

Sustainability Progress Report by Group Chairman, Chair of GSGC and Group CEO

Dear Stakeholders,

“The future depends on what we do in the present.” Mahatma Gandhi’s timeless words resonate deeply as we navigate some of the most pressing challenges of our time. 2024 was a year of profound global shifts, which are reshaping regulatory frameworks, business landscapes and sustainability efforts. The ongoing conflicts in Eastern Europe and the Middle East continue to create economic and geopolitical uncertainty, while a growing wave of anti-ESG rhetoric threatens to reverse hard-earned progress.

At the same time, we are experiencing worsening environmental disasters, rising inflation, surging energy costs and increasing food insecurity – all of which disproportionately impact vulnerable communities, exacerbating social inequalities. The economic impact of extreme climate-related events continues to disrupt businesses, with global losses from climate change amounting to US\$600 billion in the last two decades¹. The number of people affected by these calamities also hit new highs, further underscoring the urgency of climate action.

¹ David R. Vetter, “Costs Pile Up As Climate Change Adds \$600 Billion In Insurance Losses,” *Forbes*, December 10, 2024

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Compounding this, nature-related risks, such as biodiversity loss and ecosystem degradation, have far-reaching social and economic impacts. The rapid evolution of technology, including artificial intelligence and the growing demand for data storage and processing, introduces new complexities. Data centres consume significant energy and water, intensifying resource competition in vulnerable regions. Cybersecurity threats continue to evolve, demanding constant vigilance and collective resilience. This convergence of crises demands that we seek solutions that balance environmental responsibility, social inclusion and economic so that we can effectively manage our risks, strengthen our resilience and secure long term value for our organisation.

While an estimated US\$2.4 trillion in annual financing is needed by 2030² to meet the financing gap for developing nations, only US\$300 billion annually has been pledged. Nature-based solutions are equally underfunded, receiving only US\$133 billion of allocation annually, far below the investment needed to mitigate climate change, conserve biodiversity and address land degradation. Experts estimate this must at least triple by 2030 to make a meaningful impact³. This will also require deep structural reforms, scaled-up private investment and a longer-term view of doing business.

WHAT DOES PROGRESS REALLY MEAN?

2024 saw significant advancement in the ASEAN region's energy transition, with the rollout of national energy roadmaps, carbon market exchanges and cross-border green electricity initiatives. Countries are striving to secure renewable energy while acknowledging the varying stages of energy maturity across markets. Efforts have focused on expanding clean energy adoption through national strategies complemented by financial reforms to attract green investments. At the same time, awareness is rising around the need to protect vulnerable communities affected by this transition. It is promising that several countries have initiated the development of national baselines for human rights, helping to identify social risks to safeguard people's livelihoods and wellbeing while supporting economic advancement.

Expanding opportunities for all remains a key priority, one that must balance economic development with climate commitment and social equity. A wave of emerging regulations, reporting requirements, and standards – including the EU's Carbon Border Adjustment Mechanism, Deforestation Regulation, Corporate Sustainability Due Diligence Directive, as well as the adoption of IFRS S1 and S2 in Malaysia, Singapore, Thailand and the Philippines, among others – will drive greater transparency and accountability. These frameworks will support businesses across the region in building more resilient and sustainable operations by considering social and environmental dimensions and enhancing long-term value creation. As regulatory expectations evolve, companies must adapt swiftly to meet the rising demand for responsible products and services, along with increased scrutiny of business conduct.

Amidst these challenges and emerging opportunities, CIMB has broadened our commitments, enhanced our governance and risk management capabilities, stepped up our focus on responsible finance and customer experience and significantly increased our investment in building the capacity and skills of our people. We are pleased to share our key achievements over the past year, reflecting our commitment to long-term value creation and our ongoing efforts toward enabling a more resilient future for all our stakeholders.

STRENGTHENING OUR COMMITMENT TO SUSTAINABLE FINANCE

As part of our ongoing commitment to creating long-term value for our stakeholders and our habitat, in 2024 we established clear 2030 decarbonisation targets for our Oil & Gas and Real Estate portfolios, a key step in our journey towards 2050 Net Zero emissions. We have now established sector-specific decarbonisation pathways for all six highest-emitting sectors, including Thermal Coal Mining, Cement, Palm Oil and Power. Collectively, these six sectors represent 60% of CIMB Group's financed emissions and 47% of our total portfolio exposure.

² World Economic Forum, "Maximizing Green Finance Flows to Developing Countries," July 2024

³ UNFCCC, "Finance for Nature-Based Solutions Must Triple by 2030," December 2024

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This year, we facilitated RM31.1 billion in sustainable finance to support our clients' projects related to energy efficiency, energy transition, MSME, affordable housing and low-carbon transportation. We are happy to report that we have surpassed our 2021-2024 RM100 billion target for Green, Social, Sustainable and Impact Products and Services (GSSIPs) funding ahead of schedule.

ENABLING AN ECOSYSTEM TO DRIVE THE TRANSITION

At CIMB, we recognise that change happens faster when we move together. Driving meaningful change requires creating an ecosystem that empowers businesses at every level to adapt and advance. SMEs, which form the backbone of the ASEAN economy, play a crucial role in this transition. This year, we introduced SMEBizReady to empower SMEs with access to technology, automation and innovative business practices.

We also intensified our efforts to support a just transition for our SME clients in Singapore via Sustainability-Linked Financing, which supported them in staying competitive by improving environmental performance and transparency. Additionally, we formed strategic partnerships with industry leaders to offer holistic solutions for SMEs, including advisory and capacity-building support via GreenBizReady™ to facilitate transformation across supply chains.

We provided our individual customers with expanded access to ESG investment options and green financial products, recognising the growing intersection of financial wellbeing and responsible environmental and social practices. These offerings include solutions for electric vehicles, solar panels and environmentally friendly homes.

The Cooler Earth Sustainability Series is another way we foster learning, collaboration and action. The Cooler Earth started as an annual summit and has now evolved into a year-long series of events, masterclasses and hands-on learning sessions that connect global citizens, experts and partners to share knowledge and drive meaningful change. In 2024 alone, The Cooler Earth Sustainability Series engaged more than 28,000 participants across ASEAN, empowering businesses and individuals with the tools to adopt responsible business practices and accelerate their transition toward a more resilient future.

We are also taking tangible steps to accelerate real-world impact through strategic partnerships. Working with like-minded partners such as Gentari and AEON, we provide businesses with practical guidance and resources to strengthen their ESG practices and identify new avenues for growth in the evolving economic landscape. Through our MoU with Gentari Green Mobility, we are expanding access to EV financing and green banking solutions for SMEs, supporting Malaysia's goal of 10,000 public EV charging stations by 2030. Our partnership with AEON and Bursa Malaysia has led to the launch of the #AEONResponsible Suppliers Programme, which equips suppliers with ESG tools and sustainability-linked financing to drive responsible business practices across the retail supply chain.

BALANCING BUSINESS WITH NATURE AND SOCIETY

Recognising that business activities have an impact on the environment, we understand our responsibility to minimise those impacts. Therefore in 2024, we published the CIMB Group Statement on Biodiversity and Nature, outlining in detail our approach to preserving biodiversity, restoring natural habitats and promoting responsible resource use. This complements our No Deforestation, No Peat, No Exploitation (NDPE) commitment, which guides how we engage with sectors like Palm Oil and Forestry to address key environmental and social risks.

We continue to broaden our biodiversity assessments to understand better and manage our impact on ecosystems while exploring financing nature initiatives that aim to protect and restore natural ecosystems, support responsible land use and create long-term environmental and economic value.

Alongside these efforts, we have strengthened our approach to human rights through the development of a grievance mechanism that allows all stakeholders to raise concerns through the appropriate channels. Ultimately, a society where everyone can thrive requires attention to environmental stewardship, economic growth and social wellbeing.

LEAVING NO ONE BEHIND

In 2024, we stepped up on our commitment to economic inclusion, with initiatives to build financial literacy and health for less privileged communities. We partnered with Agensi Kaunseling dan Pengurusan Kredit (Malaysian Agency for Credit Counselling and Management) to equip employees of our corporate clients with the knowledge and tools to achieve long-term financial security. Expanding on our efforts in Malaysia, we have also set economic inclusion targets for Indonesia. These targets focus on improving access to affordable financial services, bridging economic gaps and strengthening financial resilience across the region.

Through the CIMB Foundation and other CIMB entities, we continued to drive meaningful impact, investing RM28.3 million in initiatives that improve livelihoods for low-income and underprivileged communities to promote a more inclusive society. We also continued to nurture a strong sense of purpose among our employees by fostering a culture of volunteerism and giving. In 2024, #teamCIMB dedicated over 216,000 volunteer hours across key markets, more than double our annual target of 100,000 hours.

OUR JOURNEY THUS FAR

In 2024, we completed our very first sustainability roadmap over a five-year period under Forward23+, setting the foundation of our journey. When we began, we were in the 19th percentile of the S&P Global Corporate Sustainability Assessment (CSA) rankings. Our goal was to break into a top quartile position by 2024. Through focus, determination and collective effort, we surpassed our target and reached the 88th percentile ahead of schedule.

Our journey in sustainable finance tells a similar story. What began as a RM30 billion target was later tripled to RM100 billion, and by the end of 2024, we had mobilised RM117 billion.

For our efforts, CIMB earned the top spot among 400 financial institutions globally in the 2025 Financial System Benchmark by the World Benchmarking Alliance (WBA). This is a recognition that affirms our commitment to responsible business, strong governance and sustainable finance.

We know the road ahead is becoming increasingly complex. Political shifts, intensified scrutiny of ESG commitments and the evolving energy landscape mean that businesses and financial institutions must stay agile. Our role remains to help our stakeholders navigate these changes, building resilience, driving real impact and unlocking new opportunities.



Meaningful change cannot happen in isolation; it takes all of us – banks, clients, shareholders, partners, regulators and communities – working together with urgency, courage and hope, to address the pressing issues that will shape our future.”

2025 AND BEYOND

Looking ahead towards meeting our 2050 Net Zero commitment, we are developing a mid-term roadmap informed by a comprehensive analysis of emerging trends and strategic opportunities. This framework will guide our responsible financing activities and facilitate collaboration with clients and stakeholders.

Our approach will be anchored on three strategic pillars: Empowering our customers in their shift towards responsible practices, strengthening our resilience to environmental and social risks, and creating a positive impact on communities. To achieve this, we will explore opportunities to further integrate environmental and social equity considerations into all parts of our business, building shared responsibility and accountability across the Group and allowing us to scale impact more effectively. At the same time, we will continue to invest in strengthening our expertise, infrastructure and systems, to continue driving meaningful, long-term changes in an efficient manner.

ALL IN, ALL TOGETHER

Despite evolving political landscapes and increased scrutiny, we maintain our unwavering commitment to leveraging our leadership in ASEAN to drive meaningful progress toward a more resilient and inclusive economy. The risks of climate change, resource scarcity and social inequality are real. So are the opportunities.

Our role is to help clients navigate these risks and seize opportunities, because a greener and more inclusive economy benefits everyone. The reality remains: businesses must adapt to navigate the increasingly complex landscape, characterised by rapid disruptions. Those that do will be more resilient in the long run. The road ahead is challenging, requiring the courage to take action and unwavering dedication to ensure we leave the world in a better state for future generations.

Our achievements would not have been possible without the hard work, perseverance and shared vision of #teamCIMB, as well as our clients and partners. We are deeply grateful for their commitment to this journey. Together, with collective effort and determination, we can accelerate action at scale, creating lasting, positive impact and a future that is responsible, resilient and inclusive for ASEAN.

Key Achievements Under **FORWARD23+**

- Laying the Foundation
 - Established a strong sustainability framework in the first five years
- Accelerated Performance in Global Benchmark
 - Started in the 19th percentile of the S&P Global Corporate Sustainability Assessment (CSA)
 - Achieved our Forward23+ target of reaching the top quartile three years ahead of schedule, reaching the 88th percentile
- Surpassing Sustainable Finance Targets
 - More than tripled our initial RM30 billion target to RM100 billion
 - Exceeded expectations by mobilising RM117 billion in sustainable finance by 2024
- Global Recognition
 - Ranked #1 out of 400 financial institutions globally in the World Benchmarking Alliance 2025 Financial System Benchmark and #2 globally in Inclusive Finance

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Q A THE FORWARD23+ SUSTAINABILITY FRAMEWORK WAS LAUNCHED IN 2019. HOW HAS IT MADE CIMB A BETTER BANK?

When we launched the Forward23+ Sustainability Framework in 2019, it marked CIMB's first comprehensive sustainability strategy. Built from the ground up as part of the broader Forward23+ corporate strategy, it was designed to make sustainability our compass, guiding how we serve our customers, manage risks and uphold strong governance. We established clear priorities and measurable targets across key areas that were important to our key stakeholders, including responsible finance, economic inclusion, climate action, customer protection, talent development, cybersecurity and ethical business practices, amongst others.

Over the past five years, this framework has changed how we do business. We have built a governance structure that puts sustainability front and centre in our decision-making at the highest levels. The Board provides oversight through the Group Sustainability and Governance Committee (GSGC) while the Group Sustainability Council (GSC) takes the lead on our climate strategy and integration across operations. We integrated sustainability into our business strategies and enterprise-wide risk management framework, which now covers critical areas including climate-related financial risks, human rights due diligence, and biodiversity assessments. In the meantime, we grew our sustainable finance portfolio to RM117 billion, surpassing our revised target of RM100 billion, which had been upsized from the original RM30 billion committed, while reducing our Scope 1 and 2 emissions by 36% against the 2019 baseline.

In practice, it means we no longer make decisions based solely on financial considerations. When we finance a business, for instance, we also assess its environmental and social practices – whether it is working toward reducing carbon emissions, treating workers fairly and protecting natural ecosystems.

We also extend our support to SMEs and microbusinesses, giving entrepreneurs in vulnerable and underserved communities the funding they need to improve their livelihoods, grow their businesses and build more secure futures. Through

targeted financing, we also enable them to adopt greener solutions and transition to more responsible practices that reduce risks like human rights violations and deforestation. At the same time, we worked to promote financial literacy and make financial services more accessible for underserved communities, opening up opportunities for families and small businesses to build a more secure future for themselves. Our philanthropic initiatives build on our core competencies, fostering a strategic alignment between social impact and our business objectives. This approach generates shared value for both communities and CIMB, fulfilling our purpose of Advancing Customers and Society.

Forward23+ provided a vital blueprint for where we are today, making CIMB a more resilient, agile and responsible bank, one that is now more connected than ever before to our clients, customers, communities and other stakeholders, and the changing world around us.

Importantly, it has laid a good foundation for our next chapter. The next six years will be critical. By 2030, we want to break down more barriers that hold people and businesses back. We look forward to participating in the funding of major infrastructure projects that drive sustainable economic development and energy efficiency across ASEAN. We aim to equip small businesses with the resources they need and help turn financial security into a reality for those struggling with basic needs like food, shelter and healthcare. We aim to inspire and lead change across the region – a shared journey toward a future that is greener, fairer, and more inclusive.

Q A WHAT WOULD YOU CONSIDER CIMB'S MOST SIGNIFICANT SUSTAINABILITY ACHIEVEMENTS OVER THE PAST FIVE YEARS?

Over the past five years, CIMB has made significant strides in integrating sustainability into our core business strategy. We embarked on this journey with a nascent understanding of sustainability, with a few initial steps taken in late 2018. We are committed to continuous progress and are pleased with the advancements we have made in key areas, both regionally and globally. We were the first bank in emerging markets to

commit to exiting coal by 2040, aligning with the Paris Agreement. In 2023, we became the first bank worldwide to set a net zero decarbonisation pathway for our Palm Oil portfolio. That's a new benchmark for responsible financing in a high-impact sector.

We are committed to economic inclusion and have made significant strides in expanding access to financial services. We are honoured to be recognised for our efforts, including our global ranking of second place by the World Benchmarking Alliance. We also recognise the importance of robust forest-risk policies and are committed to contributing to best practices in this area. Our forest-risk policies are now among the strongest globally, as rated by Forests & Finance.

Beyond setting policies and ranking well, we aim to shift mindsets and inspire actions across our ecosystem. When we launched The Cooler Earth Sustainability Summit in 2019, we wanted to spark conversations and action on climate, biodiversity and create a more just and inclusive society. It was the first initiative of its kind launched by a bank in Southeast Asia. Free of charge and open to all. The Cooler Earth brought together business leaders, policymakers, activists and youth advocates from over 30 countries. We had no idea how much it would grow. Now, The Cooler Earth is a series of events, a year-long movement of ideas, collaboration and shared learning. And this wasn't just happening externally; it had begun to reshape our internal culture too.

Our businesses created programmes like GreenBizReady™, which supports SMEs in adopting greener business practices and models, and EcoSave, which channels funds toward environmental causes, have become more than just programmes and products. They inspire our teams to think bigger and act with purpose. More and more of #teamCIMB at all levels are asking, "How can we do more?". That kind of curiosity and ownership is everything. It means we are maturing as an organisation and wholeheartedly embracing what it means to do business responsibly.

There's still plenty to do, but we are incredibly excited about what lies ahead, seeing how our efforts have turned into something that is making a real difference. Forward23+ has set the foundation. Now it's time to build on it. When we get it right, it won't just be good for business. The prize will be a future we can all be proud of.

Q A SEVERAL BANKS EXITED THE NET ZERO BANKING ALLIANCE (NZBA), AND THERE IS A SENSE THAT ANTI-ESG RHETORIC IS RISING. WHAT'S CIMB'S POSITION ON THIS?

The recent departures of some banks from the NZBA reflect the political and regulatory complexities they face in their respective markets. However, it is important to recognise that despite their exit from the alliance, these banks have reaffirmed⁴ their commitment to pursuing their net zero goals. At CIMB, we are clear about where we stand. We remain wholly committed because in addition to integrity and accountability to our stakeholders being a core EPICC value, sustainability is the right thing to do. And, it is smart business.

Understanding and managing long-term risks strengthens our resilience. Helping our clients navigate the transition – whether it's reducing emissions, improving human rights practices, creating more responsible supply chains or preparing for impending climate reporting requirements and carbon taxes – enhances their competitiveness and long-term viability. In turn, it helps the Bank mitigate credit and reputational risks while building trust and long-term value.

Building a diverse and inclusive workforce strengthens our ability to attract and retain top talent, foster innovation and strengthen our ability to adapt to changing market conditions. Furthermore, sustainability is increasingly becoming a competitive advantage, with many businesses also recognising the longer-term benefits – stronger risk management, potential cost savings and improved market positioning.

In this dynamic and evolving landscape, we are presented with abundant opportunities in areas such as sustainable innovation, digital transformation, market diversification, and strategic partnerships, all of which drive sustainable growth.

While we acknowledge that there will be challenges and trade-offs along the way, we remain confident in our path. We believe that a responsible and regenerative approach is the best way forward – for profit, people, and the planet. And we're committed to it for the long haul.

Q A WHAT IS THE BOARD'S PLAN FOR THE BANK TO STAY AGILE AND COMPETITIVE IN THE FACE OF EVOLVING SUSTAINABILITY CHALLENGES?

Resilience and adaptability are built through preparation, proactive governance and constant learning. Over the years, we have strengthened governance frameworks to meet the rising complexities of sustainable business. For example, we have updated the roles and responsibilities of our key committees to give them a clearer focus on identifying and managing risks related to climate change. Sustainability is now integrated into decision-making and risk management through our Three Lines of Defense framework, with accountability and oversight at every level, as well as sustainability-linked KPIs and remuneration. Board members actively engage in sustainability training to stay ahead of emerging risks and opportunities.

But good governance alone isn't enough – our people are what drive the Bank forward. Building a pipeline of sustainability-literate leaders who can inspire and mobilise people, resources, and organisations toward common goals is essential. Talents with a commitment to responsible business practices are in high demand, and we are focused on maintaining CIMB's reputation as a place where purpose-driven professionals choose to make an impact through their work and build meaningful careers.

The Board's focus is to make sure we don't just respond to change but proactively anticipate and adapt to it. We do this by working closely with management to adopt data-driven tools that give us indications of risks like climate impact and emerging risks. Predictive scenario analysis, for example, helps us prepare for different outcomes and keeps us ready for what comes next, whether it is regulatory changes or geopolitical shifts.

We encourage deeper conversations with external stakeholders – regulators, peers and innovators so that, at all levels, the Bank is always learning and adapting to evolving business realities. This ongoing engagement helps keep our strategies grounded and our operations responsive, sharpening our competitive edge.

Q A WHAT'S NEXT FOR CIMB? WHAT ARE THE KEY MILESTONES AND PRIORITIES FOR THE BANK'S SUSTAINABILITY JOURNEY AHEAD?

Forward23+ laid our foundation. Our strategy towards 2030 will build on our efforts with three priorities: scaling sustainable finance to support our clients, strengthening risk management and deepening our purpose and trust with stakeholders.

In the next six years, we will move beyond financing to co-developing practical solutions with clients – to decarbonise operations, build resilient supply chains and tap into fast-growing, sustainability-driven markets. Risk management will evolve with more advanced tools such as real-time assessments, predictive analytics and targeted stress tests to anticipate and respond to emerging risks. We will expand our commitment to financial and economic inclusion, support the protection and restoration of critical natural ecosystems, and sharpen CIMB's capabilities to support our clients in responsible finance across ASEAN.

None of this will be easy, requiring new ways of working, closer partnerships with clients, and a relentless focus on staying adaptable and relevant. But if Forward23+ taught us anything, it is that having a clear plan, focusing on outcome-based execution, taking bold steps and working together with an ecosystem of stakeholders and partners can turn the most ambitious goals into actions that create positive and lasting change.

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⁴ Citi, BofA Join Goldman Sachs and Wells Fargo in Exiting Net Zero Banking Group – ESG Today