



THANK YOU
FROM TOMORROW



Sustainability Investor Day 2024

The Cooler Earth Sustainability Series

3 July 2024

MOVING FORWARD WITH YOU

Proprietary to CIMB



Agenda

Items	Time	Presenter
Progress Overview	5.00 p.m.	Khairul Rifaie <i>Group Chief Financial Officer</i>
Material Matters <ul style="list-style-type: none">• Climate Change• Biodiversity• Human Rights• Financial Inclusion• Sustainable Finance	5.05 p.m.	Luanne Sieh <i>Group Chief Sustainability Officer</i> & Tania Davina Yoganathan <i>Head of Sustainability Malaysia</i>
Concluding Thoughts	5.35 p.m.	Ho Yuet Mee <i>Group Sustainability and Governance Committee Chair</i>
Q&A	5.45 p.m.	-

Progress Overview

By Khairul Rifaie, Group Chief Financial Officer

Sustainability is an integral part of CIMB's corporate strategy

FORWARD 23⁺

VISION

To be the leading focused ASEAN bank

PURPOSE

*To build a **high performing sustainable** organisation to help **advance customers and society***

Strategic Themes for 2024

1 Delivering Sustainable Financial Returns

a) Rejuvenate NII & NIM

b) NOII Growth

c) Cost Optimisation

• — Transform Transaction Banking — •

d) Sustain Asset Quality

2 Operational Resiliency

- Institutionalisation of programme Aquarius
- Sustaining technology reliability

3 Technology & Digitisation

- Delivering core tech projects
- Adoption of tech platforms
- Explore new operating model to enrich tech capabilities

4 Customer Centricity

- Transform CX focusing on key customer touchpoints (CSAT)
- Continue rebuilding customer trust & enhance brand

5 Purpose Driven Organisation







a) Culture & Values

b) Human capital

c) Sustainability

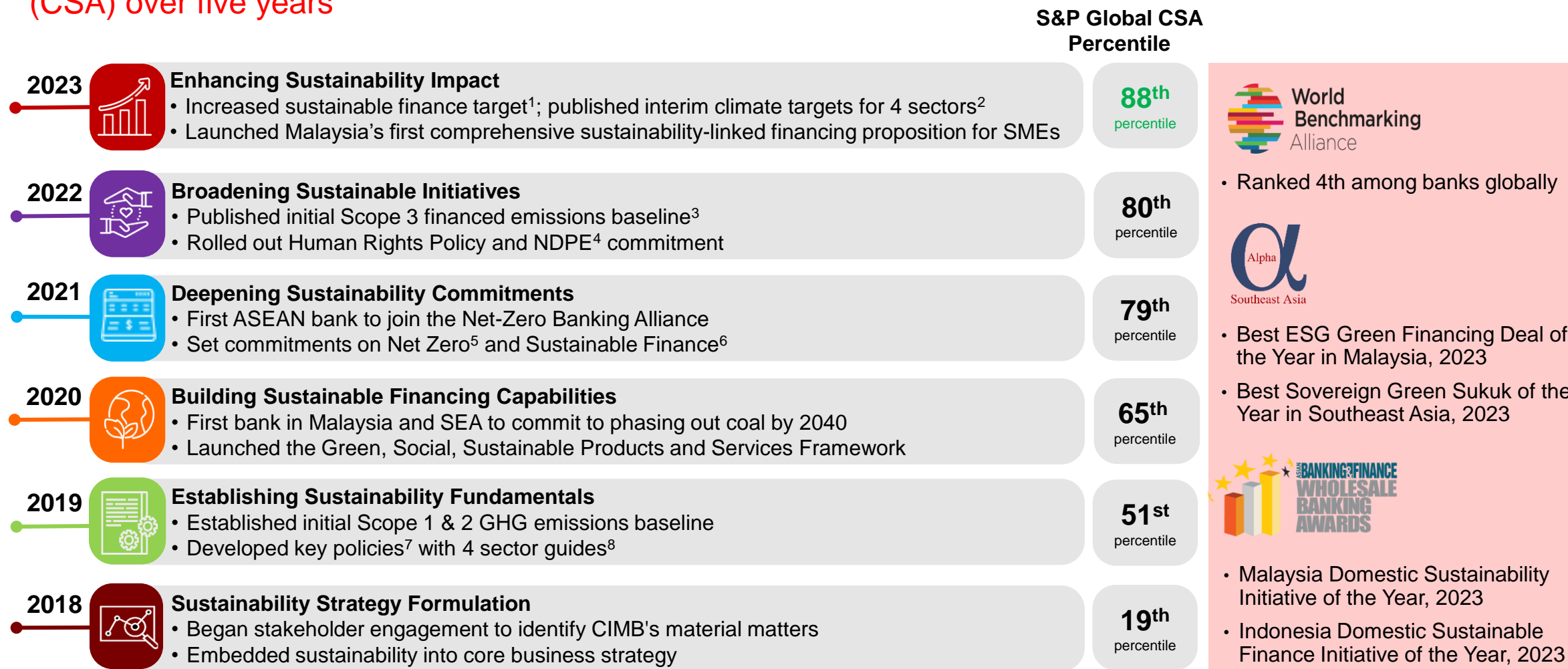


F23+ financial and non-financial targets

Indicators	Forward23+ Ambition	2024 Guidance
 ROE	Top Quartile (11.5-12.5%)	11.0-11.5%
 Cost to income	45%	<46.9%
 CET 1 (CIMB Group)	13.5%	≥13.5%
 Net Promoter Score	Top Quartile (25%)	Top Quartile (25%)
 S&P Global Corporate Sustainability Assessment	Top Quartile (25%)	Top Quartile (25%)
 Talent	High Performing Organisation	High Performing Organisation

Our sustainability journey

We have progressed from 19th to 88th percentile on the S&P Global Corporate Sustainability Assessment (CSA) over five years



1. To mobilise RM100 bil cumulatively from 2021 to 2024; 2. Cement, Coal, Palm Oil, Power; 3. Covering 9 most carbon-intensive sectors; 4. No Deforestation, No Peat, No Exploitation; 5. Committed to achieve net zero Scope 1 & 2 GHG emissions by 2030, and Net Zero including Scope 3 by 2050; 6. Committed to mobilise RM 30 billion cumulatively by 2024; 7. Group Sustainability Policy and Group Sustainable Financing Policy; 8. Palm oil, Construction & Real Estate, Oil & Gas, and Forestry

Moving beyond commitments, towards impact

In 2023, we maintained strong momentum on our progress against our headline targets

Be a Sustainability Leader in ASEAN



S&P Global Corporate Sustainability Assessment (for Dow Jones Sustainability Index) Top Quartile by 2024

Achieved 88th percentile

Climate Change



Net zero operational GHG emissions (Scope 1 & 2) by 2030

35% and 26% reduction in Scope 1 and Scope 2 GHG emissions¹

Net Zero GHG by 2050

Set interim climate targets and high-level transition plans for 6 sectors²

Responsible Banking



Minimise Harm

Exit coal by 2040; NDPE³

- Target to halve thermal coal mining exposure by 2030
- Rolled out NDPE policy regionally

Maximise Positive Impacts

Mobilise **RM100 bil** towards sustainable finance by 2024

RM86.2 bil since 2021

Social Impact



RM150 mil CSR investments⁴; 100,000 hours annually in employee volunteer activities by 2024

- RM96 mil CSR investments since Jan 2021
- 203,245 employee volunteer hours in 2023

1. Against 2019 baseline; 2. Final two sectors announce in July 2024; 3.No Deforestation, No Peat, No Exploitation; 4. From 2021 to 2025

Climate Change

By Luanne Sieh, Group Chief Sustainability Officer

CIMB is committed to carbon neutrality by 2030 (net zero GHG Scope 1 and 2 emissions in our operations) and overall Net Zero GHG by 2050

Scope 1 emissions



Direct GHG emissions from:

- Petrol and diesel for transportation and genset
- Refrigerant for air conditioning

0.01%
(3 kt CO₂e)

Scope 2 emissions



Indirect GHG emissions associated with the purchase of electricity

0.28%
(74 kt CO₂e)

Scope 3 emissions



Indirect emissions that occur in the value chain of the company, but not owned/controlled by organisation

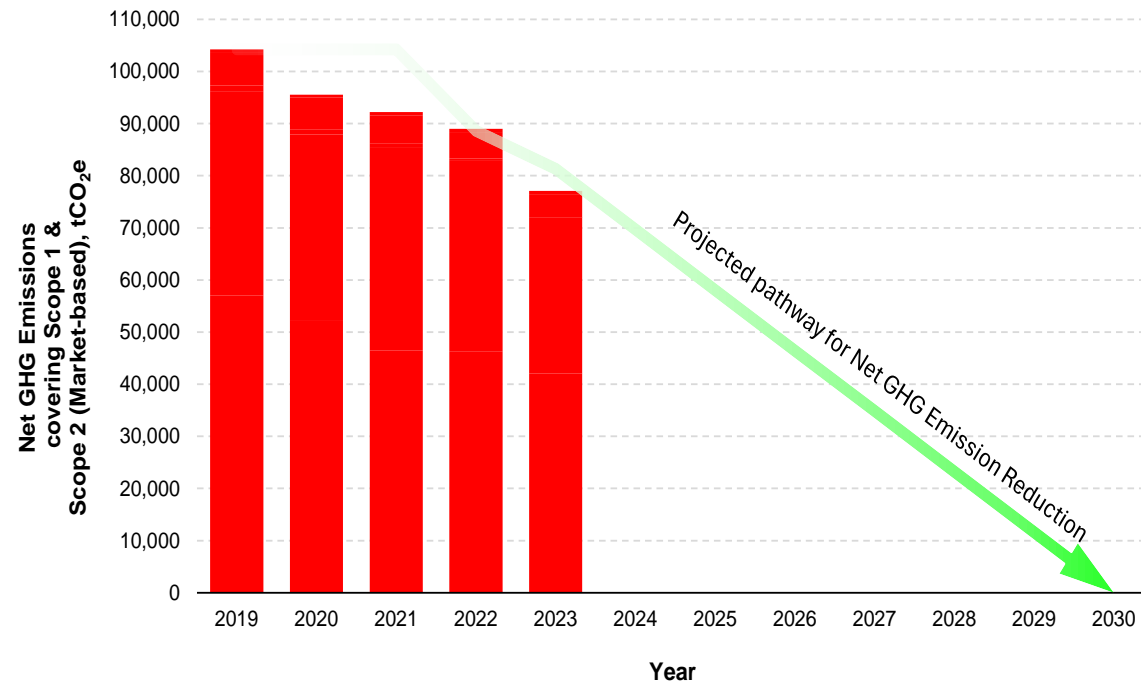
Category 1, 5 and 6	Category 15
Purchased goods and services (water consumption)	Lending
Waste generated and disposed	Investments
Business travel	

0.02% + **99.69%**
(5 kt CO₂e) (26,314 kt CO₂e)

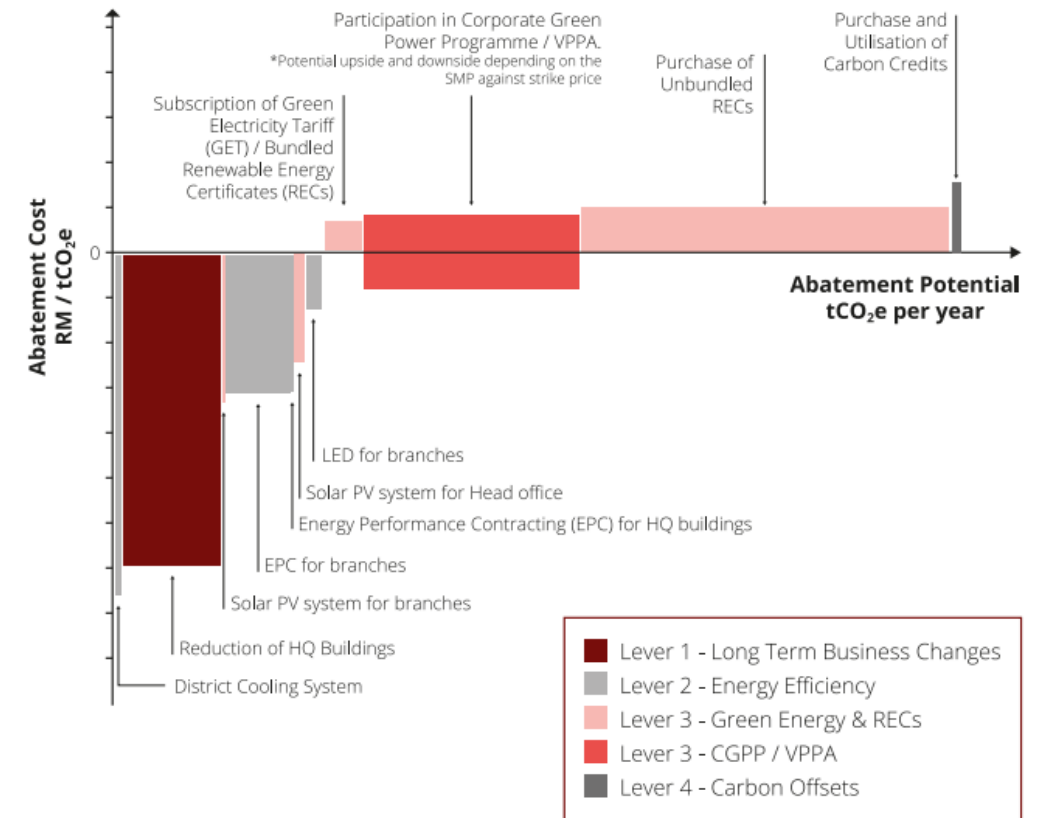
Note: Emissions stated above are as of FY2023

Path to operational net zero by 2030

Projected Net GHG Emissions (Scope 1 & 2) Towards Operational Net Zero Target

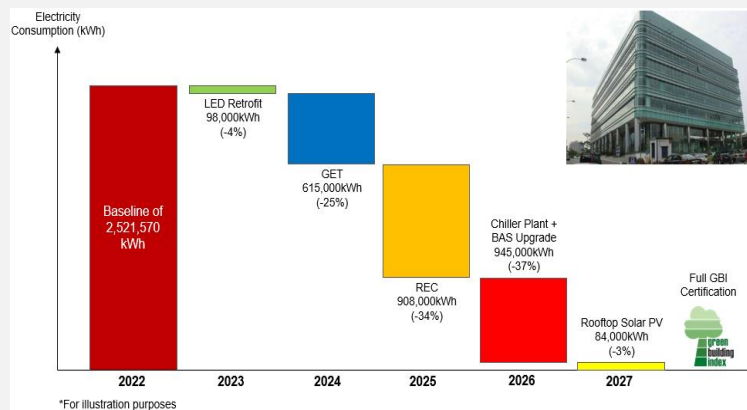


Unraveling the Right Decarbonisation Levers for Malaysia



Operational sustainability initiatives

Piloting Net Zero Carbon building for Wisma CIMB



- To achieve our 2030 net zero target for scopes 1 and 2, CIMB is actively implementing energy-saving projects across our buildings. We are taking a significant step forward with Wisma CIMB, aiming to make it a Net Zero Carbon building by 2024. This involves maximising energy efficiency and utilising renewable energy sources. We will explore replicating this success in other buildings as we move forward.
- In developing the NZC roadmap, prioritisation is first given for space optimisation and energy efficiency upgrades before moving on to renewable energy and energy certificates.

CIMB IOI City Mall branch attains GreenRE Silver certification



- Less than a year after opening its doors, CIMB has successfully attained GreenRE Silver green building certification for its IOI City Mall branch, making it the first bank branch by any bank in Malaysia to receive such certification.
- GreenRE assessments comprehensively evaluate a building's energy efficiency, water efficiency, sustainable operations, indoor air quality, and carbon emissions before certifying a building.

Subscribed to DHL Express' GoGreen Plus service



- In a progressive effort to green our operational footprint, CIMB has signed up to DHL's GoGreen Plus programme. This partnership enables CIMB to mitigate the CO₂e emissions associated with its time-definite international shipments by investing in sustainable aviation fuel (SAF).
- In collaboration with DHL Express, CIMB expects to lower the carbon emissions of its DHL-related time-definite international air shipments from Malaysia and Singapore by 20%.

We have now completed our 2030 climate target setting exercise

2021

First ASEAN bank to join the Net-Zero Banking Alliance (NZBA)

2023

First bank globally to set target for palm oil and first in Malaysia for power

Scan me to
access
CIMB's
Whitepaper
Version 2.0



2022

First Malaysian bank and second in ASEAN to announce targets for thermal coal mining and cement sectors

2024

First Malaysian bank to complete 2030 targets; Elected to the NZBA Steering Group

Priority Sectors

Criticality for Net Zero

Relevance to ASEAN and to CIMB

Our prioritisation approach

Readiness of key decarbonisation enablers

Availability of methodology and data



Thermal Coal Mining



Cement



Agriculture (Palm Oil)



Utilities (Power)

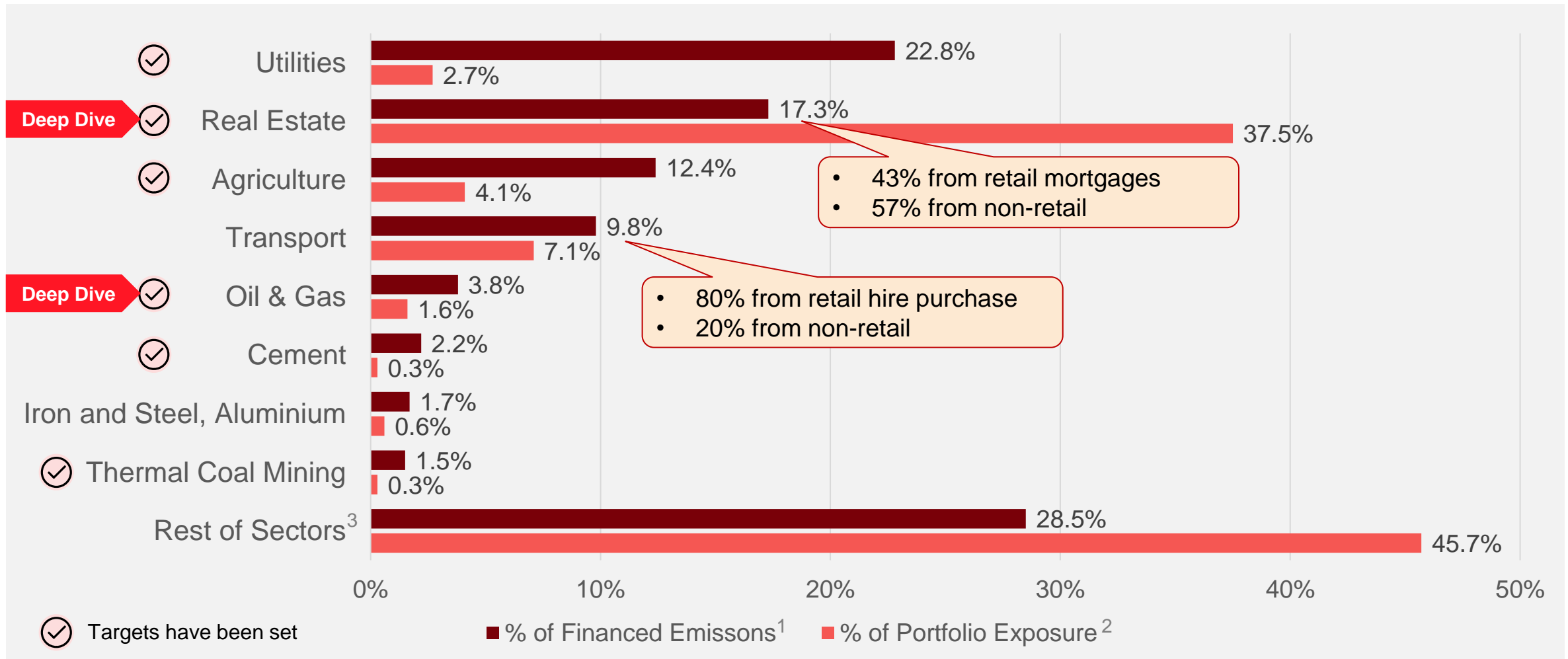


Oil & Gas



Real Estate

We have set 2030 climate targets for sectors which cover 60% of our total financed emissions¹ and 47% of our portfolio²



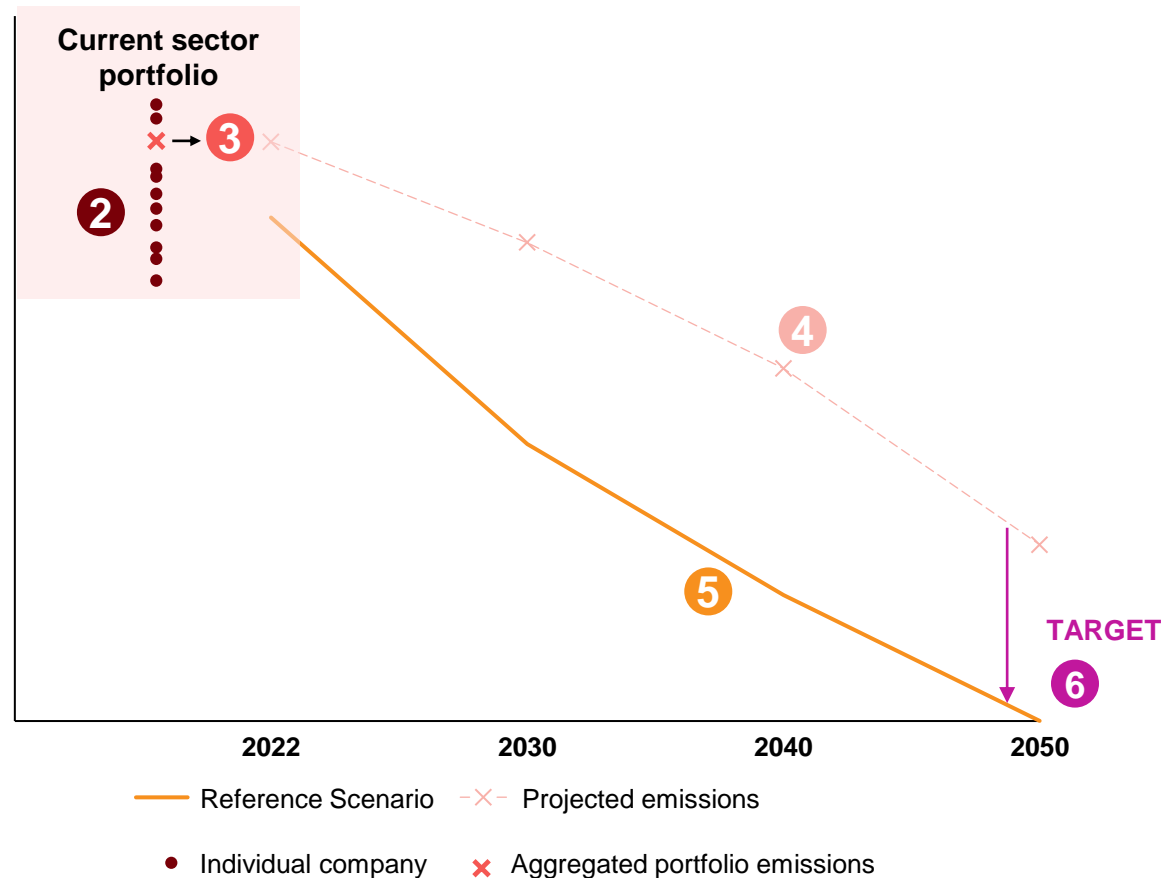
Notes: (1) Scope 3 emissions of our financing clients and investee companies were not included to minimise double counting. A separate reporting on client scope 3 emissions is available [here](#) but it currently only extends to the Oil & Gas sector. We intend to expand the coverage to cover other sectors in due course; (2) Group's total financing and investment portfolios; (3) The estimated financed emissions of the rest of the sectors are highly indicative in nature due to inherent methodological limitations (e.g. 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.

Principles that served as guardrails for CIMB across the target-setting process

- CIMB as a **responsible** financial intermediary has the power to be the **catalyst** for positive change and to proactively **mitigate** climate risk
- CIMB's Net Zero by 2050 targets for its portfolio are aligned to **keeping global warming below 1.5°C**, anchored on a **science-based approach**
- CIMB will periodically **set interim targets, with the first in 2030**, that give us immediate accountability towards taking urgent action
- CIMB's targets must achieve a **just transition** with equitable development, and be consistent with other sustainability goals
- CIMB's targets are designed to be **inclusive**, aiming to involve and engage stakeholders while **facilitating progress**

Six-step approach to determine CIMB's climate targets and steer the portfolio towards Net Zero

1 Sector-level emissions baseline and projections tCO₂/sector unit, 2022–2050



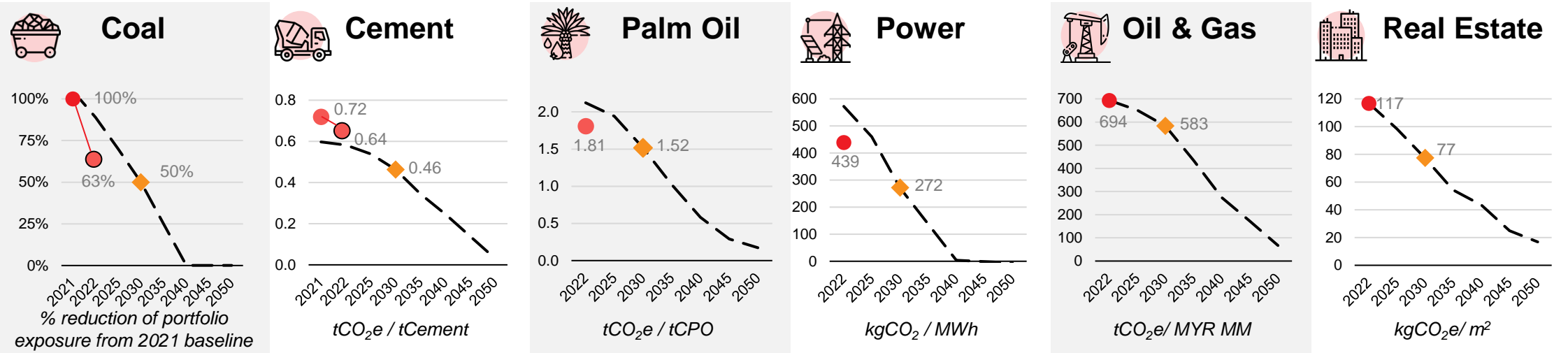
Activities required for target setting

- 1 **Key methodological decisions**
Scope of inclusion for target-setting (e.g., value chain, emissions scope and emissions metric)
 - 2 **Baselining current emissions**
Current emissions calculated at company-level
 - 3 **Aggregating emissions**
Company-level emissions aggregated to sector portfolio-level
 - 4 **Projecting current emissions forward**
Sector portfolio emissions are projected forward
 - 5 **Selecting a reference scenario**
Reference scenario are used to develop in-going views on required targets¹
 - 6 **Target setting (2030 & 2050)**
Comparison of emissions gap allows production of green strategies to drive baseline projections closer to targets
- Iterative process to reach 6

1. For example: "IEA Net Zero pathway for a sector implies an X% emissions reduction by 2050"

Summary of CIMB's 2030 Net Zero targets

New addition to Whitepaper v2.0



Reference Scenario	IEA NZE (regionalised)	SBTi Cement Target Setting Guidance SDA (references IEA NZE)	SBTi FLAG (Palm Oil)	IEA NZE (regionalised)	IEA NZE (regionalised)	IEA APS (grid trajectory) & CRREM v2 (energy intensity)
% reduction from baseline to 2030 target	50%	36%	16%	38%	16%	34%
Emissions Scope	N/A – portfolio exposure target	Scope 1 & 2	Scope 1 & 2 for plantations and mills; Scope 1, 2, 3 for integrated companies	Scope 1	Scope 1, 2 and 3	Scope 1 & 2
Value-Chain Inclusion	Thermal coal mining	Cement manufacturing incl. emissions from raw materials and fuel use	Planting (incl. LUC related emissions and sequestration) and Milling	Power generation	Integrated Oil & Gas companies, pure-play upstream E&P companies	Developers, owner-operators, REITs across commercial building types

On track

Baseline established - Progress to be reported from SR2024 onwards

● CIMB baseline ● CIMB progress ◆ 2030 target --- Reference pathway

Extensive industry engagement was done to ensure our approach remains ambitious yet practical for regional implementation

“ There are three touchpoints determining whether we can move in the right direction: (1) government regulation; (2) the customers, major FMCG players of the world who are prioritising change in this respect and (3) the financiers, which is where CIMB comes in.

If we can work together as a collective, including industry associations with a direct stake in this matter advocating for changes, we can move in this direction. ”

Datuk Helmy Othman Basha

Group Managing Director for SD Guthrie Bhd/ Chairman of MPOB

“ Transitioning to Net Zero requires a nature-positive economy, net positive corporate and just transition leadership. CIMB’s effort in setting a Net Zero target for the palm oil sector supported by “no deforestation” policy is an exemplar of tackling the twin climate change and biodiversity crises and with social equity considerations. ”

WWF - Malaysia and WWF - Singapore

“ Setting a decarbonisation target for the oil and gas sector is undeniably challenging, considering its economic significance in the Southeast Asian region. However, these targets are imperative due to the detrimental impact of oil and gas on the climate and society.

CIMB’s endeavours to strike a balance amidst these complexities is commendable — a necessary step in taking climate action. ”

Christina Ng

Managing Director, Energy Shift Institute

“ CIMB’s adoption of bold climate targets for multiple sectors shows strong leadership and innovation. We look forward to seeing stakeholders work with CIMB to make these targets a reality, drive down emissions in the real economy and accelerate growth in clean development and related jobs. ”

Benjamin McCarron

Founder and Managing Director, Asia Research and Engagement (ARE)

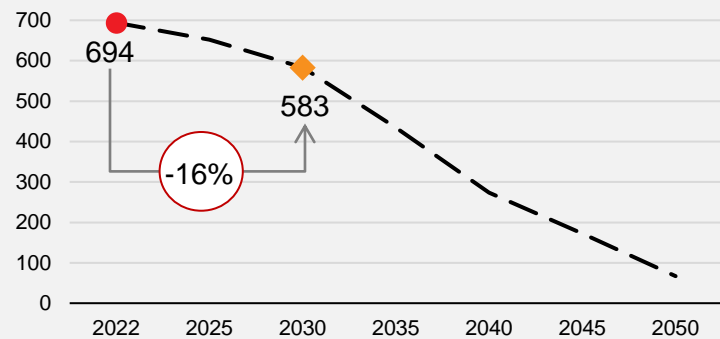


Oil & Gas: CIMB's climate target and transition plans

16% financed emissions lending intensity reduction by 2030

Oil and Gas Sector Climate Target

Financed Emissions Lending Intensity
(tCO₂e/MYR MM)



● CIMB Baseline (2022) ◆ CIMB Target (2030)

--- Reference Scenario: IEA Net Zero
(Regionalised)

Emissions Scope

- Scope 1,2 and 3

Value Chain Inclusion

- Upstream E&P
- Integrated Oil & Gas companies

Industry Overview

- Responsible for **~49%** of CO₂ emissions globally, plus **14%** CO₂e from methane
- To reach Net Zero by 2050, IEA NZE scenario projects global oil & unabated gas **supply to fall by 78% and 90%** respectively by 2050
- Decarbonisation is expected to be **driven by substitution of oil and gas products by renewables and biofuels**, as well as **electrification**
- In ASEAN, production of fossil fuels has **enabled strong economic growth**. Striking a **balance between energy security, affordability and sustainability is paramount** as the region navigates towards a just transition

How will we achieve our 2030 target?

- 1 Adherence to **sectoral commitment** to cease new dedicated financing for upstream oil fields approved for development after 2021¹
- 2 Finance the **diversification** of oil and gas clients' strategies
- 3 **Actively support our clients** to adopt measures to **reduce operational emissions intensity** of current productions, including through CCUS² technologies
- 4 **Facilitate our clients** in developing, accelerating and fulfilling their **Net Zero strategies**

1. Effective 1 January 2025

2. Carbon Capture, Utilisation and Storage

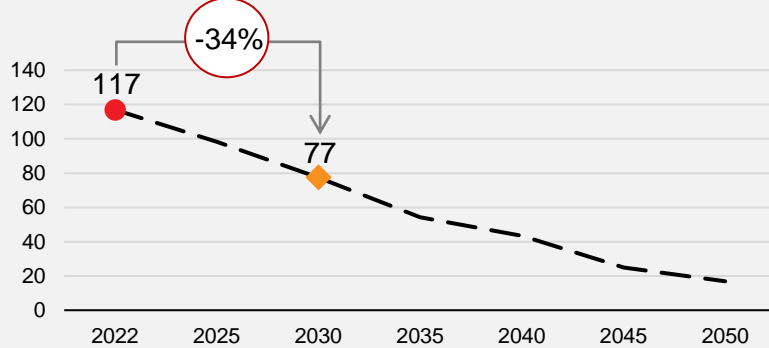


Real Estate: CIMB's climate target and transition plans

34% physical emissions intensity reduction by 2030

Real Estate Sector Net Zero Target

Physical emissions intensity (kgCO₂e/m²)



● CIMB Baseline (2022) ◆ CIMB Target (2030)

— — Reference Scenario: IEA APS¹ (grid trajectory) & CRREM² v2 (energy intensity)

Emissions Scope

- Scope 1 & 2 (*operational emissions of buildings, including tenant emissions*)

Value-Chain Inclusion³

- Developers
 - Owner-operators
 - REITs
- (*across office, retail, hotel, industrial and mixed building types*)

Industry Overview

- Operational emissions from buildings account for **~18%** of global emissions
- ASEAN's building energy consumption is projected to grow by **60%** by 2030 and **120%** by 2040, which will more than double emissions if not addressed
- **Energy efficiency and shifts in the energy mix** can drive operational emissions reductions for buildings by 2050, with developers and operators playing an active role
- Sector decarbonisation also relies heavily on **grid decarbonisation**, necessitating the power sector's transition

How will we achieve our 2030 target?

- 1 Finance more **energy-efficient** buildings
- 2 Support the **energy transition** in buildings through onsite renewables and electrification
- 3 Engage clients to develop **science-based Net Zero plans**
- 4 Provide financing to **accelerate commitments, enhance energy usage and emissions reporting** for better performance and faster decarbonisation

1. APS = Announced Pledges Scenario

2. CRREM = Carbon Risk Real Estate Monitor

3. Excludes residential property developers and residential mortgages

Our ongoing focus to operationalise our Net Zero targets



Business Planning

- Integrate Net Zero target considerations into account planning and decision-making



Risk Management

- Develop client-level assessments to evaluate credit risk impacts from climate
- Enhance risk assessment to underwrite emerging technologies
- Develop a climate risk procedure



Client Engagement

- Progressively enhance high sustainability risk sector guides
- Develop sector-specific engagement playbooks
- Roll out the Group's Transition Finance Framework



Data and Enablers

- Develop a central platform for organisation-wide access to climate data
- Collaborate with industry and data providers to enhance data quality and coverage



Capability Building

- Identify capability gaps and design targeted training to upskill #teamCIMB on Net Zero and climate risk management

Biodiversity

By Luanne Sieh, Group Chief Sustainability Officer

Southeast Asia is home to megadiverse countries and biodiversity hotspots

“Climate and biodiversity are two sides of the same coin – it is vital that we look at them together.”

Christine Lagarde

President of the European Central Bank



Host to **3 megadiverse** countries¹



Home to **4 biodiversity hotspots**²



Site of the **Coral Triangle Area**

Impacts on business

More than half of the global GDP is **moderately** or **significantly** depending on nature³ amounting to

USD 44 trillion

Industries most exposed to nature⁴



Construction



Food &
Beverage



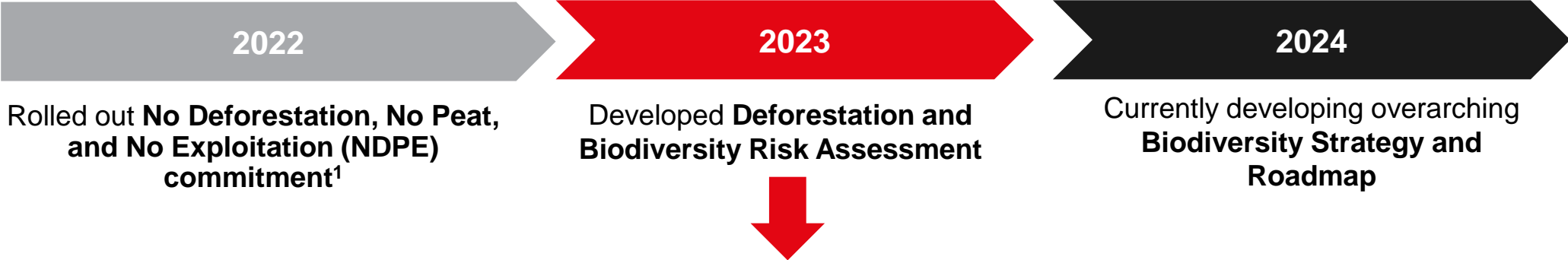
Agriculture

Decline in ecosystem functionality costs the global economy annually more than

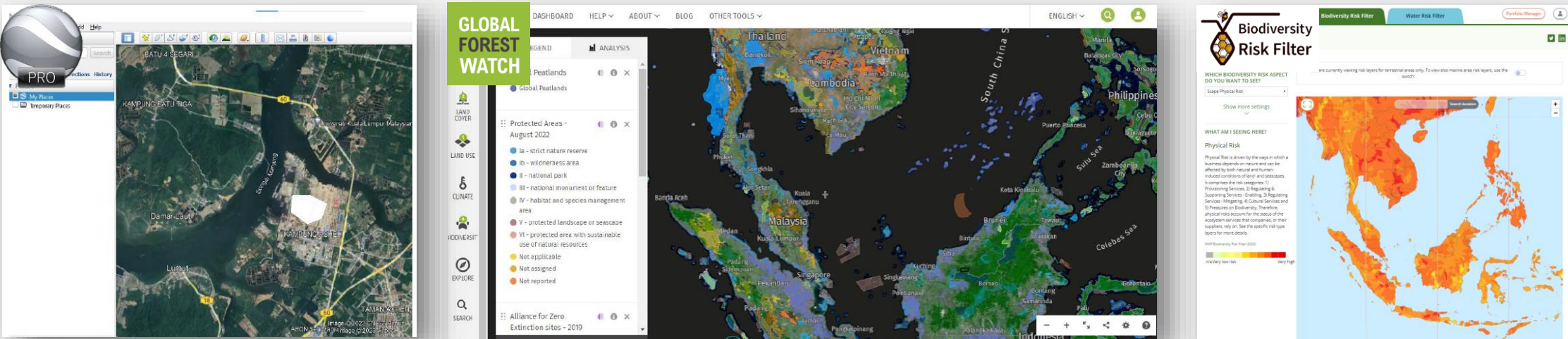
USD 5 trillion⁵

in the form of lost natural services

Our biodiversity commitment and progress



The **Deforestation and Biodiversity Risk Assessment** is part of our due diligence process to assess biodiversity risk in the projects and clients that we finance. The process relies on a synthesis of data from three separate web applications².



1. Applicable to the Palm Oil, Forestry (including Rubber), and Timber Plantation sectors; 2.Provides real time information on peatlands, areas managed for conservation goals, including UNESCO-MAB Biosphere Reserves and Ramsar Sites, as well as IUCN Management categories

Preserving and rehabilitating biodiversity with our partners

Protecting Setiu Wetlands ecosystem with WWF



CIMB Islamic contribution to WWF. Source: CIMB

A three-year partnership with WWF-Malaysia to enhance Setiu Wetlands protection, community education and conservation-driven livelihoods.

Preserving the unique ecosystem of cloud forest with R.E.A.C.H.



R.E.A.C.H. educational programme. Source: R.E.A.C.H.

“Save the cloud forest” reforestation project includes the education of students from nearby schools, including indigenous schools, at the Gunung Brinchang Biodiversity Centre.

Empowering youths to protect Tun Sakaran Marine Park with Reef Check Malaysia



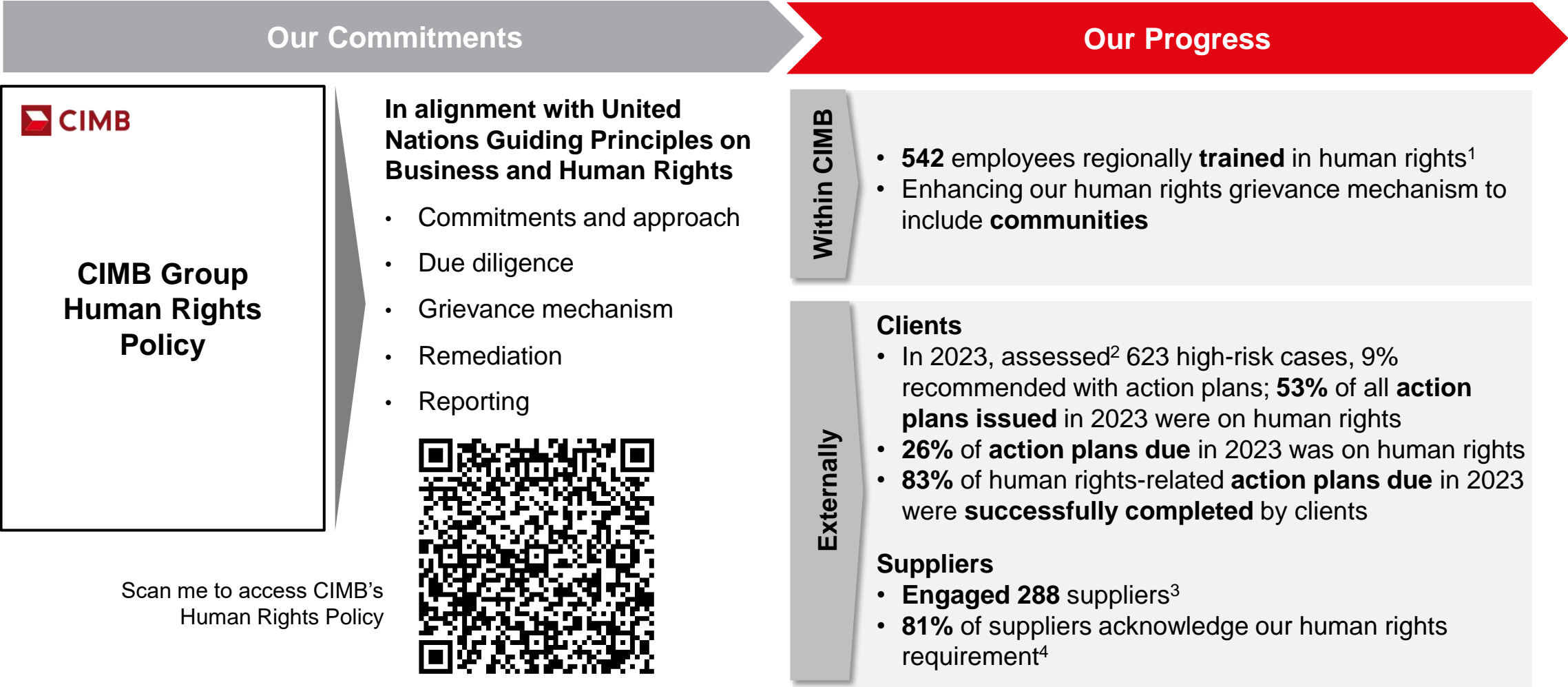
Coral maintenance of reef stars. Source: Reef Check

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.

Human Rights

By Luanne Sieh, Group Chief Sustainability Officer

Our human rights commitment and progress



1. Malaysia, Thailand, Cambodia in 2023; 2. Assessed through the Enhanced Sustainability Due Diligence; 3. Malaysia only; 4. Group-level

Financial Inclusion

By Tania Davina Yoganathan, Head of Sustainability Malaysia

Why do financial inclusion and health matter?

What is financial inclusion?

“ The provision of suitable, affordable and quality financial services to all segments of society — contributes to a balanced and sustainable economic growth and development. ”

Bank Negara Malaysia

What is financial health?

“ It is a state in which an individual or business can smoothly manage their current financial obligations and have confidence in their financial future. It can be used interchangeably with financial well-being and is a key determinant of an individual's or business's overall well-being, including their mental health. ”

Principles of Responsible Banking

Background

- Regulatory bodies in our key markets have emphasised the importance of improving financial access, financial literacy, consumer protection and distribution channels.
- CIMB's commitment to foster financial inclusion and ensure that our services positively impact the broader community aligns with the regulator's focus.
- We identified where we could make the most meaningful impact after in-depth analysis of our operations and portfolio - bottom 40% income earners (B40) in Malaysia, who face significant economic vulnerability, struggle to save for emergencies or retirement, with a majority projected to fall short of essential savings goals.

Our commitment towards financial inclusion and literacy

Financial inclusion trends in Malaysia:

Good access to banking accounts

96.8% of adults have an **active banking account**¹

Insufficient savings for retirement

70% of EPF members are at risk of falling short of the **Basic Savings goal** of RM240,000 by the time they reach 55^{2,3}

Need for improved insurance coverage

57.5% of adults have **Life Insurance and Family Takaful**, below target of 75%^{1,4}

Some of our current initiatives:



Be\$MART financial literacy programme focuses on students from B40 families



Provide **affordable financing to B40** customers



CIMB Philippines provides digital banking **access to the unbanked population**

1. Key Indicators of Financial Inclusion in Malaysia 2022, BNM; 2. 71% of EPF contributors aged 55 and below do not have enough to rise above poverty level, New Straits Times, 2023; 3. Special Report: Fixing the Low Retirement Savings of EPF Members, The Edge, 2023; 4. Revolutionising financial inclusion through Digital Insurance and Takaful, PWC

Advancing our commitments in Malaysia

Our objectives:

- Promote wealth accumulation and protection for vulnerable customers
- Empowering our vulnerable customers to make informed financial decisions

Our targets for 2024-2026:

- **378k** vulnerable customers with **insurance and wealth-building products** compared to 352k in 2022
- **560k** vulnerable customers with **products beyond savings accounts** compared to 492k in 2022

Our 2024 initiatives:



Innovate existing financial products to improve accessibility for vulnerable customers



Communicate benefits of wealth-building and insurance products to vulnerable customers



Engage and increase awareness of vulnerable customers on financial management and digital literacy

Sustainable Finance

By Tania Davina Yoganathan, Head of Sustainability Malaysia

Green, Social, Sustainable Impact Products and Services (GSSIPS) highlights

FY2023 and YTD 2024 achievements

Product Highlights



First in Malaysia: Complete value proposition for **Sustainability-linked Financing for SMEs**



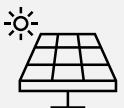
CIMB Malaysia launched a full suite of **Sustainable Living Home Solutions**



First-in-market contactless payment solution for **EV charge points in Malaysia**



Upgraded suite of EV financial solutions with exclusive discount rates

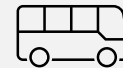


CIMB Cambodia **launched EV and solar rooftop financing**

Key Deals



Arranger, dealer, lead manager and bookrunner for **Republic of Indonesia's USD1 bil Green Sukuk**



Underwrote **THB9.9 bil debenture in Thailand** which will **finance electric buses and other low carbon technologies**



Sole global coordinator and joint advisor for Sabana Industrial REIT's **SGD100 mil sustainability-linked bond ("SLB")** issuance

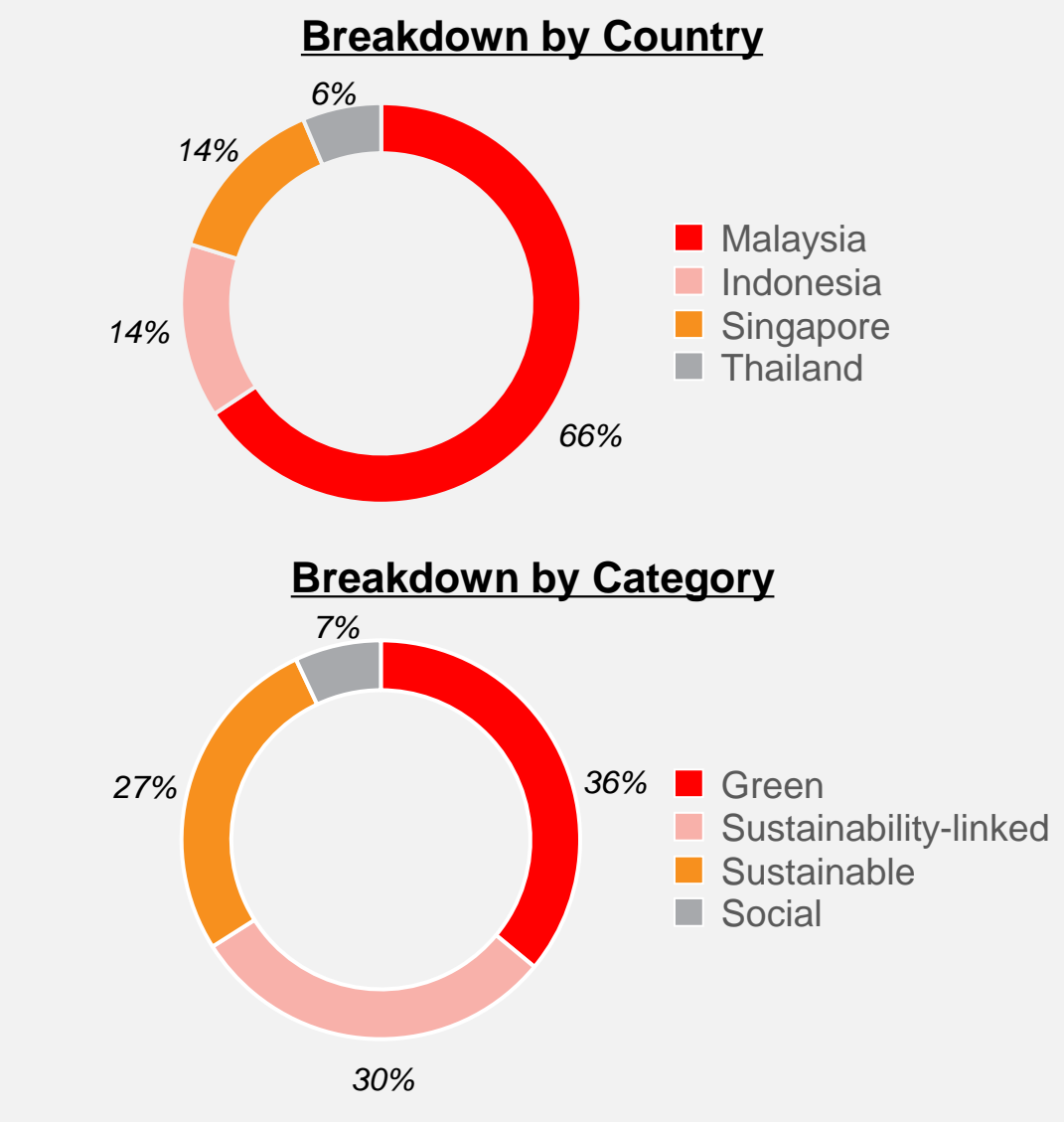
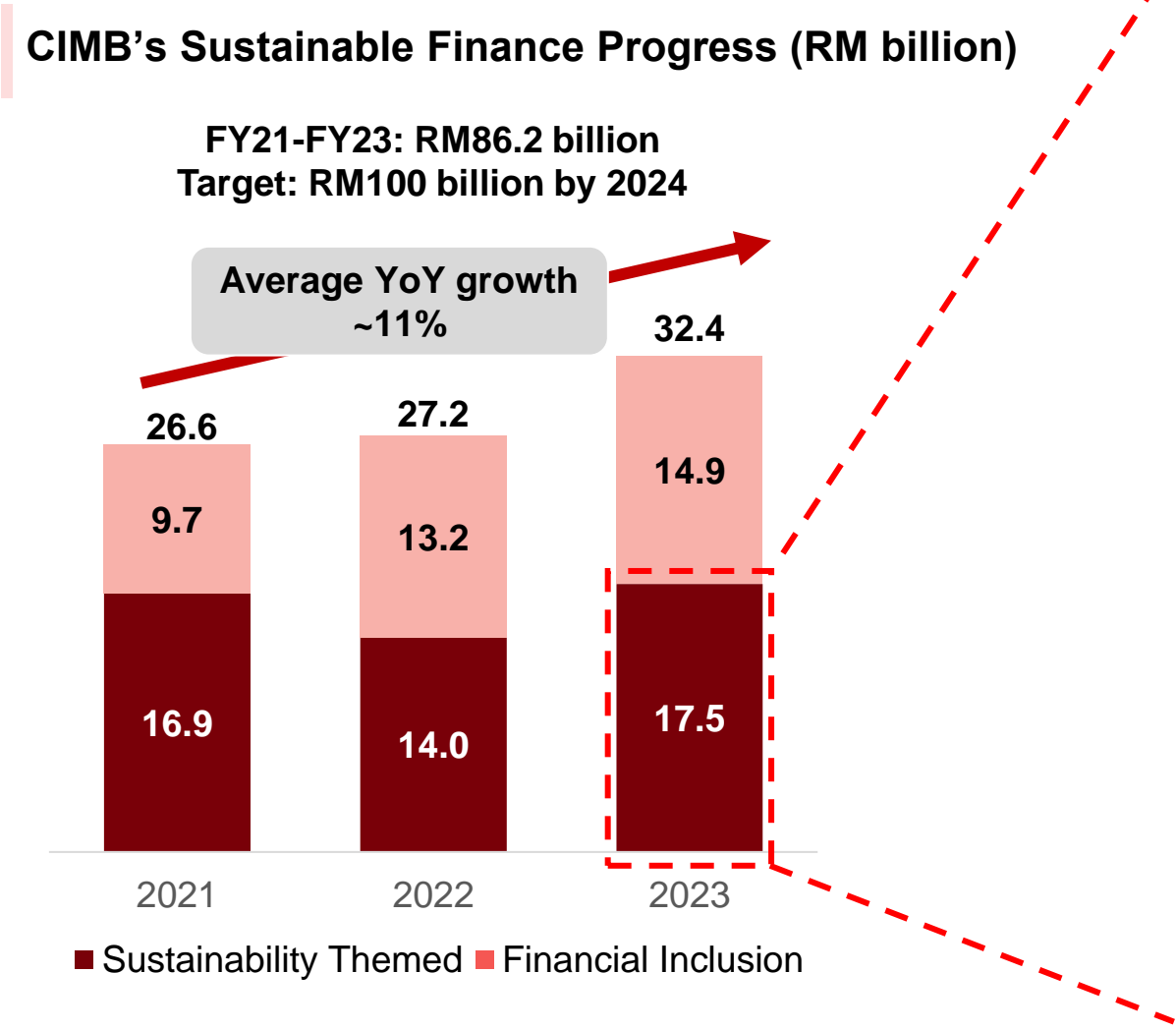


Sustainability structuring agent and lead arranger for U Mobile's **RM1.4 bil sustainability-linked financing**



Availed RM693 mil sustainability-linked financing for CapitaLand with targets on green building certification and reductions in energy consumption

FY2023 Green, Social, Sustainable Impact Products and Services (GSSIPS) Progress

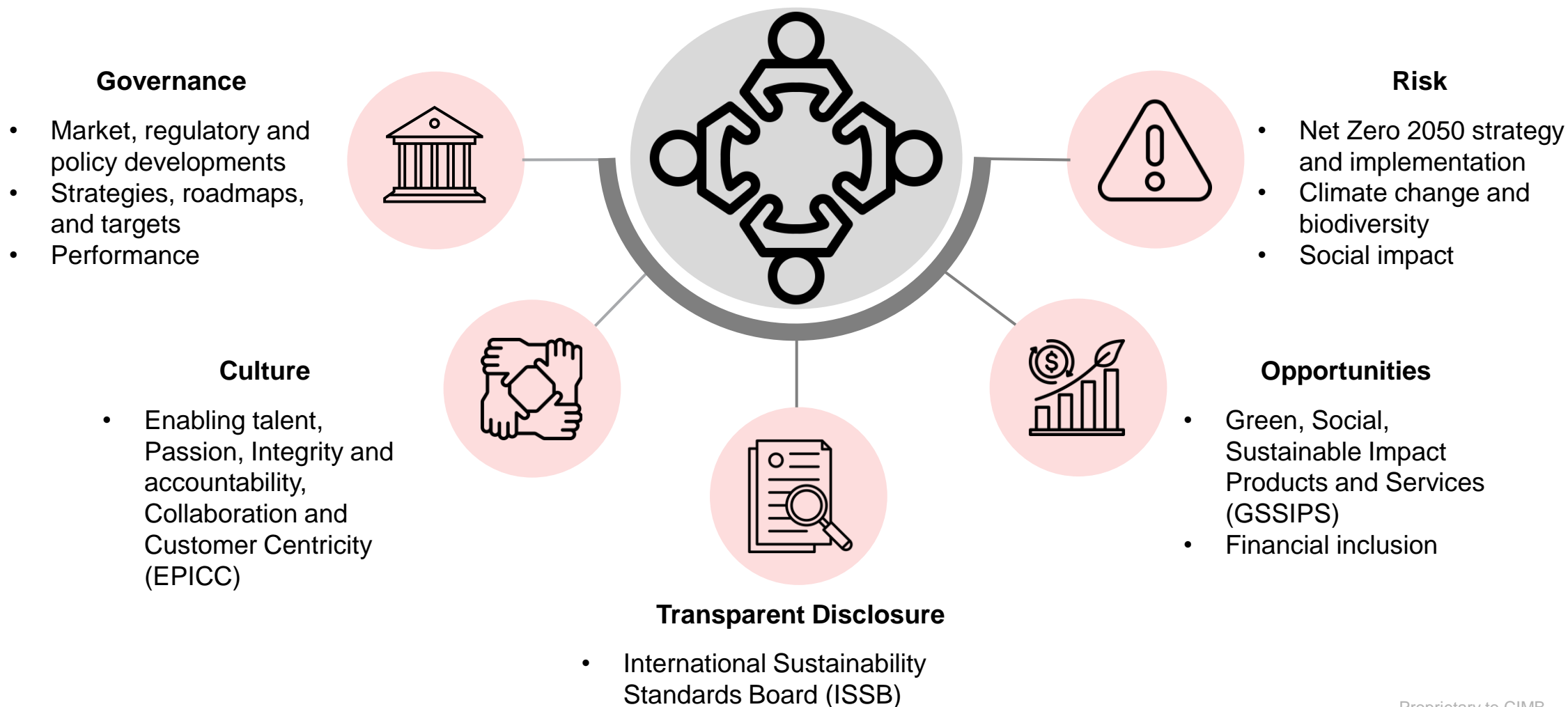


Concluding Thoughts

*By Ho Yuet Mee, Independent Director and
Group Sustainability and Governance Committee Chair*

Board oversight of key issues

Our purpose: To build a high-performing sustainable organisation to help advance customers and society



Concluding remarks

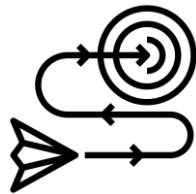
“ Banks in 2030 should be at the **forefront of financing the global transition to a low-carbon economy, embedding sustainability** into their core business models and operations, and actively driving positive **environmental and social** outcomes. ”

Christiana Figueres

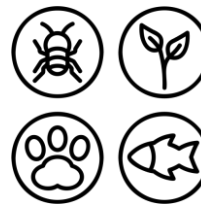
Former Executive Secretary

United Nations Framework Convention on Climate Change (UNFCCC)

Navigating our course to 2030



**Mainstreaming our 2030
strategy**



Biodiversity



Social impact



THE COOLER EARTH

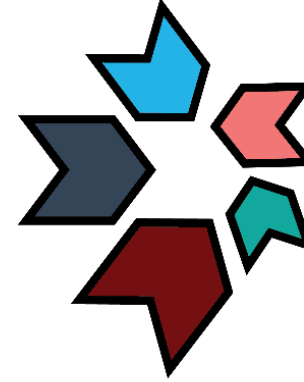
Sustainability Series



Join our mailing list to stay up to date by emailing us at sustainabilityevents@cimb.com



**THANK YOU
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Contact us at sustainability@cimb.com