

SUSTAINABILITY PRINCIPLES

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

Our sustainability philosophy is as follows:



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



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



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



Create net positive impact, adopting an inclusive approach to our business relations, and strive to positively influence their own sustainability performance and commitment.



Engage actively and openly with our stakeholders regarding the management of sustainability risk, and to identify opportunities for sustainable growth.

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

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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



UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING

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

COLLECTIVE COMMITMENT TO CLIMATE ACTION

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

NET-ZERO BANKING ALLIANCE


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


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ENGAGING STAKEHOLDERS

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

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

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

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

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

**EMPLOYEES**Frequency: **Daily**

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

**REGULATORS**Frequency: **Quarterly**

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

**COMMUNITY / NGOS / CIVIL SOCIETY**Frequency: **Monthly**

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

SUSTAINABILITY PRINCIPLES

MATERIAL ESG MATTERS

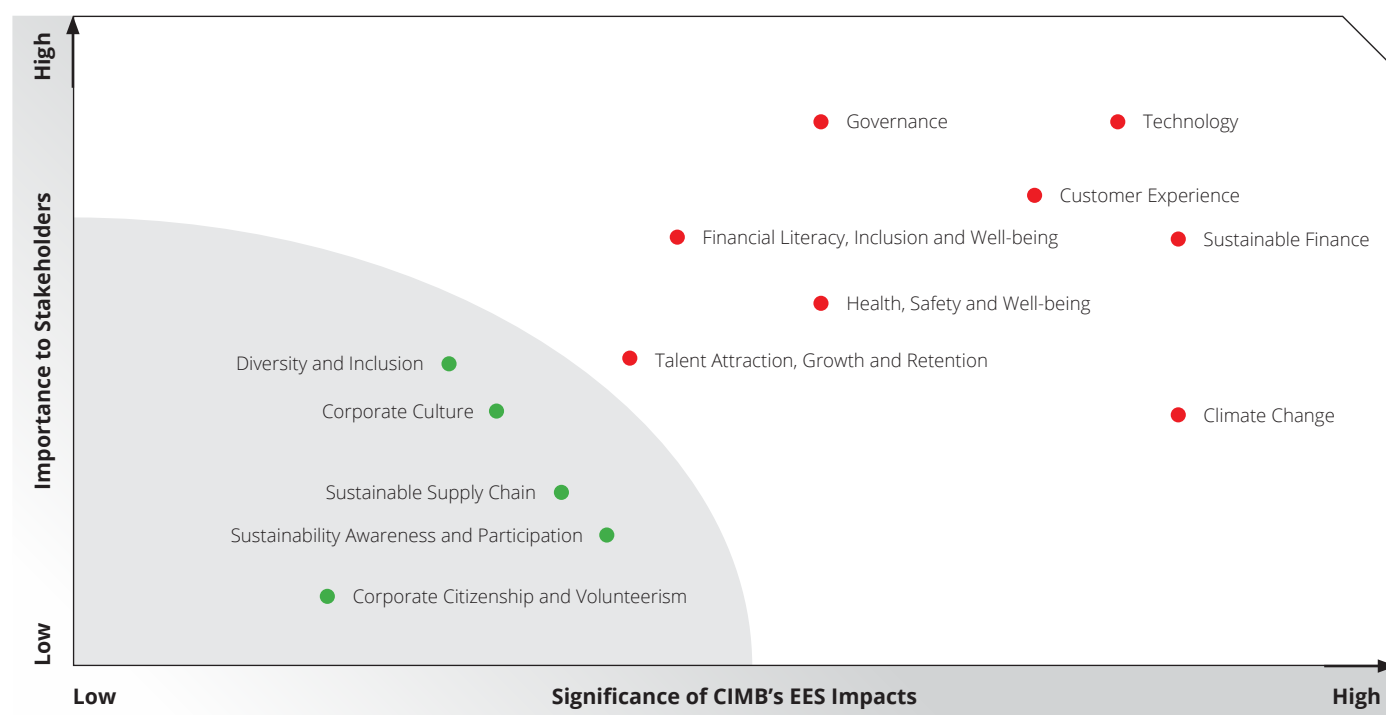
Material ESG matters have the most impact to our stakeholders and our ability to create long-term value as a bank. These matters influence how the Board and senior management steer the bank.

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

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

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

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



Highly Material Topics

1. Technology
2. Governance
3. Customer Experience
4. Sustainable Finance
5. Financial Literacy, Inclusion and Well-being
6. Health, Safety and Well-being
7. Climate Change
8. Talent Attraction, Growth and Retention

Important Topics

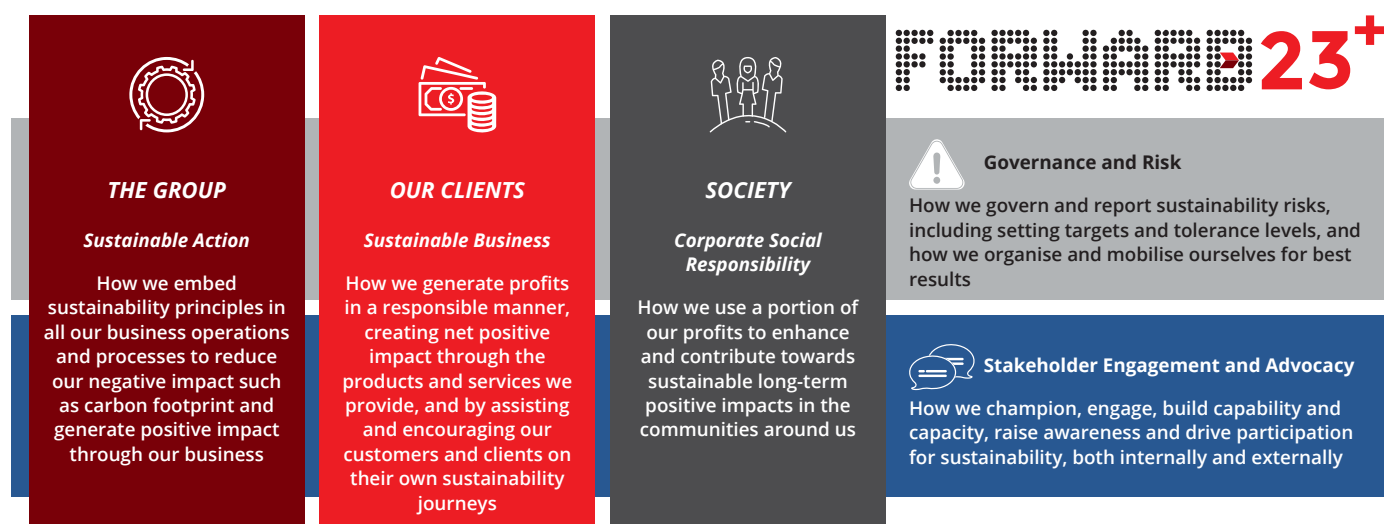
9. Diversity and Inclusion
10. Corporate Culture
11. Sustainable Supply Chain
12. Sustainability Awareness and Participation
13. Corporate Citizenship and Volunteerism

SUSTAINABILITY ROADMAP

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

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

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



KEY MILESTONES



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OUR SCORECARD

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

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



SUSTAINABLE ACTION

Material Topics

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

Related UN SDGs



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

¹ Unless otherwise stated.

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

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

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



SUSTAINABLE BUSINESS

Material Topics

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

Related UN SDGs



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

¹ Unless otherwise stated.

² Includes Financial Inclusion figures.



CORPORATE SOCIAL RESPONSIBILITY

Material Topics

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

Related UN SDGs



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

¹ Unless otherwise stated.

² Total approved.

³ RM28.7 million was disbursed in 2021.

⁴ Malaysia only.

⁵ Revised 2024 target following strengthened commitment announced in September 2021.

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GOVERNANCE & RISK

Material Topics

- Corporate Culture
- Governance
- Sustainable Finance
- Customer Experience

Related UN SDGs



Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments ¹
Governance Material issues supported by policy commitments ² Improvement in governance score on S&P Global Corporate Sustainability Assessment (CSA) ³ Female representation on the Board ⁴	9 out of 14 (64%) material issues supported ² Score of 58 (based on 2018 performance) 11%	12 out of 13 (92%) material issues supported Score of 66, a 14% improvement (based on 2020 performance) 30%	All material issues supported by policy commitments 30% improvement from 2019 baseline At least 30%

¹ Unless otherwise stated.

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

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

⁴ CIMB Group Holdings Berhad.



STAKEHOLDER ENGAGEMENT & ADVOCACY

Material Topics

- Corporate Culture
- Sustainability Education and Participation
- Governance
- Talent Attraction, Growth and Retention
- Sustainable Supply Chain
- Sustainable Finance

Related UN SDGs



Success Measures	2019 Baseline	2021 Performance	2024 Goals and Commitments ¹
Sustainability Education and Participation Employees trained on sustainability Employees completed sustainability e-learning (%)	2,268 Applicable from 2021 onwards	3,494 ² 32%	To measure and report progress annually 95% of employees completed Sustainability e-learning

¹ Unless otherwise stated.

² Excluding e-learning.