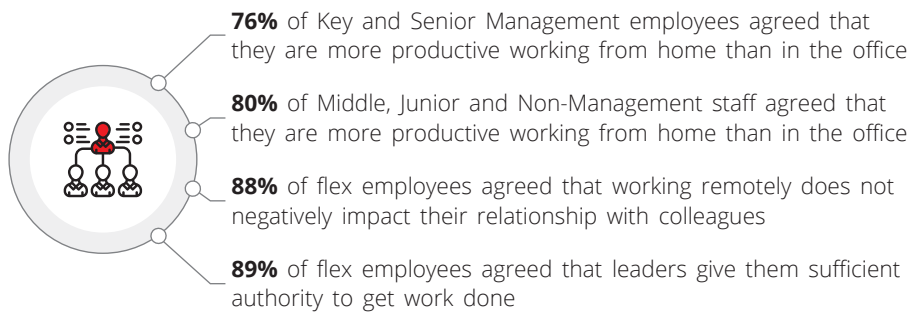


Set up of co-working spaces and hot-desking systems at head office buildings



Mobile data allowance for junior staff

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



## MENTAL WELL-BEING

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

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

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



250 participants

Over **6,000,000** steps in total

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

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



## Sustainable Action

### LABOUR RIGHTS AND FREEDOM OF ASSOCIATION

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



**37%** of employees Group-wide covered under employee unions

#### Employees under union by country



**Malaysia**  
53%



**Indonesia**  
19%



**Singapore**  
2%

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

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

### ESCALATION PROCESS FOR REPORTING INCIDENTS

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

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

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










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

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

## ENGAGING OUR EMPLOYEES

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

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

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

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

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

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

The score can be generally described as follows:



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

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



## Sustainable Action

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

### 2022 Results



#### Organizational Health Index

**2019**

87%\*

**2020**

75%

Third Quartile

**2021**

75%

Third Quartile

**2022**

77%

Second Quartile



#### Employee level 2022 OHI score

**Key  
Management**

81%

**Senior  
Management**

75%

**Middle  
Management**

76%

**Junior  
Management**

78%

**Non-  
Management**

78%



#### Country 2022 OHI score


**Malaysia**

70%

Third Quartile


**Indonesia**

86%

Top Quartile


**Singapore**

75%

Third Quartile


**Thailand**

81%

Top Quartile

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

#### 1. Creating an enabling work environment

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

#### 2. Enhancing financial incentives, rewards and recognition

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

#### 3. Communicating career opportunities across the Group

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

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



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

Key recommendations for improvement in 2023 include:

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

## EPICC WORK CULTURE

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



**E**

Enabling you to develop your talent and reach your potential



**P**

Passion to pursue excellence in all that we do



**I**

Integrity and accountability



**C**

Collaboration for our collective success



**C**

Customer centricity

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

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





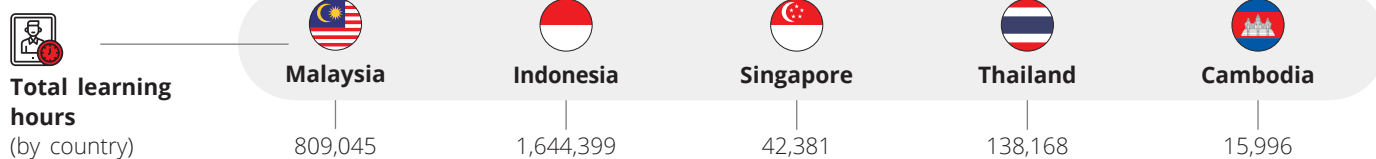
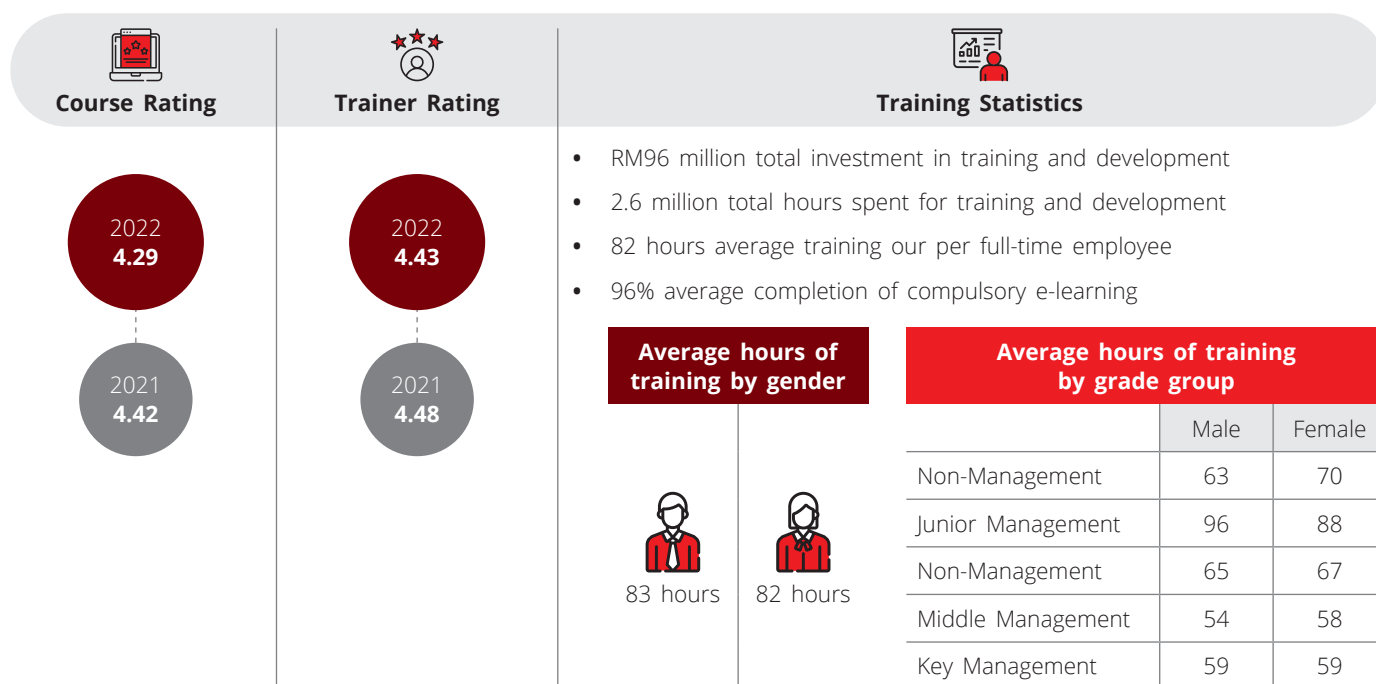
## Sustainable Action

### LEARNING AND DEVELOPMENT

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

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

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



## SUSTAINABILITY CAPACITY BUILDING AND ENGAGEMENT

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

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

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

## SUSTAINABILITY WEEK

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



### Sustainability Training in 2022



#### Board Training

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



#### Senior Management Training

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



#### Policy Refreshers

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



#### Role-Based Training

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



#### Sustainability Awareness 101

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

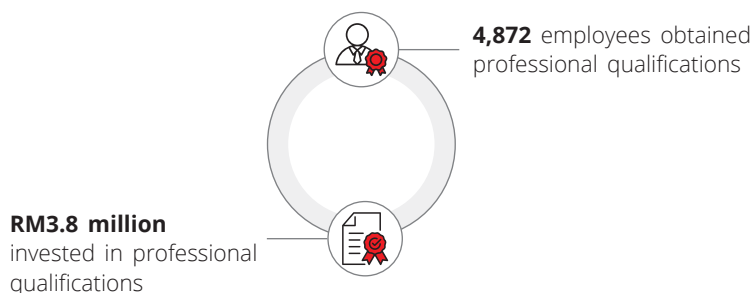




## Sustainable Action

### CULTIVATING INDUSTRY EXPERTS

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



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

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



**42** sponsorships and scholarships were disbursed to support upskilling in areas including data analytics, project management, digital transformation and business innovation.

### DIGITAL UPSKILLING

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



**13,181** employees Group-wide have attended intermediate and advanced level digital and data related learning programmes. The top three programmes include:

- Suite of MS Excel programmes
- Suite of SAS programmes
- Blockchain and cryptocurrency trends in the financial market

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

### FUTURE-PROOFING OUR WORKFORCE

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

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

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

## PERFORMANCE MANAGEMENT

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

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

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

## 360° FEEDBACK

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

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

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

## EMPLOYEE COMPENSATION

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

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



## Sustainable Action

### PERFORMANCE RELATED COMPENSATION

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

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

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

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

### LONG-TERM INCENTIVES

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

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

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

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

### TALENT AND LEADERSHIP DEVELOPMENT

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

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

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

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

## SUCCESSION PLANNING

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



**77%**

succession realisation for Critical Positions by internal candidates

## CAREER PATHING AND DEVELOPMENT

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

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

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

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

## INTERNAL MOBILITY

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

## STRETCHED ASSIGNMENTS

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





## Sustainable Action

### BUILDING A STRONG TALENT PIPELINE

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

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



#### Scholarships

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




#### Apprenticeships

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



#### Graduate Programmes

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



#### Fellowships

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

**CIMB TRAVELLING LEADERS**

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

**DIVERSITY AND INCLUSION**

We have the transformative power to create a more open, diverse and inclusive society, which begins within the walls of our organisation. Not only does diversity and inclusion (D&I) contribute to social justice and empowerment, but it is also good for business. A study by Forbes found that diverse teams are better at decision-making 87% of the time compared to less diverse teams<sup>3</sup>. Diverse teams are also more creative, providing different perspectives and a broader understanding of the world on a deeper level, thus bringing more innovative ideas and solutions. An inclusive work culture also attracts a diverse range of talents and contributes to better employee engagement.

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

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

**CIMB's Key Diversity and Inclusion Principles****Equal Opportunities and Fair Treatment**

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

**Inclusiveness, Dignity and Respect**

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

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



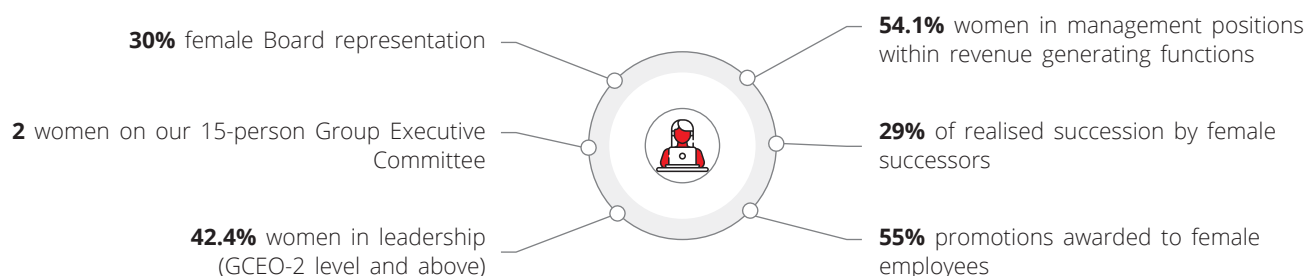
## Sustainable Action

### WOMEN IN LEADERSHIP

Women represent 57% of our workforce, and 42.4% of our leadership<sup>1</sup> are women. In addition, 34% of our identified pool of digital and data talent are comprised of women.

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

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



### GENDER PAY EQUALITY

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

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

Male	GENDER PAY RATIO		Female
	1.00	Overall	1.01
	1.00	Key Management	0.98
	1.00	Senior Management	0.98
	1.00	Middle Management	0.98
	1.00	Junior Management	1.05
	1.00	Non-Management <sup>2</sup>	1.01

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

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

## DIVERSITY AND INCLUSION TRAINING

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

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



### D&I Pulse Survey

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