Securing Our Future

Strong governance and disciplined risk management underpin CIMB's ability to serve our stakeholders responsibly, both in the short and long-term. Our decisions affect small business owners seeking fair financing terms, families who entrust us with their savings, as well as communities that depend on us to manage environmental and social risks prudently. These responsibilities carry meaningful implications for livelihoods and broader economic resilience.

In 2025, we strengthened how we manage climate and nature-related risks, deepened our focus on human rights, and sharpened the way data informs decision-making. We also maintained close engagement between leadership and our teams on the ground across the region. Good governance helps us remain relevant, responsible and ready to evolve with the world around us.

Appointed **Board Champions** across key CIMB Boards to strengthen sustainability oversight and accountability at the regional level

Four out of six of the Group's sector-specific 2030 interim **Net Zero** targets are tracking in line with their respective reference scenarios

First Malaysian bank to publish a TNFD-aligned **Nature and Biodiversity Report**

Conducted a **human rights saliency assessment** to identify and prioritise key human rights risks across employees, suppliers and clients

GOVERNANCE AND ETHICS

To learn more about our approach to this material topic, visit our website.

KEY HIGHLIGHTS IN 2025

- Appointed Board Champions from key CIMB entities, such as CIMB Islamic, CIMB Foundation, CIMB Niaga and CIMB Thai, to strengthen sustainability oversight and accountability, as well as to better take into consideration regional context and realities in board-level decision-making
- Formalised our sustainability risk appetite and integrated it into decision-making, due diligence and risk management practices

Strong governance underpins our accountability to our stakeholders, principles and purpose. It provides a clear framework for decision-making, risk management and responsible practices across the Group. Ethical conduct is embedded within this approach, guiding how we lead, act and build trust with both internal and external stakeholders.

THE BOARD: INDEPENDENT, ACCOUNTABLE AND DIVERSE

CIMB's Board plays a central role in upholding strong corporate governance and guiding the Group's long-term direction. Its leadership upholds integrity across the Group, balancing the interests of stakeholders while navigating an evolving business landscape. Guided by CIMB's Board Charter, the Board provides oversight and holds management accountable for financial and non-financial performance, including on sustainability and climate-related matters, while supporting the advancement of the Group's responsible business agenda.

The Board operates under a one-tier governance structure comprising Independent and Non-Independent Directors, providing a balanced range of skills, experience and perspectives. It is led by an Independent Chairperson, which strengthens independence, accountability and effective governance oversight. Its composition is reviewed periodically, guided by the Board Composition and Skill Set Framework to uphold diversity and maintain the mix of expertise required for effective decision-making, including competencies in sustainability and climate-related matters.

CIMB Group Holdings Berhad Board[1]

Total Directors: 11					
Nationality		Independence		Gender	
8 Malaysians	3 Non-Malaysians	7 Independent	4 Non-Independent	5 Female	6 Male

[1] As at 31 December 2025

To strengthen Board effectiveness, the Group Nomination and Remuneration Committee (GNRC) undertakes a comprehensive annual evaluation of the Board, its Committees and individual Directors. This assessment measures how well the Board individually and collectively governs, makes decisions and adds long-term value to CIMB.

To reinforce the integrity and credibility of the evaluation process, an independent external review is commissioned at least once every three years, promoting transparency, objectivity and alignment with recognised governance practices. The evaluation enables the Board to identify areas for further development. Based on these insights, the GNRC reviews and recommends appropriate measures to address any gaps. These may include broad-based and specialised training programmes, as well as strategic appointments to strengthen specific expertise on the Board.

In 2025, the Board convened 13 times, more than double the minimum requirement of six meetings annually. All Directors achieved full attendance, exceeding the required attendance threshold of 75%.

KEY OUTCOMES

- Achieved a balanced gender ratio on the CIMB Group Holdings Board, with 45% female directors
- Recorded full attendance for all board members at CIMB Group Holdings Board meetings in 2025

For more details on the Board's Composition, please refer to page 169 of our Integrated Annual Report.

Securing Our Future

POLICIES THAT GOVERN OUR CORPORATE ETHICS

At CIMB, integrity and accountability form the foundation of how we conduct our business. Our policies support responsible, transparent and fair decision-making at every level. Beyond compliance, we uphold high standards of conduct that strengthen trust and long-term relationships with our stakeholders.

The highlights on this page provide a snapshot of our key policies in these areas. Please visit our website for further details.

For more details on our Internal Framework, Policies, Procedures and Standard Operating Procedures, please refer to page 222 of our Integrated Annual Report.

Code of Ethics and Conduct

Since 2017, CIMB's Code of Ethics and Conduct has guided the organisation's approach to upholding integrity. This commitment is reflected in mandatory e-learning modules, annual attestations by our employees and various internal awareness programmes designed to facilitate comprehensive understanding and compliance.

CIMB maintains a zero-tolerance approach to misconduct, with disciplinary action taken where breaches occur. The Code is reviewed regularly to maintain relevance and effectiveness. The most recent update in July 2024 strengthened key areas, including the No Gift Policy, sexual harassment prevention, data privacy and standards of conduct for remote work arrangements.

Beyond compliance, the Code reinforces a shared responsibility to act with professionalism, accountability and integrity. It sets clear expectations for personal conduct, fitness for duty and respectful workplace behaviour, while providing established channels for reporting concerns. Through consistent leadership and enforcement, CIMB fosters a culture where doing what is right is the expected standard.

Preventing Bribery and Corruption

CIMB adopts a zero-tolerance approach to bribery and corruption, guided by the Anti-Bribery and Corruption (ABC) Policy, which applies across the Group, from the Board to frontline staff. The policy requires full compliance with local laws and immediate reporting of any suspected wrongdoing. All employees are required to complete ABC training every two years and submit an annual ABC Declaration to affirm accountability and commitment to ethical conduct.

In 2025, guidance on gifts, entertainment and sponsorship due diligence was further strengthened through the introduction of a checklist to support employees in making sound decisions.

CIMB's commitment to integrity extends to third parties. Vendors and business partners are required to comply with our Vendor Code of Conduct (VCOC). Breaches are subject to review and appropriate action, which may include termination of the business relationship or escalation to the relevant internal functions and, where required, the appropriate external authorities.

Oversight of anti-bribery and corruption matters is provided by the Integrity and Governance Unit (IGU), which reports to the Board. Through the Group Integrity and Governance Framework, the IGU embeds ABC controls into risk assessments to support continuous vigilance across the Group.

Tax Management

CIMB Group complies with tax laws in every market in which we operate and manages tax registration, filing and payment processes in line with local requirements and timelines. We also adhere to international tax information standards, including the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard, supporting global efforts to combat tax evasion. All reported tax data is independently verified as part of our annual financial audit.

Tax matters are governed under the Group's Enterprise-Wide Risk Management Framework and Three Lines of Defence model. The necessary governance and risk management measures are embedded within the Group's Tax Policy, which the Board reviews at least once every two years, or earlier where required. Internal controls are in place to identify and manage tax risks across business activities, with higher-risk issues escalated to the appropriate internal governance bodies where necessary.

Group Tax works closely with business units and enabling functions to support strategic decision-making, including the development of new products, transactions and responses to regulatory changes. In Malaysia, e-invoicing was introduced between 2024 and 2025 to enhance accuracy and operational efficiency. In 2025, the Group started applying the Global Minimum Tax Pillar Two of the OECD/G20's Base Erosion and Profit Shifting (BEPS) framework, which establishes a minimum effective tax rate of 15% for multinational enterprises. In addition, the Group commenced phased service tax collection on financial services in Malaysia from 1 July 2025, in line with national policy.

Whistleblowing

CIMB's Whistleblowing Policy provides a secure and confidential channel for employees, business partners, suppliers and customers to report unethical or unlawful behaviours involving the management or employees. Reports may be made anonymously and are handled with strict confidentiality.

GOVERNANCE OF SUSTAINABILITY

We continue to strengthen the integration of sustainability into decision-making at CIMB, from Board-level strategy to day-to-day operations. As expectations around environmental and social responsibility evolve, our governance approach provides clarity, alignment and accountability across the Group.

We adopt a top-down, integrated approach to environmental and social matters, linking them directly to business strategy, risk management and performance oversight. This enables us to respond to emerging risks and opportunities while remaining focused on delivering meaningful outcomes for people, communities and the environment.

BOARD AND MANAGEMENT OVERSIGHT

CIMB's sustainability and climate agenda is anchored in strong Board oversight and active Management stewardship. Across all governance levels, the Board and Management assess sustainability and business priorities holistically, aligning decisions with the Group's risk appetite, sustainability commitments and long-term strategic direction.

KEY OUTCOME

Appointed Sustainability Champions across key subsidiary Boards to strengthen oversight and regional coordination

Board-Level Governance

Sustainability oversight starts at the top. Through dedicated committees and Sustainability Champions, the Board shapes strategic priorities, reviews progress and aligns action across all entities. Board discussions focus on long-term resilience and value creation, balancing financial performance with environmental and social outcomes that support the Group's purpose.

CIMB Board of Directors

The CIMB Board of Directors provides overall direction and accountability for sustainability and climate-related matters, embedding them into strategy, risk management and decision-making. The Board reviews and approves related strategies, policies and performance targets, and monitors progress against the Group's commitments.

Board Committees

Board Group Sustainability Committee (BGSC)	Board Risk and Compliance Committee (BRCC)	Group Nomination and Remuneration Committee (GNRC)	Audit Committee (AC)
Provides strategic oversight of the Group's sustainability agenda, including climate transition plans, nature and biodiversity, human rights and corporate responsibility	Oversees sustainability and climate-related risks within the Group's Enterprise-Wide Risk Management Framework, including setting the climate risk appetite and overseeing the development and implementation of climate stress testing	Integrates sustainability considerations into appointment processes for the Board and senior management, as well as senior management KPIs and remuneration structures to reinforce accountability	Oversees the integrity and assurance of sustainability- and climate-related disclosures, data and internal controls

Board Champions

In 2025, CIMB appointed Sustainability Champions across selected subsidiary Boards to strengthen governance oversight and drive consistent alignment on sustainability and climate matters. Acting as focal points between the CIMB Group Holdings Board—particularly the BGSC—and entity-level Boards, these Champions support integration of sustainability into decision-making. They also contribute to discussions on emerging risks and opportunities and facilitate two-way communication across the Group. In addition, they help reflect regional and local contexts in Group-level decisions by contributing perspectives from their respective markets and governance bodies.

Securing Our Future

In 2025, sustainability topics remained a priority across Board discussions.

<table>
<tr><th>Forum</th><th>Governance Body</th><th>Meeting Frequency[1]</th><th>Key Sustainability and Climate-related Matters Discussed</th></tr>
<tr><td rowspan="5">CIMB Group Board Level</td><td>Board of Directors</td><td>At least 6 scheduled meetings annually</td><td rowspan="5">• Forward30 Sustainability Strategy
• CIMB's material sustainability matters
• Group Sustainability Policy
• Appointment of Sustainability Champions at major subsidiaries
• Required skills within the Board and its Committees to support effective governance and decision-making
• CIMB Sustainability Academy
• Sustainability KPIs linked to long-term incentive plans and the remuneration framework
• FY2025 sustainability risk appetite statement, metrics and dashboard
• FY2026 climate risk appetite setting
• Material Risk Assessment, incorporating sustainability and climate risk considerations
• Sustainability and climate risk hotspots and emerging risks
• Group-wide stress testing, with climate risk drivers embedded
• Bank Negara Malaysia Climate Risk Stress Testing results and insights
• Progress on key sustainability initiatives and goals
• Net Zero operationalisation and progress towards interim 2030 Net Zero targets
• Green, Social, Sustainable Impact Products and Services (GSSIPS) targets and progress
• CIMB's approach to managing Nature and Biodiversity
• Nature and Biodiversity Report
• Human Rights Saliency Assessment
• Economic empowerment and financial inclusion roadmap and initiatives
• Corporate Responsibility strategy and initiatives
• The Cooler Earth Sustainability Series
• Investor engagement strategy in relation to sustainability matters
• IFRS S2 implementation and climate disclosure framework
• CIMB's Sustainability Report
• External assurance of key sustainability indicators and internal review of key controls over sustainability data</td></tr>
<tr><td>Board Group Sustainability Committee (BGSC)</td><td>At least quarterly</td></tr>
<tr><td>Board Risk and Compliance Committee (BRCC)</td><td>At least quarterly</td></tr>
<tr><td>Audit Committee (AC)</td><td>At least quarterly</td></tr>
<tr><td>Group Nomination and Remuneration Committee (GNRC)</td><td>At least quarterly</td></tr>
</table>

[1] *Refers to the minimum number of meetings required as stated in the Committee's Terms of Reference. Additional meetings may be convened as necessary.*

Management-Level Governance

Management committees translate Board priorities into measurable actions and outcomes. They oversee strategic sustainability initiatives across the Group, monitor sustainability-related risks and opportunities, embed sustainability and climate goals into business planning and allocate the resources and support needed to achieve our sustainability goals.

Group Executive Committee (GEXCO)

Chaired by the Group CEO, the GEXCO reviews and endorses the Group's sustainability strategy, strategic initiatives, framework and key commitments, approves high-risk sustainability cases escalated for its consideration and supports capability-building to strengthen execution across the organisation.

Group Transformation Committee

Chaired by the Group CEO, the Group Transformation Committee (GTC) oversees the execution of the Sustainability Programme under the Forward30 strategy comprising strategic sustainability and climate-related initiatives across the group.

Group Sustainability Council

Chaired by the CEO of CIMB Bank Berhad, the Group Sustainability Council (GSC) monitors the Group's sustainability risk profile, oversees the implementation of sustainability policies, procedures and controls and drives responsible banking and sustainable finance by embedding sustainability considerations across the Group's operations.

Group Risk and Compliance Committee

Chaired by the Group CEO, the Group Risk and Compliance Committee (GRCC) provides risk oversight across the Group. Assisted by specialised sub-risk committees, it supports the integration of sustainability and climate-related risks into enterprise-wide risk management, stress testing and the Group's risk appetite.

Securing Our Future

In 2025, sustainability topics remained a priority across management committee discussions.

<table>
<tr><th>Forum</th><th>Governance Body</th><th>Meeting Frequency[1]</th><th>Key Sustainability and Climate-related Matters Discussed</th></tr>
<tr><td rowspan="4">CIMB Group Management Level</td><td>Group Executive Committee (GEXCO)</td><td>Monthly</td><td rowspan="4">• Forward30 Sustainability Strategy and Sustainability Programme
• CIMB's material sustainability matters
• CIMB Sustainability Academy
• Sustainability KPIs on division and country collective scorecards
• Group Sustainability Policy and related Procedures, including those covering Sustainability Risk Management, GSSIPS and Sustainability Communications
• Sector Guides, including prohibitions, expectations and safeguards for Sustainability Sensitive Sectors
• High sustainability risk clients and transactions escalated for notation or approval
• Environmental and social Risk Acceptance Criteria and GSSIPS criteria for selected projects such as data centres
• FY2025 sustainability risk appetite statement, metrics and dashboard
• FY2026 climate risk appetite setting
• Bank Negara Malaysia Climate Risk Stress Testing results and insights
• Progress on key sustainability initiatives and goals across various business units and countries, including issues and impact
• CIMB's operational GHG footprint, including oversight of the Internal Carbon Pricing mechanism, pricing and use of proceeds
• Net Zero operationalisation, including control mechanisms to manage portfolio performance according to reference pathways, as well as sustainability and climate data infrastructure
• GSSIPS strategy, framework, principles and criteria
• GSSIPS progress and challenges across various business units and countries
• Allocation of proceeds from CIMB's own sustainable bond/Sukuk instruments
• CIMB's approach to managing Nature and Biodiversity
• Nature and Biodiversity Report
• Human Rights Saliency Assessment
• Economic empowerment and financial inclusion roadmap, initiatives and targets
• Diversity, Equity and Inclusion targets and initiatives
• Corporate Responsibility strategy and initiatives
• Internal sustainability communications and change management, as well as external events such as The Cooler Earth Sustainability Series
• Investor engagement strategy in relation to sustainability matters
• IFRS S2 implementation and climate disclosure framework
• CIMB's Sustainability Report
• External assurance of key sustainability indicators and internal review of key controls over sustainability data</td></tr>
<tr><td>Group Transformation Committee (GTC)</td><td>Monthly</td></tr>
<tr><td>Group Sustainability Council (GSC)</td><td>Quarterly</td></tr>
<tr><td>Group Risk and Compliance Committee (GRCC)</td><td>Monthly</td></tr>
</table>

[1] *Refers to the minimum number of meetings required as stated in the Committee's Terms of Reference. Additional meetings may be convened as necessary.*

IMPLEMENTATION OF SUSTAINABILITY STRATEGIES AND INITIATIVES

Execution across CIMB is driven by dedicated teams within business units and enabling functions that translate guidance from board and management committees into day-to-day actions. These teams coordinate initiatives, monitor progress and implement sustainability and climate-related activities across countries and functions, supporting consistent delivery of the Group's priorities.

To underpin execution with robust risk practices, CIMB applies a structured Three Lines of Defence model. This framework provides clear accountability, consistent risk management practices and effective oversight from risk identification to mitigation. It covers key areas including climate, nature, human rights, sustainable finance and economic inclusion.

First Line of Defence

Accountable for the day-to-day management of sustainability and climate risks, incorporating broader economic, environmental and social considerations into business activities and operationalising sustainability strategies to capture value. This includes identifying risks and opportunities, implementing policies and controls and escalating material issues.

Second Line of Defence

Provides specialised oversight, guidance and coordination for sustainability and climate risks and opportunities. Oversees the application of policies and standards, drives key initiatives, monitors risk exposure, supports the integration of economic, environmental and social risks and opportunities into financial and operational decision-making, and ensures regulatory compliance.

Third Line of Defence

Provides independent evaluation of the effectiveness of the first and second Lines of Defence in managing sustainability and climate-related risks. Offers feedback, recommendations for improvement and assurance that risk controls are robust and reliable.

Heads of Business Units and Business Enablers

All CIMBians, facilitated and enabled by Sustainability Specialists & Champions

Group Chief Sustainability Officer

Regional Centres of Excellence
- Net Zero Operations & Sustainability Solutions
- Sustainable Finance Business Development
- Sustainability Strategy & Stakeholder Engagement
- Sustainable Finance Risk Management & Net Zero
- Corporate Responsibility[1]
- Sustainability Governance & Risk
- Sustainability Risk Control Unit

Group Chief Risk Officer

Regional Centres of Excellence
- Enterprise Risk & Infrastructure *Climate Risk Unit*
- Credit Risk
- Market Risk
- Asset & Liability Management
- Non-financial Risk Management

Group Chief Legal & Compliance Officer

Group Legal & Compliance

Group Chief Internal Auditor

Group Corporate Assurance

[1] *In Malaysia, the Head of Corporate Responsibility reports to CIMB Foundation with dotted line reporting to GCSO.*

Securing Our Future

Group Sustainability Structure

To drive consistent execution and continuous innovation across the Group, CIMB has established dedicated Centres of Excellence (CoEs) within the Group Sustainability Division, under the oversight of the Group Chief Sustainability Officer. Each CoE plays a distinct role in advancing the Group's sustainability and climate commitments, with a focus on operational impact, sustainable and responsible finance and stakeholder alignment, among others. Beyond the Group Sustainability CoEs, CIMB embeds sustainability and climate considerations across our operations through Country Sustainability Teams in our core markets. These teams translate Group-wide strategies, policies and priorities into meaningful local action, while maintaining alignment with Group standards and expectations.

Net Zero Operations and Sustainability Solutions
Leads CIMB's operational net zero agenda across Scope 1, 2 and relevant operational Scope 3 emissions, while driving sustainability innovation and solutions with clients and other stakeholders. Drives the reduction of the Group's operational carbon footprint, enhances resource efficiency and embeds sustainable practices across operations. Spearheads strategic partnerships and initiatives that create long-term value for the Bank, clients and communities

Sustainable Finance Business Development
Partners with business units to develop and grow Green, Social, Sustainable Impact Products and Services (GSSIPS). Supports the development and scaling of sustainable finance portfolios and transition-enabling solutions and enables frontliners through tools, capacity building, and specialist subject matter expertise. Governs the definition and eligibility criteria for GSSIPS, in line with recognised local and international taxonomies and frameworks

Sustainability Strategy and Stakeholder Engagement
Leads the development and execution of CIMB's sustainability strategy in alignment with global frameworks and stakeholder priorities. Drives engagement with regulators, investors, clients, internal stakeholders and communities to inform strategy, build capacity, strengthen transparency and support alignment with evolving regulatory and market expectations

Sustainable Finance Risk Management and Net Zero
Integrates sustainability and climate considerations into client financing decisions. Oversees sustainability due diligence and develops sector guides to uphold responsible financing standards, supporting the Group's broader sustainability and Net Zero ambitions. Manages the setting, monitoring and management of sector-specific decarbonisation targets across the financing and investment portfolios, in line with science-based Net Zero pathways

Corporate Responsibility
Leads the Group's corporate responsibility agenda, including community investments, financial inclusion initiatives and employee volunteering programmes. Works closely with internal stakeholders and external partners to deliver impactful initiatives across education, health and community well-being, economic empowerment, and climate and environment

Sustainability Governance and Risk
Anchors CIMB's sustainability governance through policies, procedures and data stewardship. Drives the integration of sustainability risks into the Enterprise-wide Risk Management Framework and supports compliance with relevant regulatory requirements

Sustainability Risk Control Unit
Oversees operational risk in relation to the implementation of sustainability policies, procedures, products and initiatives across the Group. Strengthens Operational Risk Management practices, champions a strong Risk and Compliance culture and promotes regulatory compliance in the execution of sustainability-related activities

Embedding Sustainability Across the Group

Sustainability Specialists and Champions within business units, as well as business enablers, alongside Country Sustainability Teams, play a defined role in supporting implementation throughout the Group. Operating within established governance arrangements, these roles are aligned to Group Sustainability through structured coordination, accelerating the integration of sustainability and climate-related considerations into business decisions, processes and performance outcomes across the Group. This model supports a decentralised yet cohesive approach, allowing responsiveness to local contexts while maintaining consistency, accountability and alignment with Group objectives.

Sustainability Champion Jasmin Teoh Sparks Change

Bringing Sustainability to Life

For Jasmin Teoh from CIMB's Group Technology division, sustainability was often discussed in meetings and reports — important, yet distant. While she was familiar with the term "net zero", she did not fully understand what it meant for her role, or how it translated into action in her daily work and at home.

That changed when she began to pay closer attention to CIMB's Net Zero commitments and realised how close the 2030 milestone was. The realisation prompted her to reflect on how prepared she and others around her were to contribute meaningfully. That reflection became a catalyst for action. Jasmin began with her own team, focusing on making sustainability relatable and practical.

"Sustainability can sound technical," she shared, "but it's really about the choices we make every day."

She grounded her approach in three principles: start small, involve everyone and make it real. Jasmin introduced team pledges, developed a sustainability intranet hub featuring bite-sized videos and newsletters, and encouraged everyday actions as shared learning opportunities.

One initiative, Eco Email Week, invited colleagues to use OneDrive links instead of email attachments, as attachments generate higher data storage and transmission emissions than shared links. The campaign sparked curiosity and friendly participation, resulting in a 35% reduction in email attachments within a week.

Beyond measurable outcomes, sustainability conversations began to feature more naturally in team discussions and daily routines.

"When people start connecting their choices to something bigger, that's when change happens," Jasmin reflected.

Her efforts have since inspired similar initiatives across CIMB, showing how individual action can create momentum and foster a broader culture of responsibility.

Sustainability Specialist Benjamin Yeo Asked "Why Not?"

Turning Curiosity into Action

For Benjamin Yeo at CIMB's Group Wholesale Banking, sustainability had long been associated with client projects and green finance, but not with the team's daily habits. That perspective shifted when he paused to reflect on the office environment.

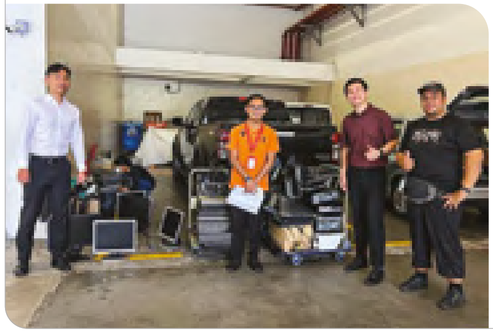
"We focus extensively on supporting our clients' transitions," he reflected, "but what about our own footprint?"

That question sparked his first sustainability experiment. With guidance from a colleague in Administration and Property Management, Ben learned how to read the floor's electricity meters and began tracking his department's energy consumption. Along the way, he noticed everyday inefficiencies, such as monitors left on and printers idle.

The exercise also prompted a broader look at resource use beyond electricity. Recognising an opportunity to improve waste management, Ben worked with the relevant internal teams to initiate an e-waste collection drive, with processes aligned to IT asset management and data security requirements. Colleagues were invited to contribute unused electronics from their desks and homes for proper recycling, in line with established procedures. The response was strong: 462 kilogrammes of e-waste were collected and responsibly processed through a certified recycler, ERTH.

The impact extended beyond the initial campaign. As results were shared, conversations grew and behaviours began to shift.

"Once people saw the numbers, they wanted to do more," Ben shared.



He began incorporating energy-saving tips into team discussions, and the momentum carried beyond the workplace. At home, his family joined in by monitoring electricity usage and installing rooftop solar panels.

What began as a simple question — *"What can we do differently?"* — evolved into awareness and action, with positive impact felt both at work and at home.

Securing Our Future

SUSTAINABILITY LINKAGES TO PAY

CIMB's commitment to sustainability extends to how we assess and reward performance across the Group. Under the CIMB Group Remuneration Policy, performance is determined in accordance with a balanced scorecard that includes key measures of sustainability performance and implementation of sustainability initiatives. The Group CEO, top management and personnel across all divisions are evaluated on sustainability-related KPIs. This approach aligns leadership, business units and enabling functions with our sustainability goals, both immediate and long-term.

This framework is operationalised through performance-based remuneration mechanisms embedded within the Group's collective scorecard. A minimum weightage of 5% is assigned to sustainability-related KPIs, which must be achieved within predetermined timeframes. These KPIs are approved by the Group Chief Sustainability Officer and the relevant Heads of Divisions. Performance against scorecards is assessed regularly with progress reported to the appropriate committees. Achievement of sustainability-related KPIs directly influences each division's bonus pool allocation, linking compensation outcomes to the success of their sustainability efforts. For individual employees, performance is tracked through balanced goals aligned with measures in the collective scorecards. This approach recognises both individual contributions and collective performance by the division.

Sustainability-related KPIs incorporate both internal and external commitments, financial and non-financial metrics, as well as leading and lagging indicators to strengthen accountability and promote long-term value creation. Examples include:

- Mobilising sustainable finance through the Green, Social, Sustainable Impact Products and Services (GSSIPS) framework for retail and non-retail clients
- Reducing Scope 1 and 2 GHG emissions from the 2019 baseline
- Implementing the Group's Net Zero Operationalisation Programme
- Delivering our Sustainability and Climate Risk Data Infrastructure project
- Fulfilling IFRS S1 and S2 requirements by upgrading systems and processes to strengthen disclosures and reporting transparency
- Conducting a preliminary nature and biodiversity risk assessment for key nature-related sectors, including risks linked to long-term climate change and publishing the Group's position
- Advancing economic inclusion and financial literacy for vulnerable groups
- Driving initiatives to build a sustainable supply chain
- Strengthening CIMB's sustainability capabilities through targeted training
- Improving performance on key diversity and inclusion metrics
- Improving sustainability policies to strengthen governance, controls and alignment with international standards and best practices

SUSTAINABILITY POLICIES

Our three core policies — the Group Sustainability Policy, the Group Sustainable Financing Policy and the Group Human Rights Policy — outline CIMB's principles, governance approach and operating processes for identifying, assessing and managing environmental and social risks, in alignment with international standards and best practices. These include risks and opportunities related to climate change, nature, human rights, and greenwashing among others.

GROUP SUSTAINABILITY POLICY

Defines CIMB's overarching approach to sustainability, outlining key areas of focus including sustainability and climate-related risk management, sustainable finance, net zero operations, sustainable procurement and sustainability communications and reporting. The policy sets out how sustainability is embedded across the Group's strategy, operations and decision-making processes, including oversight by relevant management and Board committees.

GROUP SUSTAINABLE FINANCING POLICY

Guides the integration of environmental and social (E&S) considerations into financing and capital-raising activities. The policy provides a structured framework for assessing clients and transactions, supporting the identification and management of E&S risks and guiding clients to improve sustainability practices in line with international and regional best practices.

GROUP HUMAN RIGHTS POLICY

Articulates CIMB's commitment to upholding human rights across our value chain. The policy outlines how key human rights risks are identified and managed, and sets out processes for due diligence, grievance handling and remediation. It also outlines the procedures for stakeholders, including employees, clients, suppliers and communities, to raise concerns and seek appropriate redress.

For more information on our Group Sustainability Policy and Sustainable Financing Policy, please refer to our Sustainable Finance Framework.

Our Group Human Rights Policy can be found on our website.

For more details on our Internal Framework, Policies, Procedures and Standard Operating Procedures, please refer to page 222 of our Integrated Annual Report.

Independent Policy Assessment of CIMB Cambodia by Fair Finance

In 2025, CIMB Cambodia was assessed under the Fair Finance Guide International Methodology conducted by Oxfam and Fair Finance Asia, which evaluates banks' publicly available policies and governance frameworks related to environmental, social and sustainability considerations.

Based on the 2023 assessment cycle which was completed in 2025, CIMB was ranked as the leading bank among eight banks assessed in Cambodia. The assessment drew on publicly disclosed information, including annual reports, sustainability reports and governance frameworks, and supplemented by interviews with CIMB Cambodia staff.

The findings reflect the strength of CIMB's policy commitments and disclosure practices at the time of assessment.

Note: The Fair Finance Guide International Methodology is based solely on publicly available information as at 2023-2024. It does not assess non-public practices or implementation outcomes and may not reflect subsequent developments after the assessment period.

SUSTAINABLE SUPPLY CHAIN

Resilient and ethical supply chains are essential to building trust, managing risk and supporting local economies. They also play a critical role in enabling CIMB to deliver responsible banking services across ASEAN. Accordingly, we embed sustainability considerations into our sourcing practices across the region, prioritising partners that uphold fair labour practices, environmental responsibility and business integrity.

In 2025, CIMB collaborated with 2,052 supply chain partners, including multinational corporations and SMEs. 86% of these were local suppliers. We procured over RM1.3 billion in goods and services, primarily in technology products and services.

KEY OUTCOME

CIMB earned our first A-List badge under the Carbon Disclosure Project (CDP) Supplier Engagement Assessment (SEA) 2024 disclosure cycle, which was announced in 2025. The CDP Supplier Engagement Assessment, formerly known as the CDP Supplier Engagement Rating, evaluates companies on their performance across governance, targets, Scope 3 emissions and value chain engagement, and recognises companies who excel in these areas.

For more information on the CDP Supplier Engagement Assessment and the A-List, please refer to CDP's SEA website.

"Our suppliers are not just vendors — they are partners in our journey towards responsible business. Together, we are raising the bar not only within our supply chain but across the wider industry. By being transparent about our sustainability and ethical expectations, and listening to theirs, we have built a foundation of mutual trust. Today we are seeing stronger alignment on ethics, labour standards and environmental practices, demonstrating how collective action can drive meaningful and systemic change."

Eugene Yeoh Keong Joo
Head of Strategic Procurement, Malaysia

PROCUREMENT GOVERNANCE AND PRACTICES

Procurement governance at CIMB focuses on translating standards into consistent practices across the Group. Central to this is the Vendor Code of Conduct (VCOC), which sets minimum standards for vendors across ethics, human rights and environmental responsibility. These standards are embedded into procurement processes through defined roles and controls, with ongoing monitoring of vendor adherence across sourcing activities.

To reinforce these standards in day-to-day procurement decisions, CIMB enhanced its tendering process by formally integrating sustainability considerations into Requests for Proposals. From 2025 onwards, 5% of the technical evaluation score for RFPs in Malaysia, Indonesia and Singapore is allocated to assessing vendors' environmental, social and governance practices. This enables clearer differentiation of vendors based on the maturity and robustness of their sustainability practices, while supporting closer alignment between procurement decisions and CIMB's sustainability priorities.

CIMB supports suppliers through capability building and knowledge sharing. Since 2021, we have progressively engaged vendors on topics such as greenhouse gas reduction, waste management and human rights risk management. We have also integrated our sustainability expectations into vendor onboarding processes, embedding sustainability considerations systematically within the Group's supplier engagement framework.

As part of our climate strategy, we are also strengthening how we measure and disclose our value chain emissions. This year, we expanded our Scope 3 Category 1 emissions disclosure to provide deeper insight into CIMB's environmental impact from purchased goods and services.

For details on CIMB's operational Scope 3 emissions, please refer to page 53.

Securing Our Future

RISK MANAGEMENT AND BUSINESS RESILIENCE

To learn more about our approach to this material topic, visit our website.

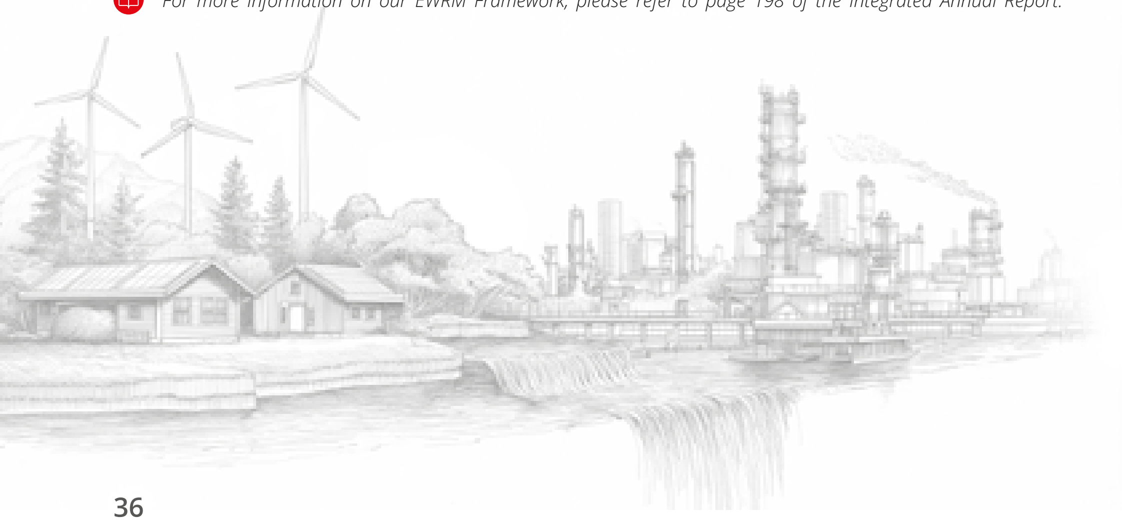
Robust risk management underpins CIMB's resilience. It enables us to anticipate change, adapt effectively and continue creating value for our customers and stakeholders. We take an integrated approach to risk management, identifying risks early and strengthening our capacity to respond to both immediate and long-term risks across the Group.

ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

The Group operates under a comprehensive Enterprise-Wide Risk Management (EWRM) Framework, which provides a structured and standardised approach to anticipating, assessing and managing both existing and emerging risks. The framework integrates a top-down strategic lens with bottom-up risk identification, enabling the Board and management to respond proactively to evolving business, market and regulatory developments. Clear governance structures, defined risk appetite parameters and a strong risk culture underpin the framework, supporting accountability and disciplined risk-taking across the Group.

Within this overarching structure and starting with business planning, risk management processes encompass risk identification and assessment, risk measurement including stress testing, risk management and control through defined limits and mitigation strategies, and ongoing risk monitoring and reporting to senior management and the Board.

For more information on our EWRM Framework, please refer to page 198 of the Integrated Annual Report.



CIMB GROUP SUSTAINABILITY RISK MANAGEMENT FRAMEWORK

Sustainability risk management is embedded within the broader EWRM Framework, aligned with the same core processes and governance structures, with environmental, social and governance considerations such as climate change, nature, human rights and institutional integrity systematically integrated into risk assessment and decision-making.

- **Risk Identification and Assessment**
  Sustainability risks are systematically identified and assessed through the Group's sustainability frameworks, policies and procedures. The process considers both short- and long-term impacts on portfolios, operations and stakeholders using qualitative and quantitative information.
- **Risk Measurement**
  Sustainability risks are measured and aggregated using tools that are deployed across the Group. For climate risk, this includes climate scenario analysis and stress testing, which help assess potential financial and non-financial impacts under different climate pathways and scenarios.
- **Risk Management and Control**
  Sustainability risks are managed within the risk appetite approved by the Board. Controls and limits are reviewed regularly to reflect market developments, regulatory changes and stakeholder expectations. Mitigation actions are implemented through measures such as enhanced sustainability due diligence, client engagement and portfolio alignment.
- **Risk Monitoring and Reporting**
  Sustainability risks are monitored on an ongoing basis at both portfolio and transaction levels. Regular updates are provided to relevant committees, including the Board Group Sustainability Committee (BGSC) and Board Risk and Compliance Committee (BRCC), to maintain oversight within the approved sustainability risk appetite. Emerging risks, trends and regulatory developments are also tracked to support timely and informed decision-making.

CIMB applies a Three Lines of Defence model to reinforce clear ownership, independent oversight and assurance across all risk types, including sustainability risk. This model continues to evolve in line with regulatory expectations and leading global practices, ensuring that the Group's risk oversight remains relevant, transparent and responsive to stakeholder expectations while supporting long-term value creation.

Within this framework, CIMB identifies and manages a broad range of material sustainability matters that represent the most significant environmental, social and governance topics for the Group and its stakeholders. These material matters have the potential to affect both financial and non-financial outcomes, and are therefore assessed not only from the perspective of impact to key stakeholders and the environment, but also through the lens of their implications on the Group's own risk profile and long-term resilience.

The management of these material sustainability matters is guided by dedicated frameworks, policies and action plans, with clear accountabilities assigned to relevant business units and control functions. Performance indicators, targets and risk metrics are established where appropriate, and progress is monitored through established governance and reporting channels to maintain alignment with the Group's strategy and risk appetite. Further details on how each material sustainability matter is managed are provided in the respective sections of this Report.

Sustainability risk is reflected in the Group Risk Library as a Level 1 risk, reflecting its significance and potential impact. The Group Risk Library establishes sustainability risk as a cross-cutting risk, where issues stemming from environmental or social matters can manifest through and amplify traditional financial risk categories, including credit, market, liquidity, operational and reputational risks, thereby influencing the Group's overall risk profile.

In addition to managing current material sustainability matters, the Group maintains a forward-looking perspective to identify and respond to emerging risk drivers. We actively monitor emerging risks that could reshape markets and operating conditions across ASEAN, including rising geopolitical tensions, intensifying extreme weather events, accelerating nature degradation and evolving digital vulnerabilities such as deepfakes and the unethical use of artificial intelligence. These developments are assessed through the EWRM Framework, enabling early identification of potential financial and non-financial impacts, evaluation of risk transmission channels across portfolios and operations, and timely calibration of risk appetite, controls and mitigation strategies in a rapidly evolving environment.

More information on sustainability risk management and specific emerging risks is available on our website.

SUSTAINABLE AND RESPONSIBLE FINANCE: MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN FINANCING AND CAPITAL RAISING

To learn more about our approach to this material topic, visit our website.

KEY HIGHLIGHTS IN 2025

- Expanded our Oil & Gas sector guide requirements to include bond investments, in addition to non-retail financing and capital raising activities
- Developed a framework to assess environmental and social risks in data centre financing, with a focus on energy use, water efficiency and carbon impact
- Introduced a water risk assessment framework for selected water-intensive projects to evaluate water dependencies, availability and emerging risks
- 85% of clients successfully completed their Environmental & Social action plans due in 2025*
- Strengthened engagement with financing clients to support timely remediation and improve environmental and social risk management practices

* *The number of clients that completed Environmental & Social action plans due, as a proportion of the total clients with action plans (arising from commitments agreed in prior years) due in 2025. Excludes cancelled action plans and approved extensions where delays were due to factors beyond the clients' control.*

Every financing decision can have far-reaching impacts on industries, people and the environment. At CIMB, responsible financing is central to how we manage risk and allocate capital. It supports clients in navigating emerging environmental and social challenges while contributing to low-carbon and inclusive outcomes.

Through robust environmental and social (E&S) due diligence, potential impacts are identified early in the financing and capital-raising process. This approach helps mitigate adverse impacts on people and the environment, safeguards long-term asset value and supports portfolio resilience. Our sector guides and client engagement frameworks translate these principles into action. We engage closely with clients to support their transition to more sustainable business practices and to improve their resilience, for example, by strengthening governance, adopting cleaner technologies and improving labour practices.

Securing Our Future

In 2025, CIMB worked with peers, regulators and industry associations, playing an active role in shaping and elevating sustainability across the financial services sector and the real economy. The Group contributed to the revision of the Value-Based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guides, BNM's Climate Change and Principle-based Taxonomy (CCPT) Implementation Group and became a founding financial institution member of the Malaysian Sustainable Palm Oil (MSPO) Impact Alliance. These engagements support improved environmental and social practices in sectors critical to Malaysia's transition.

SUSTAINABLE FINANCING FRAMEWORK AND POLICY

The Group Sustainable Financing Policy (GSFP) establishes CIMB's approach to identifying, assessing, monitoring and managing E&S risks in non-retail financing and capital-raising transactions. The Policy provides clear requirements for potential impacts to be considered throughout the financing lifecycle.

Key components of the GSFP are laid out in the CIMB Sustainable Finance Framework (SFF), which sets out key risk management processes, sector-specific position statements and requirements for sectors with higher exposure to environmental and social risks, supporting a balanced approach to meeting business objectives while upholding responsible financing practices and long-term sustainability outcomes.

The Sustainable Finance Framework is available on our website.

SUSTAINABILITY-SENSITIVE SECTORS

Certain industries carry heightened E&S risks arising from characteristics such as large-scale land-use change, energy intensity, or potential impacts on vulnerable communities. CIMB has designated these as Sustainability-Sensitive Sectors which require enhanced risk management and due diligence.

CIMB has identified 150 sub-sectors across 10 industries and developed detailed sector guides for seven key sectors: Palm Oil, Forestry (including Rubber), Oil and Gas, Construction and Infrastructure, Coal, Mining and Quarrying and Manufacturing. These guides set out CIMB's financing criteria, due diligence requirements and exclusion thresholds, as detailed in the SFF. Country-level assessments enable the consistent implementation of CIMB's sector requirements while taking into consideration local conditions and operating realities. For details of our methodology and sector specific requirements, refer to the Sustainable Finance Framework on our website.

Sector requirements are reviewed regularly to remain aligned with evolving expectations, industry standards and regional priorities. In 2025, CIMB introduced new assessment criteria for data centre financing, recognising the sector's growing impact on energy consumption, water demand and emissions. The criteria support more consistent assessments of environmental dependencies and impacts, particularly in relation to resource intensity, grid stability and climate objectives.

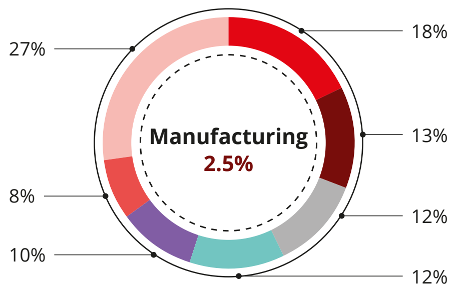
CIMB also strengthened several sector guides, reinforcing CIMB's commitment to our Net Zero pathways. Key enhancements included updates to greenhouse gas (GHG) management and monitoring requirements for clients in carbon-intensive sectors, full regional implementation of the Palm Oil sector guide enhancements (made at the Group level in 2024), and an expansion of our Oil & Gas sector guide to cover investment activities.

KEY OUTCOMES

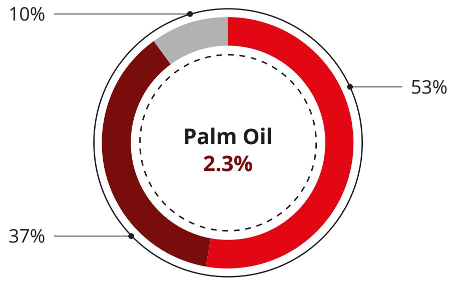
- Introduced criteria for assessing data centres in alignment with CIMB's sustainability commitments and regulatory requirements, applicable across all stages of the project lifecycle. Assessments consider environmental and biodiversity impacts, water dependencies and potential for water stress, energy performance, human rights considerations and exposure to physical climate risk
- Expanded coverage of the Oil & Gas sector guide to include bond investments, in addition to financing. We also strengthened Oil & Gas sector E&S risk management practices and requirements for our capital markets investment portfolio

Portfolio Exposure to Sustainability-Sensitive Sectors

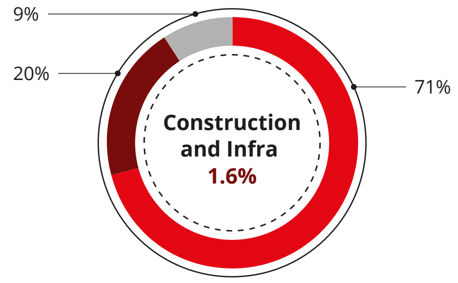
The charts below present our exposure to sustainability-sensitive sub-sectors, highlighting areas that may warrant enhanced risk management and client engagement. For details on climate and nature-related exposures and how risks in these sectors are identified, assessed and managed, please refer to Climate Change on pages 46 to 82 and Nature and Biodiversity on pages 83 to 89.



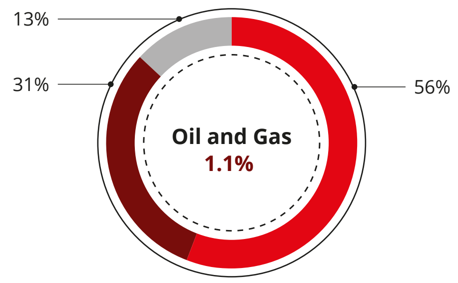
- Automotive
- Plastics
- Machinery and Equipment
- Chemicals
- Electrical and Electronic Equipments
- Textiles, Apparel and Leather Goods
- Other Manufactured Goods/Trading



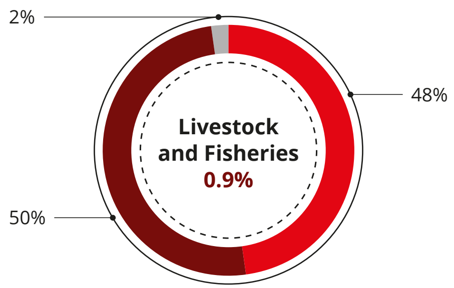
- Planting
- Manufacturing
- Trading



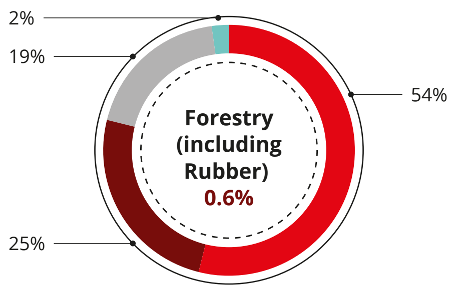
- Construction
- Infrastructure
- Manufacturing of Concrete, Cement and Building Materials



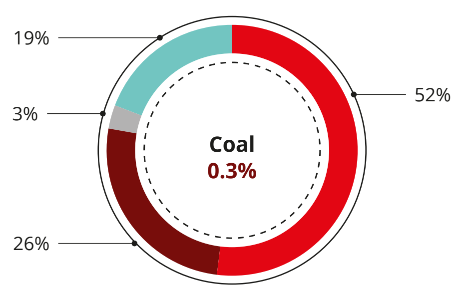
- Downstream
- Support Activities
- Extraction



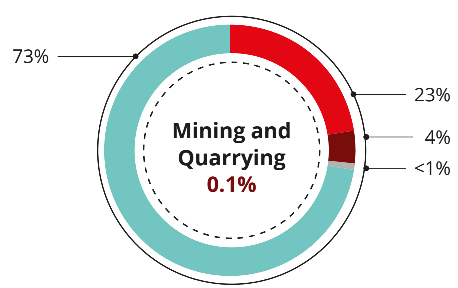
- Livestock
- Trading
- Fisheries



- Pulp and Paper
- Wood and Wood Products
- Trading
- Forestry and Rubber



- Coal-Fired Power Plants
- Extraction
- Trading
- Others



- Stone, Sand and Clay
- Iron Ores
- Tin
- Other Metals and Non-Metals

Exposure as a percentage of total Group gross loans/financing as at 31 December 2025 in Malaysia, Indonesia, Singapore, Thailand and International Offices. The percentages disclosed here represent only the specific sustainability-sensitive sub-sectors within each sector and will therefore differ from other portfolio exposure figures disclosed elsewhere in this report, or in other public disclosures, due to variations in the scope of each disclosure.

Securing Our Future

SUSTAINABILITY DUE DILIGENCE

Non-retail financing and capital-raising transactions at CIMB are subject to a structured Sustainability Due Diligence (SDD) process to identify and manage potential environmental and social (E&S) risks before approval. This approach supports responsible and transparent decision-making and aligns with CIMB's objective of creating lasting economic and social value, while doing no significant harm to people and planet.

Basic Sustainability Due Diligence
Conducted by frontliners (Relationship Managers) using the Integrated Sustainability Assessment Tool[1], which includes:

- Exclusion List and Sustainability Watchlist checks
- Controversy screening
- Human rights risk assessment
- Climate-related physical and transition risk review
- Assessment against applicable Sector Guide requirements[2]
- Due diligence checks aligned with Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT) checklist[1]

Enhanced Sustainability Due Diligence
For transactions with elevated E&S risks, an enhanced review is conducted by the Sustainability team. This could include:

- Detailed E&S risk assessment
- Controversy assessment and mitigation review
- Third-party data verification (e.g., S&P, Global Coal Exit List)
- Direct client engagement to clarify findings and agree mitigation measures

Following the review, the Sustainability team may recommend one of the following outcomes:

- Rejected
- Not recommended
- Recommended with action plan(s)
- Recommended with notes[3]
- Recommended for approval

High-risk or disputed transactions are escalated to Group Executive Committee (GEXCO) and, where necessary, to the Board for deliberation and decision.

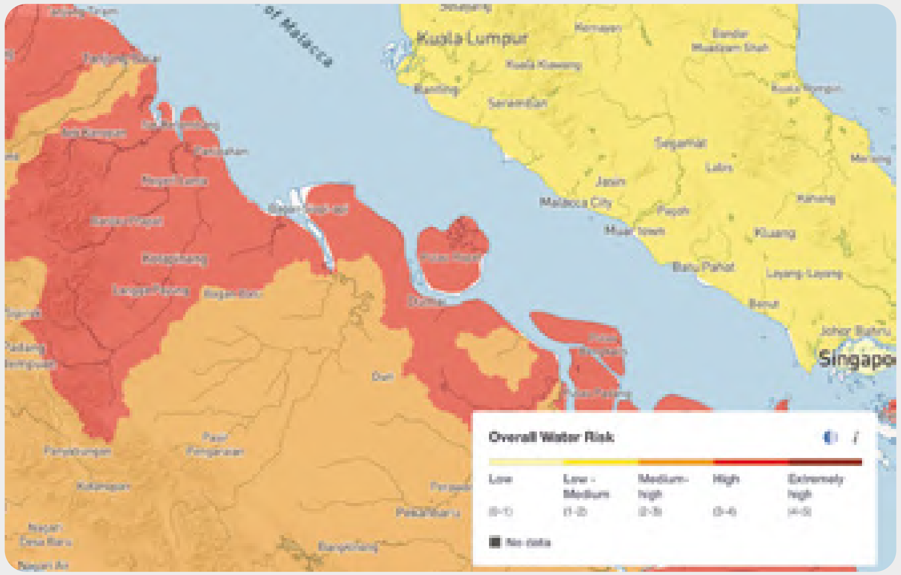
[1] *Applicable for Malaysia only*
[2] *May include additional assessments such as biodiversity and water risk assessments depending on sector and/or use of proceeds*
[3] *New ESDD outcome for cases where material E&S issues identified warrant attention and monitoring but do not require a formal Action Plan or a "Not Recommended" outcome*

INTEGRATING WATER RISK INTO OUR ASSESSMENTS

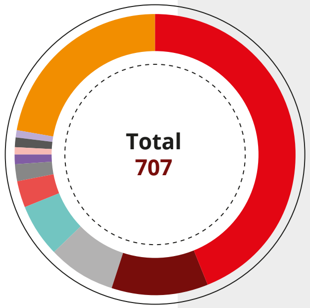
Water is a critical resource for many industries, including agriculture, manufacturing, energy and data infrastructure. As climate change, urbanisation and rising demand intensify water stress, understanding how businesses depend on and impact water resources has become increasingly important for managing long-term risk and business continuity.

In 2025, CIMB rolled out a water risk assessment approach to evaluate the relationship between clients' water dependency and local water availability. The assessment incorporates location-specific water stress mapping and evaluates how clients' water use and discharge practices could affect local catchments and communities.

By integrating insights from tools such as the WRI Aqueduct Water Risk Atlas and the WWF Water Risk Filter with client-specific data, we continue to strengthen our understanding of water-related dependencies and exposures. This supports more informed engagement with clients on water efficiency, stewardship and climate adaptation planning. This assessment is currently applied to data centre (DC) projects, with potential expansion to other sectors over time.



Source: WRI Aqueduct Water Risk Atlas (accessed February 2026)



Enhanced Sustainability Due Diligence in 2025, by Sector

- Palm Oil, 44%
- Manufacturing, 11%
- Livestock and Fishery, 8%
- Coal (Mining, Construction, Coal-fired Power Generation), 6%
- Construction and Infrastructure, 3%
- Electric Power Generation (Non-Coal), 2%
- Forestry, 1%
- Mining and Quarrying, 1%
- Oil & Gas, 1%
- Permitted Exemptions, 1%
- Others, 22%

In 2025, CIMB conducted Basic Sustainability Due Diligence (BSDD) on more than 16,000 non-retail clients representing 20% of non-retail borrowing clients*. Of these, 707 cases (4%) were escalated for Enhanced Sustainability Due Diligence (ESDD) with action plans issued for 194 cases. None of the cases were assessed as "Not Recommended".

For details on action plans issued and due in 2025, please refer to the section on "Clients with Action Plans Due in 2025" on page 43.

For more information on our Enhanced Sustainability Due Diligences, please refer to "Sustainable Due Diligence", in our Performance Data Supplement.

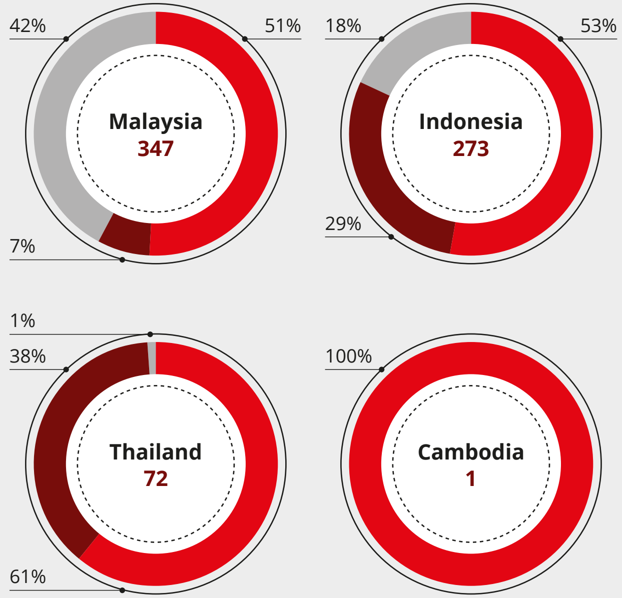
* *Covers non-individual borrowers in Wholesale and Business Banking across Malaysia, Indonesia, Singapore, Thailand, and Cambodia, including SME Banking clients in Malaysia, in line with the Group Sustainable Financing Policy. In 2025, the calculation scope was updated to reflect only SME clients in the Palm Oil and Forestry sectors which are subject to annual sustainability due diligence, whilst SME clients in other sectors are subject to sustainability due diligence during onboarding. Comparative figures for previous years have not been restated.*

Project Financing Reviews

All project financing proposals are reviewed in accordance with CIMB's Group Sustainable Financing Policy and applicable Sector Guides, as set out in the Sustainable Finance Framework.

In 2025, CIMB reviewed nine new project financing deals*. Of these, five deals (56%) were escalated for Enhanced Sustainability Due Diligence (ESDD) due to high environmental or social risks associated with either the project or the client. In the same year, six project financing deals were approved and reached financial close. No project financing proposals were declined due to environmental and social (E&S) reasons.

* *Project financing refers to a financing method where the lender primarily relies on the project's generated revenues as the source of repayment and security for the financing. Figures cover reviewed project finance transactions in Malaysia, Singapore, Thailand and Cambodia. Transactions from Indonesia are excluded as project finance exposures are not currently separately classified in local systems for reporting purposes.*



Enhanced Sustainability Due Diligence in 2025, by Country

- Recommended for Approval
- Recommended with Notes
- Recommended with Action Plans
- Not Recommended
- Rejected

For more information on our Enhanced Sustainability Due Diligences, please refer to "Sustainable Due Diligence", in our Performance Data Supplement.

When material E&S risks are identified, CIMB works directly with clients to understand the nature of the risks, evaluate mitigation approaches and review clients' plans for addressing them. Clients are required to provide supporting documentation for review. Where gaps are identified, CIMB engages clients to develop and agree time-bound action plans, with progress monitored at least annually. Extensions may be granted where justified and supported by a clear plan.

Where a client fails to implement agreed actions or is found to be associated with serious environmental or social harm that falls outside CIMB's risk tolerance, the entity may be placed on CIMB's Sustainability Watchlist. Entities on the Watchlist are restricted from further financing or capital-raising activities.

In 2025, consistent application of our sustainability due diligence and escalation protocols supported the effective management of environmental and social risks, with no entities requiring placement on the Sustainability Watchlist.

Securing Our Future

KEY OUTCOMES

707
Enhanced Sustainability Due Diligence cases (ESDD) conducted in 2025

27.4%
ESDD cases recommended for approval with environmental and social (E&S) action plans[1]

For more information on our Enhanced Sustainability Due Diligences, please refer to "Sustainable Due Diligence", in our Performance Data Supplement.

[1] *Percentage represents the proportion of ESDD cases recommended with E&S action plans, divided by the total number of ESDD cases conducted in 2025 (707 cases).*

CLIENT ENGAGEMENTS ON ENVIRONMENTAL AND SOCIAL ISSUES

CIMB engages clients throughout the financing lifecycle, from origination, due diligence and annual reviews to ongoing monitoring and progress assessments. These discussions help identify E&S risks and opportunities, support sound governance practices and guide clients in adopting responsible and forward-looking business practices. Where gaps are identified, CIMB works with clients to develop actionable plans and track progress over time.

Beyond transaction-level engagement, CIMB is deepening engagement with clients in sectors covered by CIMB's interim targets towards Net Zero by 2050. These discussions go beyond compliance and focus on helping clients reduce emissions, adopt cleaner technologies and build climate resilience. Engagements may include technical guidance, access to sustainability-linked financing and targeted capacity-building initiatives to help them advance their transition goals.

Our goal is to build partnerships grounded in mutual accountability and progress. In 2025, we expanded this approach through one-on-one engagements with clients across priority sectors, focusing on deforestation, human rights, climate transition and other key E&S priorities, all areas where progress is critical to long-term business stability and shared economic value.

Sector	Examples of Issues Discussed	Key Outcomes
Palm Oil	• No Deforestation, No Peat, No Exploitation (NDPE) commitments aligned to CIMB's updated Palm Sector Guide • Malaysian Sustainable Palm Oil (MSPO)/Indonesia Sustainable Palm Oil (ISPO) certification status • Potential human-wildlife conflicts • GHG monitoring and disclosure	• Commitment to align with CIMB's NDPE requirements • Commitment to achieve 100% sustainable palm oil certfication • Implementation of targeted Wildlife Management Actions to mitigate conflict risks • Commitment to measure and provide Scope 1 and 2 emissions data
Forestry	• NDPE commitments aligned to CIMB's Forestry Sector expectations • Human rights risks	• Commitment to a strengthened NDPE policy, including a strict no-new-peat-development commitment • Agreement to establish a Human Rights Policy
Construction	• Obtaining Environmental Impact Assessment (EIA) approval is obtained before physical work commences • Human rights risks • Pollution control measures	• Submission of EIA approval and accompanying Environmental Management Plan • Development and adoption of a Human Rights Policy and grievance mechanism • Provision of supporting documents demonstrating Waste Management controls
Oil & Gas	• Human rights risks	• Undertaking of Human Rights Due Diligence and establishment of a grievance mechanism
Manufacturing	• Physical risks (flood) • Occupational Health & Safety risks • Human rights risks	• Provision of an Emergency Response Plan addressing flood risk • Establishment of an Occupational Health & Safety Policy • Establishment of a Human Rights Policy and grievance mechanism • Undertaking of Human Rights Due Diligence
Livestock & Fisheries	• Achieving full compliance with environmental regulations • MyGAP certification status • Human rights risks	• Commitment to achieve BLUE rating under PROPER • Encouragement to pursue MyGAP certification • Agreement to conduct Human Rights Due Diligence

CASE STUDY 1 USING THE SUSTAINABILITY WATCHLIST TO DRIVE ENVIRONMENTAL AND SOCIAL IMPROVEMENTS

Why it Matters

The Palm Oil sector carries significant E&S risks, including deforestation, biodiversity loss and labour or community impacts. Without careful monitoring and engagement, financing in this sector could contribute to environmental degradation, harm to communities and reputational exposure. Our Sustainability Watchlist supports disciplined risk management by restricting financing for clients and activities that are inconsistent with our sustainability commitments, while providing a pathway for clients to regain access to financing once meaningful improvements are demonstrated.

Our Approach

In 2021, an ESDD conducted on a prospective Palm Oil client identified high E&S risks related to deforestation associated with both the client's historical activities and planned development. As a result, the financing request was declined and the client was placed on CIMB's Sustainability Watchlist, under which new facilities or enhancements of existing facilities are prohibited.

In 2025, the client submitted a new financing application for the acquisition of an existing plantation. An ESDD was conducted, focusing on alignment with the Bank's Palm Oil sector requirements and our No Deforestation, No Peat, No Exploitation (NDPE) commitment. The assessment found that the client had not pursued its previous expansion plans and had achieved full certification of its existing plantations under the Malaysian Sustainable Palm Oil (MSPO) standard, increasing confidence in the client's strengthened sustainability practices. Despite this progress, the proposed acquisition, selected for its proximity to the client's existing plantation, was identified via our biodiversity assessment as being near forest reserves, highlighting the need for mitigation measures to manage potential human–wildlife conflict. We engaged with the client to communicate our concerns, understand their perspectives and review planned improvements.

Following internal deliberations and approvals, the client was removed from the Sustainability Watchlist. Financing was subsequently approved, subject to certain action plans, which included:

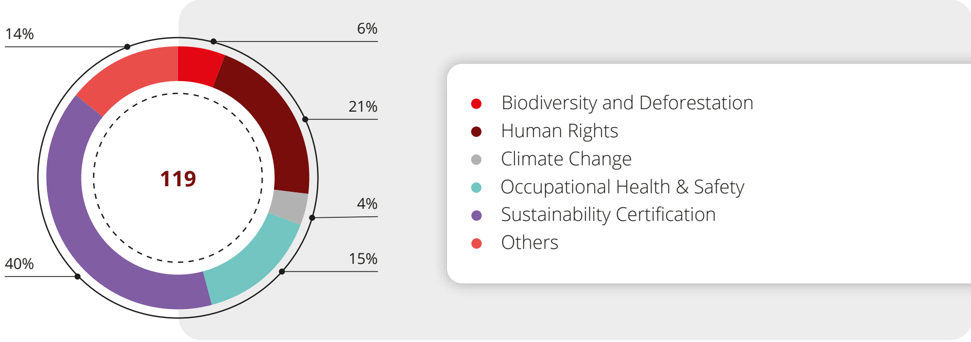
- Formal commitment to NDPE principles
- Development and implementation of a wildlife management plan
- Ringfencing of the working capital facility to restrict use of proceeds to certified plantations

Outcome

This case demonstrates how the Sustainability Watchlist framework combines risk control with active engagement. By linking access to financing with clear expectations and measurable actions, CIMB supports improvements in client practices while safeguarding environmental and social outcomes.

CLIENTS WITH ACTION PLANS DUE IN 2025

In 2025, 119 action plans were due from 100 clients, arising from action plans agreed in prior years. This was more than double the number due in 2024. This increase was due to a rise in action plans related to sustainability certification in the Palm Oil sector, following the extension of due diligence coverage to smaller SME clients, reflecting our strengthened risk oversight and broader engagement to improve sustainability practices among higher-risk segments.



For the action plans due in 2025:

- 28 clients with a total of 29 action plans had their action plans cancelled due to facility maturity, discontinued transactions or termination of the client relationship.
- Excluding the above, 90 action plans across 72 clients remained in scope. Of this, 61 clients successfully completed 74 action plans, representing an 85% client completion rate.
- 11 clients from the Manufacturing, Palm Oil and Forestry sectors were unable to complete their action plans within the agreed timelines, resulting in official reminders being issued.

KEY OUTCOME

85%

Clients completed Environmental & Social action plans due in 2025[1]

[1] Percentage represents the number of clients that completed Environmental & Social action plans due within the reporting period, divided by the total number of clients with action plans due in 2025 (arising from commitments agreed in prior years). Excludes cancelled action plans and approved extensions where delays were due to factors beyond the client's control.

Securing Our Future

Sector	Action Plan Themes	No. of Cases	Type of Financing	Completion Status: Completed	Completion Status: Not Completed	Completion Status: Cancelled	Key Action Items
Palm Oil	• Biodiversity & Deforestation	6	General Financing	3	3	–	• Implement Wildlife Management actions, provide High Conservation Value assessment report, provide No Deforestation, No Peat, No Exploitation (NDPE) commitment
	• Human Rights	3		3	–	–	• Develop a Human Rights Policy
	• Climate Change	2		–	2	–	• Provide GHG emissions report covering Scope 1 & 2
	• Health & Safety	4		2	1	1	• Establish and implement an Occupational Health & Safety (OHS) Policy
	• Certification	47		26	4	17	• Provide Malaysian Sustainable Palm Oil (MSPO)/Indonesia Sustainable Palm Oil (ISPO) certification
	• Others	5		3	–	2	• Obtain Blue Rating for PROPER
Manufacturing	• Human Rights	7	General Financing	3	3	1	• Develop a Human Rights Policy, conduct human rights due diligence and develop a grievance mechanism
	• Climate Change	1		1	–	–	• Provide Emergency Response Plan to address flood risk
	• Health & Safety	1		1	–	–	• Establish and implement an OHS Policy
	• Others	3		3	–	–	• Obtain Blue Rating for PROPER
Livestock & Fisheries	• Health & Safety	7	General Financing	6	1	–	• Establish and implement an OHS Policy
	• Others	1		1	–	–	• Obtain Blue Rating for PROPER
Construction & Infrastructure	• Human Rights	2	General Financing	1	–	1	• Develop a Human Rights Policy and grievance mechanism
	• Health & Safety	1		–	–	1	• Establish and implement an OHS Policy
	• Others	4		4	–	–	• Provide Environmental Impact Assessment (EIA) approvals, Environmental Management Plan and relevant supporting documents
Mining and Quarrying	• Human Rights	1	General Financing	1	–	–	• Develop a Human Rights Policy and a grievance mechanism
	• Health & Safety	1		1	–	–	• Establish and implement an OHS Policy
	• Others	3		3	–	–	• Provide documentation confirming legal operating rights
Forestry	• Biodiversity & Deforestation	1	General Financing	–	1	–	• Develop an NDPE Policy that fulfills CIMB's requirements specifically on no new development on peat
	• Human Rights	1		–	1	–	• Develop a Human Rights Policy
	• Certification	1		1	–	–	• Provide Sustainable Forestry Management Certification
Coal (Mining & Power Generation)	• Others	1	General Financing	1	–	–	• Provide an official written confirmation on no greenfield or expansion activities
Oil & Gas	• Human Rights	1	General Financing	1	–	–	• Carry out human rights due diligence and develop a grievance mechanism
Others	• Human Rights	10	General Financing	5	–	5	• Develop a Human Rights Policy, conduct human rights due diligence and develop a grievance mechanism
	• Climate Change	1		1	–	–	• Provide emergency response plan to address flood risk
	• Health & Safety	4		3	–	1	• Establish and implement an OHS Policy
	Grand Total	**119**		**74**	**16**	**29**	

CASE STUDY 2 MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN URBAN REDEVELOPMENT

Why it Matters

Property development projects can pose significant environmental and social (E&S) risks, particularly in areas with established communities or sensitive ecosystems. Without early identification and management, these risks may lead to community displacement, environmental degradation and reputational or regulatory challenges for both developers and their financiers.

Our Approach

In 2025, an ESDD conducted by the Sustainability team identified significant E&S risks that had not been disclosed by the client upfront. These risks were uncovered through a detailed screening process and thorough review of project documentation. The proposed financing involved the acquisition of land for a mixed-use development project comprising residential apartments and commercial shop lots.

Key social risks included potential community displacement, as the development site encompassed a village occupied by local residents for several decades. Portions of the village would need to be demolished to make way for the project. As part of the assessment, the team reviewed the settlement agreements with affected residents, which included compensation options such as replacement apartment units, monthly rental allowances and one-off cash settlements.

Environmental risks were also identified due to the site's proximity to a hillside, increasing exposure to potential landslides and impacts on surrounding neighbourhoods. The ESDD further highlighted the need for an Environmental Impact Assessment (EIA), which had not been disclosed at the initial stage of the financing application. Following engagement with the client, the company confirmed that an EIA would be prepared and submitted as part of the planning approval process.

To address these identified risks, the Sustainability team issued a transaction-specific action plan. This required the client to complete and submit the EIA and obtain the relevant regulatory approvals within a defined timeframe. These requirements were embedded into the financing terms, which will enable us to monitor E&S risk mitigation measures on an ongoing basis.

Outcome

This case demonstrates how ESDD enables the early identification and management of material E&S risks in property development projects. By integrating sustainability requirements into financing structures, we promote responsible development practices, strengthen accountability and help protect affected communities and the environment.

CASE STUDY 3 INTEGRATING SUSTAINABILITY INTO DATA CENTRE DEVELOPMENT

Why it Matters

Data centres are resource-intensive, with high energy and water demands and associated greenhouse gas (GHG) emissions, as well as local environmental impacts. Early identification and management of these risks supports responsible project design and operation, balancing operational requirements with climate and environmental considerations.

Our Approach

In 2025, CIMB approved financing for the development of a data centre, applying newly-established sustainability parameters specifically designed for data centre projects. These parameters were developed taking into account the environmental and social (E&S) risks inherent to data centres, CIMB's sustainability commitments, as well as applicable legal and regulatory requirements. As part of the ESDD process, the Sustainability team assessed the project across key risk areas, including physical and transition climate risks, biodiversity impacts, water stress, pollution, and human rights considerations.

The project met CIMB's expectations across all key areas. From a biodiversity perspective, the development was located within an existing developed area, with no proximity to key biodiversity or protected sites. The project design incorporated climate resilience measures, including the elevation of critical infrastructure above the 100-year floodplain to withstand extreme flooding and other climate-related hazards.

The project incorporated energy efficiency measures and outlined plans to source renewable energy to support its operations. Water-related risks were also considered, with the site located in an area of low water stress, and water-efficient and recycling technologies integrated into the design to reduce dependency on freshwater resources and potential impacts on surrounding areas.

Human rights considerations were reviewed, confirming that the developer had implemented policies and mechanisms to uphold the rights of workers and local communities.

Outcome

This case illustrates how applying structured sustainability parameters supports rigorous assessment of high-impact projects such as data centres. By embedding climate resilience, resource efficiency and human rights considerations into project planning and financing, CIMB supports responsible development while managing environmental and social risks and strengthening long-term sustainability outcomes.

Securing Our Future

CLIMATE CHANGE

To learn more about our approach to this material topic, visit our website.

KEY HIGHLIGHTS IN 2025

- Reduced Scope 1 and 2 (market-based) emissions to 52,358 tonnes CO_2e — a 50% reduction from the 2019 baseline, exceeding our 2025 target of 45% and on track toward our target of 100% reduction by 2030
- Increased group-wide renewable electricity usage to 42.5% of total electricity, up from 28% in 2024
- Four out of our six sectoral targets are aligned with Net Zero reference pathways, working towards full alignment for all six sectors by 2030
- Rolled out the Group's Climate Risk Management Standard across key markets, including Indonesia, Singapore and Thailand
- Completed the inaugural 2024 Bank Negara Malaysia Climate Risk Stress Testing (CRST) exercise for Malaysia, based on exposures as at 31 December 2023
- Established climate risk appetite thresholds for Malaysia, Indonesia, Singapore and Thailand
- Strengthened internal climate risk data capabilities by using external transition and physical risk data sources
- Contributed to industry-wide climate disclosure guidance through leadership roles in JC3 Sub-Committee 2 on Governance and Disclosures and chairing the NSRF Financial Institution Guidance Taskforce

Climate change is no longer a distant projection. Physical impacts, evolving regulatory expectations and shifting capital flows are already reshaping how businesses operate and how financial institutions allocate capital. At the same time, geopolitical turmoil and uncertain transition pathways are increasing the complexity of the net zero journey.

In this environment, long-term planning requires agility and discipline. Companies that do not adapt to policy shifts, technological change and evolving market expectations face growing financial, operational and reputational risks. They must also manage the physical impacts of climate change — from asset damage and supply chain disruption to broader social and health consequences — which are expected to intensify over time.

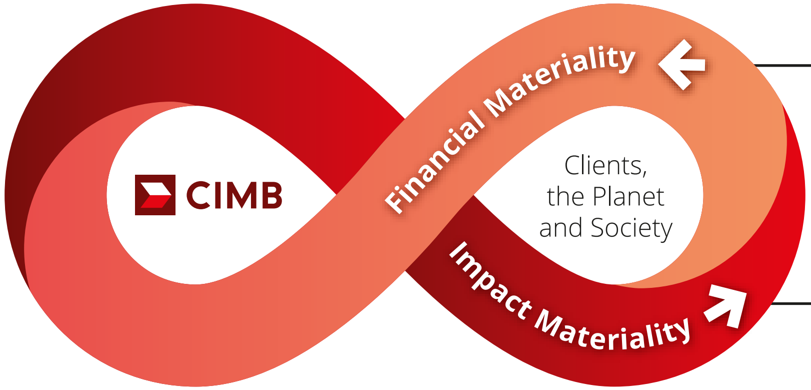
For CIMB, this reinforces the need for disciplined, forward-looking climate governance and strategies. As a financial intermediary, we must understand how climate-related risks and opportunities affect our portfolios and support clients in navigating transition pathways. Over and above understanding and managing the financial risks of climate change, we place primary importance on the broader human and societal impacts of climate change and the role we can play in supporting our stakeholders in the coming decades.

In 2025, we focused on deepening our climate risk management capabilities, aligning disclosures with global standards and improving data infrastructure, while playing an active role in shaping national climate governance and disclosure guidance through industry collaboration.

INTEGRATING CLIMATE GOVERNANCE INTO STRATEGY

Climate change poses both significant risks and opportunities for CIMB. Given its significance to our portfolios and operating environment, we have established clear governance structures and a climate strategy grounded in the principle of double materiality. This approach moves climate considerations beyond financial risk, embedding both impact and risk perspectives into how we assess effects on people and the environment and how we allocate capital across defined time horizons.

Our dual-track climate strategy reflects how these considerations are applied across the Group. On one track, we focus on our "inside-out" impact — how CIMB contributes to climate change through our operational and financed emissions, as well as our influence on clients, the environment and broader society. On the other hand, we manage "outside-in" climate risks — the effects of climate change on CIMB's business, primarily through the clients we finance, including physical disruptions, regulatory shifts, credit losses and changing access to markets. This integrated approach supports value protection, enables constructive client engagement and clarifies CIMB's role in supporting a low-carbon, climate-resilient future. Both tracks present distinct risks and opportunities. We integrate these considerations into our business strategies and risk management frameworks — supporting long-term value creation and financial resilience.



"Outside-in" risks and opportunities

Focuses on climate-driven risks and opportunities to CIMB resulting from our interactions with clients, the planet, climate and society (e.g., expected credit losses, reputational damage, access to new markets)

"Inside-out" impact

Refers to CIMB's climate impact on our clients, the planet, climate and society (e.g., CIMB's Scope 1 and 2 operational emissions and Scope 3 financed emissions)

Time Horizon Definitions

Climate risks and opportunities and their actual or potential impact on the Group's financial and non-financial performance are identified, assessed and managed holistically across different time horizons.

Short-Term (1 to 3 years)

Captures climate-related financial risks and opportunities that can materialise over the Group's budget and capital planning time horizon, with emphasis on immediate actions and their integration into near-term business planning and risk management approaches

Medium-Term (4 to 10 years)

Gauges mid-term implications of climate change over the Group's strategic planning time horizon, supporting alignment with the Group's Forward30 strategy, with an emphasis on deepening sustainable finance initiatives and transformative projects that will shape our progress in this decade

Long-Term (>10 years)

Assesses uncertainties and structural impact of climate change on the economy and financial system over a period of at least 30 years, to support the Group's long-term climate commitments and resilience

Securing Our Future

DRIVING CLIMATE ACTION GROUP-WIDE

CIMB embeds climate action into governance, risk management and business strategies, aligning with our Net Zero ambitions. The Board has overall accountability for sustainability, including climate change, at CIMB, while senior management and on-the-ground teams have clear roles and responsibilities in relation to managing climate-related risks in day-to-day operations. Climate change is integrated into our Enterprise-Wide Risk Management Framework, enabling climate risks to be managed holistically alongside other material risks and business considerations. Refer to page 27 for further information on how sustainability and climate change are governed at CIMB.

Net Zero Strategy

Led by the Group Chief Sustainability Officer (GCSO) and supported by the Group Sustainability Division, working closely with all business units to implement our Net Zero strategy, covering our own operational emissions and emissions associated with our financing and investment activities by:

- Setting operational emissions reduction targets alongside sectoral decarbonisation targets for our financing and investment portfolios
- Developing action plans to address climate risks and capture opportunities
- Strengthening climate governance frameworks
- Enhancing transparency through climate-related disclosures

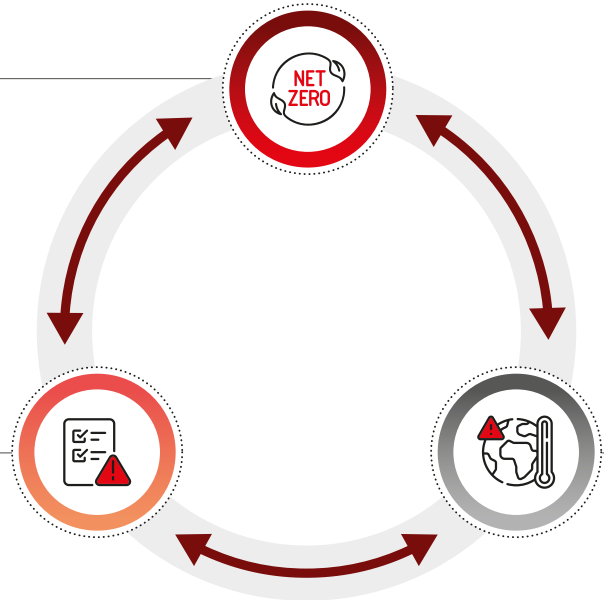
Risk Management: Strengthening Climate Resilience

To better manage climate-related risks, particularly those linked to Scope 3 financed emissions, the Climate Risk Unit under Group Risk acts as the second line of defence by:

- Monitoring and assessing climate-driven risks across credit, market, operational, liquidity and funding, as well as reputational risk
- Conducting climate scenario analysis and stress testing to understand our exposures to climate-related financial risks
- Managing risks through the Group's Enterprise-Wide Risk Management Framework by developing controls in areas such as risk appetite and climate risk due diligence
- Providing climate risk insights (e.g., stress test results) to support the Group's Net Zero strategy and its implementation, including client engagement

The Administration and Property Management team also contributes to reducing CIMB's operational emissions (Scope 1 and 2) by:

- Optimising office space and upgrading buildings for energy efficiency
- Transitioning to renewable energy
- Conserving water and reducing waste in our operating locations



Support/guidance/feedback/data sharing

Opportunities: Advancing Climate Action

We scale green and climate-aligned financing by:

- Strengthening pipelines for green and transition finance
- Engaging clients on emissions performance and transition plans
- Facilitating discussions on low-carbon opportunities
- Developing financing products that promote sustainable choices

Beyond financing, we drive climate awareness through:

- Campaigns that encourage responsible consumption
- Educational efforts to raise awareness of climate-related risks and opportunities

In 2025, the Group deployed RM7.9 million regionally to support our climate strategy, excluding the cost of the various people and teams working across the Group to execute our strategy. Investments and expenditures covered energy efficiency upgrades, renewable energy installations, purchase of renewable energy certificates, alongside enhancements to water efficiency and building systems. We also incurred expenses on employee training, data subscriptions and compliance-related costs. Many other climate-related costs are embedded within broader sustainability budgets and are not tracked separately. For example, capability-building initiatives such as the Sustainability Academy support our climate strategy and climate-specific training costs have not been carved out from the wider sustainability training and development expenditure. As a result, the actual costs associated with implementing our climate strategy are higher than the amounts disclosed here. Looking ahead, we expect a small proportion of CIMB's total future expenditure to continue to be required to support our climate initiatives.

EMPOWERING LEADERSHIP TO DELIVER CLIMATE ACTION

We equip decision-makers across the Group to drive informed climate action by strengthening Board and senior management capability in identifying, managing and acting on climate-related risks and opportunities. To support our Net Zero commitments, climate-related accountability and metrics are embedded within our governance and performance management frameworks.

For details on how climate accountability is reflected in performance and remuneration, please refer to the section "Sustainability Linkage to Pay" on page 34.

The Sustainability Academy serves as CIMB's central platform for building sustainability and climate capabilities for #teamCIMB. Climate change is defined as a core competency within the Academy, with structured learning pathways developed for the Board, senior management and role-critical employees.

For details on the Sustainability Academy, please refer to the section "Embedding Sustainability into Our DNA" on page 141.

In addition to the Academy, CIMB provides structured learning opportunities to deepen climate and sustainability expertise among the Board members and senior management:

- **Board-level learning**
  Each Board Group Sustainability Committee meeting includes a concise presentation by an external expert on a relevant sustainability topic, providing timely insights to support informed deliberation on environmental and social risks and opportunities relevant to financial institutions. In 2025, topics included developments in environmental and climate litigation, as well as the implications of the EU Deforestation Regulation (EUDR) for CIMB.
- **Senior management deep-dive sessions**
  Twice a year, CIMB convenes senior leaders from key entities across the Group for in-depth discussions on priority sustainability topics. These sessions dive into complex issues to strengthen technical understanding and decision-making capability. In 2025, discussions covered CIMB's nature and biodiversity strategy, climate risk management tools, data challenges and key insights from climate risk stress testing.
- **Board and senior management training programmes**
  CIMB conducts regional training sessions for Board members and senior management twice a year, combining strategic and technical perspectives. In 2025, two climate-focused sessions were facilitated by external experts:
  - **Carbon Markets and Pricing: Insights from the Value Chain**
    This session provided a practical overview of how carbon markets operate, including carbon credit development, verification and pricing, and examined the roles financial institutions can play across the carbon value chain.
  - **Climate Whiplash: Understanding Risk through Stress Testing**
    This three-part session introduced key concepts in climate risk management and climate scenario analysis, and enabled the Board and Management to review, challenge and discuss assumptions, methodologies and preliminary insights from the 2024 BNM Climate Risk Stress Test.

ADVANCING CLIMATE GOVERNANCE, RISK AND MARKET PRACTICES

Alongside strengthening our internal climate capabilities, CIMB contributes to national efforts through the Joint Committee on Climate Change (JC3), a regulator–industry platform established to advance climate resilience across Malaysia's financial system.

CIMB plays leadership roles across multiple JC3 subcommittees. Under Subcommittee 1 on Risk Management, CIMB co-chairs the Transition Risk Working Group and participates in the Physical Risk Working Group. During the year, we supported the delivery of Climate Risk Stress Testing (CRST) workshops and engaged member financial institutions on the interpretation of Bank Negara Malaysia's CRST requirements. We also advocated for the adoption of a common physical risk data approach across the industry to promote methodological consistency and reduce duplication of costs across financial institutions.

Under Subcommittee 2 on Governance and Disclosures, CIMB serves as Co-Chair and chairs the National Sustainability Reporting Framework (NSRF) Financial Institution Guidance Taskforce. Through these roles, we contributed to the development of the TCFD Application Guide for Malaysian Financial Institutions and are supporting sector-specific guidance aligned with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). This work includes industry surveys, stakeholder engagements and technical sessions aimed at supporting practical implementation and improving the quality and comparability of climate-related reporting across the financial sector.

Under Subcommittee 3 on Product and Innovation, CIMB served as Deputy Chair of the taskforce that developed the industry's Sustainable and Transition Finance Guidelines, which provide a national reference point for credible sustainable and transition finance practices. We are also an active member of the Climate Finance Innovation Lab, contributing to industry collaboration on scaling practical climate financing solutions.

Collectively, these contributions support clearer governance practices, more consistent risk assessment approaches and stronger industry coordination, helping to build credibility, comparability and implementation readiness across the nation's financial ecosystem.

Securing Our Future

OUR APPROACH TO GREENHOUSE GAS ACCOUNTING

We measure and report our greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard. The Group primarily applies the operational control approach to define the organisational boundary for operational emissions management, covering assets and activities over which CIMB has full authority to implement operational policies. To enhance transparency and support users of our disclosures, CIMB also provides supplementary GHG information based on the financial control boundary, covering entities over which the Group has the ability to direct financial and operating policies. This supplementary disclosure facilitates comparability with the Group's financial reporting boundary as we progressively strengthen our climate-related disclosures in line with evolving sustainability reporting practices.

Accurate data underpins every step of our climate journey. We collect data on fuel, energy and refrigerant use from electricity bills, fuel invoices and facilities records, and convert them into CO_2 equivalent emissions using emission factors from the Intergovernmental Panel on Climate Change (IPCC) and national authorities. By combining top-down and bottom-up methods, we build a comprehensive and accurate view of our emissions footprint.

For more details on our Scope 1, 2 and 3 accounting methodology, please refer to our "GHG Calculation Methodology — Public Methodology Document".

Scope 3 emissions are complex to measure and track, but they account for a significant share of our overall emissions. We are committed to improving transparency by continuously enhancing data collection and refining our methodologies to capture our full emissions impact to the extent possible.

In 2025, we expanded our Scope 3 reporting to include all nine relevant and material Scope 3 categories:

- Category 1: Purchased goods and services
- Category 3: Fuel- and energy-related activities
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 8: Upstream leased assets
- Category 9: Downstream transportation and distribution
- Category 13: Downstream leased assets
- Category 15: Investments*

* *For details on CIMB's Category 15 financed emissions and related initiatives, please refer to "Our Financed Emissions" on page 70.*

For more information please refer to "Environment Scope 3", in our Performance Data Supplement.

DRIVING OPERATIONAL DECARBONISATION

CIMB is committed to achieving net zero Scope 1 and 2 emissions by 2030. Our targets are based on absolute emissions reductions, aligned with the Paris Agreement goals, to mitigate climate-related risks to our business. To uphold accountability and consistent progress, CIMB has established interim targets of 45% reduction against our baseline by 2025 and 55% by 2026, towards our 2030 target.

Our Operational Net Zero Roadmap, covering Scope 1, 2 and material Scope 3 emissions (excluding Category 15 — financed emissions), has progressed from target-setting to enterprise-wide implementation. Decarbonisation considerations are integrated into operational decision-making, capital allocation, procurement practices and asset management across our buildings, offices and data centres. We have enhanced our GHG measurement methodologies, data management systems and internal controls to strengthen the accuracy, completeness and consistency of emissions reporting, in line with recognised standards. Performance is monitored against defined interim targets through structured governance oversight and management accountability mechanisms.

Our extensive branch network results in concentrated Scope 2 exposure, particularly to energy price volatility and the emergence of carbon pricing mechanisms. Through instruments such as Renewable Energy Certificates (RECs), Green Tariffs and potentially Virtual Power Purchase Agreements, CIMB is able to aggregate electricity demand across a geographically distributed asset base. This approach supports greater price visibility over the medium to long-term and helps manage potential exposure to future carbon costs, while advancing responsible green procurement practices.

For more information on our Scope 1 and 2 emissions, please refer to "Greenhouse Gas Emissions", in our Performance Data Supplement.

Our 2022–2030 Net Zero Operations Roadmap is operationalised through four strategic levers, each supported by defined initiatives, implementation milestones and performance indicators.

Lever 1: Optimising business premises and operations
We are consolidating office space, expanding digital channels and enabling remote work. These measures lower energy use and emissions, while enhancing operational continuity during climate-related disruptions such as floods, heatwaves or severe haze events.

Lever 2: Improving energy efficiency
We are upgrading lighting and cooling systems, installing motion and photosensors, and embedding green building practices. These reduce consumption and emissions, while improving our ability to maintain safe and stable operations in extreme temperatures. Regular energy audits and retrofits help address inefficiencies that could heighten vulnerability to physical climate risks. Guided by CIMB's Sustainable Workplace Guidelines, we are rejuvenating our workspaces according to green building standards and pursuing green building certifications. To drive accountability across divisions, CIMB has maintained an Internal Carbon Pricing framework since 2021.

More information on CIMB's Internal Carbon Pricing (ICP) framework is available on our website.

Lever 3: Expanding the use of green energy
We are installing solar PV systems across key offices and branches, subscribing to the Green Electricity Tariff and increasing the purchase of Renewable Energy Certificates. These steps reduce emissions and our reliance on grid electricity, while strengthening energy security in the event of climate-related grid disruptions.

Lever 4: Utilising carbon offsets responsibly for residual emissions
We only offset emissions that cannot yet be avoided (i.e., residual emissions), capping this at 10% of Scope 1 and 2 emissions. We only purchase verified carbon credits generated by certified projects in countries where we operate, to support positive impacts on local communities.

More information on CIMB's Net Zero Operational roadmap and initiatives is available on our website.

Securing Our Future

OUR PERFORMANCE IN REDUCING OPERATIONAL EMISSIONS

Since 2019, we have been making steady progress towards our goal of operational net zero by 2030. In 2025, we deepened our focus on renewable energy to drive the next phase of reduction, via a dual-track approach of accelerating rooftop solar installations and securing high-quality Energy Attribute Certificates (EACs). We have been ramping up green electricity adoption across the region: from 0% in 2022 to 28% in 2024 and 42.5% in 2025, effectively halving our market-based Scope 2 emissions between 2019 and 2025.

KEY INITIATIVES IN 2025

Sustained Operational Net Zero Status
- Maintained operational net zero (Scope 1 and 2) for CIMB Singapore since 2023
- Maintained Wisma CIMB's Net Zero Building status for the second consecutive year through equipment upgrades, green energy sourcing and carbon offsets
- Installed a rainwater harvesting system at Wisma CIMB, reducing potable water use for landscaping by up to 50%

Greening our Branch Network
- Continued to decarbonise the branch network through green building certifications
- Achieved GreenRE Office Interior Bronze Certification for CIMB's Iconic Point branch, Simpang Ampat, making it the second branch in Malaysia to receive this recognition
- Achieved green certification for 21% of office space in Malaysia and 12% of total occupied floor space group-wide

Energy Efficiency Enhancements
- Completed LED upgrades for all branches in Malaysia, resulting in an estimated 10% reduction in Malaysia's branch electricity consumption compared to 2024
- Replaced outdated HVAC systems in Malaysia and Indonesia as part of ongoing upgrades guided by CIMB's Sustainable Workplace Guidelines
- Tracked energy usage of our facilities to identify efficiency opportunities and inform future areas for improvement

Renewable Energy
- Launched CIMB Cambodia's first rooftop solar installation with a 50 kWAC system at the Monivong Head Office, CIMB's largest office in the country
- Enhanced CIMB's renewable energy footprint by implementing rooftop solar systems at five Malaysian branches, with expected annual savings of approximately RM127,000 in utility expenses
- Completed installation of solar PV systems at Wisma CIMB (Malaysia) and the Yogyakarta Sudirman 50 branch (Indonesia), both actively generating renewable energy in 2025

Our decarbonisation initiatives have delivered consistent, year-on-year emissions reductions, enabling us to surpass our annual targets and stay firmly on track to achieve our 2030 net zero goal for operational Scope 1 and 2 emissions. Since 2019, we have cut our Scope 1 and 2 GHG emissions by 50%, exceeding our 2025 target of a 45% reduction.

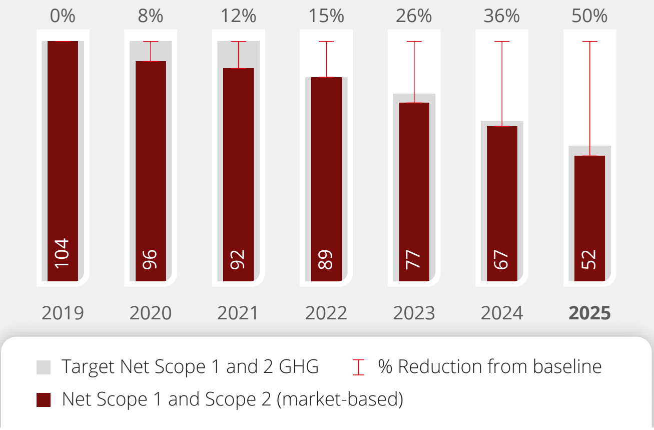
In FY2025, we broadened the scope of our emissions disclosure to encompass:
- All international branches, including the Philippines, Vietnam, Shanghai, Hong Kong, London and Labuan Offshore
- Key subsidiaries, including Touch 'n Go Sdn. Bhd., CIMB Securities Sdn. Bhd., PT CIMB Niaga Auto Finance and PT CIMB Niaga Sekuritas.

Despite the above increases in coverage of our Scope 1 and 2 emissions, we achieved a 3.6% reduction in total Scope 1 and 2 emissions between 2024 and 2025. For a like-to-like comparison, excluding the added coverage in 2025, we achieved a robust 6.1% reduction in Scope 1 and 2 emissions this year. The table below illustrates the impact of the change in basis of reporting, which added 2,277tCO_2e to our emissions.

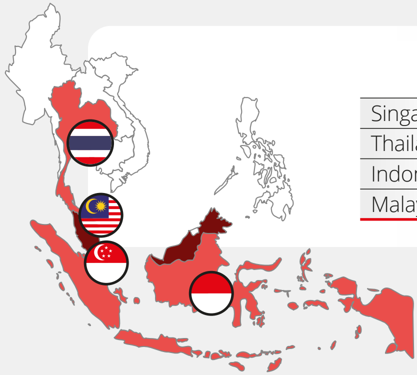
Movement Drivers	Tonnes CO_2e Impact[2]
FY2025 (Base year reporting boundary[1])	84,397
Expansion of Geography	+431
Inclusion of Key Subsidiaries[2]	+1,846
FY2025 (New reporting boundary)	**86,674**

Notes:
1 Includes Malaysia, Indonesia, Singapore, Thailand and Cambodia banking operations only
2 Scope 1 and 2 (location-based) gross emissions, excluding impact of energy attribute certificates and carbon offsets

Net Scope 1 and 2 GHG emissions ('000 tCO_2e) 2019–2025



Net Scope 1 and Scope 2 emissions are reported on an operational control basis, using Scope 2 market-based calculations.



	Renewable Energy Use	Source Type
Singapore	**100%**	RECs
Thailand	**78%**	RECs, Rooftop Solar PV
Indonesia	**40%**	RECs, Rooftop Solar PV
Malaysia	**39%**	RECs, GET, Rooftop Solar PV

Regionally, we now source over 42.5% of our electricity from renewable energy

This year, we expanded the coverage of our operational Scope 3 emissions (i.e., excluding Financed Emissions) reporting, resulting in a large increase of total reported Scope 3 emissions: 7,807,958 tCO_2e in 2025, compared to 42,161 tCO_2e in 2024.

This increase is primarily driven by emissions from Category 1 (Purchased Goods and Services), where in previous years, we had only reported emissions from the purchase of water in our key countries. In 2025, we started estimating the emissions from our broader procurement activities in Malaysia, resulting in total Category 1 emissions of 7,768,031 tCO_2e. As we expand our disclosure coverage to include broader procurement activities in other countries, we expect this number to increase further.

We refined our Scope 3 emissions reporting by adding Category 3 (Emissions from Fuel- and Energy Related Activities not included in Scope 1 or 2) this year. This new inclusion accounted for 562 tCO_2e of emissions in 2025. The remaining categories 5, 6, 7, 8, 9 and 13 contributed 39,365 tCO_2e in 2025.

For more information please refer to "Environment", in our Performance Data Supplement.

KEY OUTCOMES

- Reduced our operational Scope 1 and 2 (market-based) emissions by 50% from our 2019 baseline
- Increased use of green electricity from 0% in 2022 to 42.5% in 2025

Securing Our Future

CLIMATE-RELATED RISKS IMPACTING CIMB'S OWN OPERATIONS AND ASSETS

We have undertaken high-level assessments to evaluate the potential impacts of climate-related risks on our operations and physical assets across short-, medium- and long-term horizons, including implications for our business model and operational value chain.

A materiality assessment conducted in 2023 identified that climate-related physical risks and to a lesser extent transition risks, may give rise to incremental operational risk exposures and business continuity impacts. Consistent with the Basel Framework's Standardised Approach for operational risk capital requirements, potential loss exposures arising from climate-related risks were mapped to the relevant operational loss event types to support risk identification and monitoring.

Climate Risk Type & Driver	Basel Operational Loss Event Type	Potential Impact to CIMB	Time Horizon[1]
Transition Risk Policy and Regulatory Changes Technology Shifts Investor Expectations Consumer Preferences	**Business Disruption and System Failures**	The growing reliance on variable renewable energy can heighten the frequency and severity of supply disruptions where grid flexibility and resilience measures are insufficient. Inadequate backup arrangements (e.g., on-site generation) may lead to business interruption and operational losses for CIMB.	Long-term
	Clients, Products and Business Practices	As investors, regulators, business partners and customers increasingly expect greater transparency and accountability for climate action — including value-chain emissions — an inability to demonstrate credible decarbonisation progress could lead to adverse outcomes such as loss of business opportunities, increased legal exposure and remediation costs (e.g., corrective compliance programmes).	Short to long-term
Physical Risk Acute Chronic	**Employment Practices and Workplace Safety**	Extreme weather events, such as floods and incremental climatic changes such as rising temperatures, may cause business disruptions when employees are unable to report to work due to health and safety concerns. Such events can impair the continuity of critical operations and result in operational losses arising from workforce unavailability, service interruptions and recovery costs.	Short to long-term
	Damage to Physical Assets	Acute climate-related events, such as floods or droughts, may damage CIMB's physical and digital infrastructure, including data centres and other essential facilities. These incidents can result in operational and financial losses, including recovery costs and the replacement of assets not fully covered by insurance.	Short to long-term
	Business Disruption and Systems Failures	Acute physical climate risk events may disrupt CIMB's business processes through damage to critical systems and facilities. Examples include system outages resulting from server damage and the temporary closure of retail branches due to flooding, leading to operational disruptions and associated financial losses.	Short to long-term

[1] *Time horizons are determined by considering both when climate risks are likely to materialise and the level of uncertainty around them. CIMB adopts a prudent approach by extending timeframes where needed to capture risks that may fall outside conventional assessment and management cycles.*

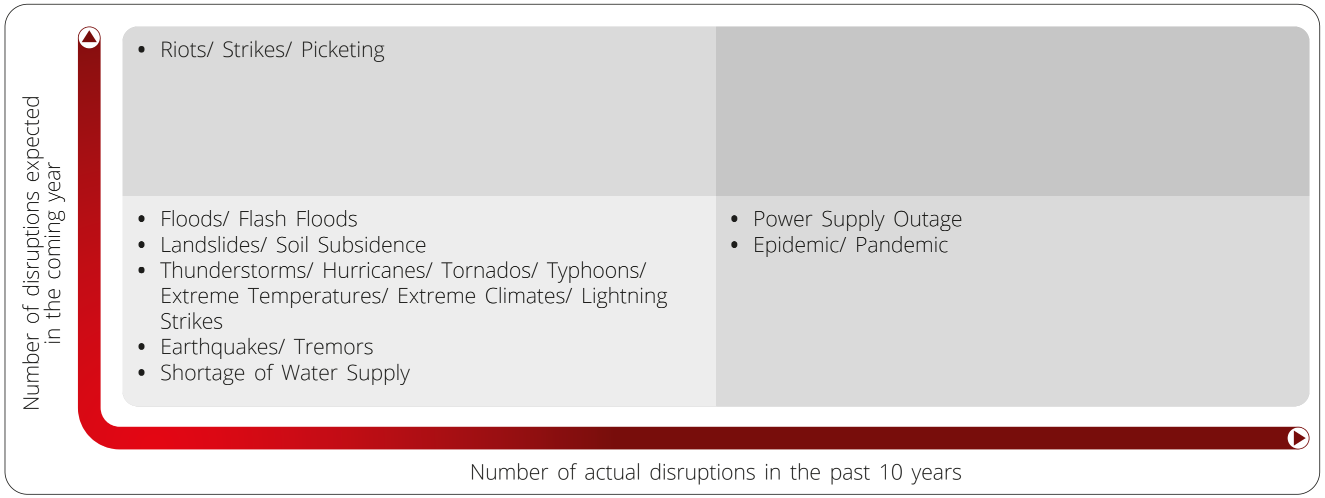
Physical Risk Assessment of our Operational Footprint: A Foundation for Climate Adaptation

ASEAN is vulnerable to a range of physical hazards such as flooding, landslides and droughts. Anthropogenic global warming significantly amplifies these risks by increasing the likelihood and severity of these hazards. For example, the flood areal extent of the river basins in Peninsular Malaysia, Sabah and Sarawak is anticipated to increase by 18.2%, 5.2% and 3.5% respectively from the baseline timeline (1971-2000) to 2100[1]. Owing to its low-lying and extensive coastal geography, high concentrations of population, infrastructure and economic activity in hazard-prone areas, combined with limited adaptive capacity across the country, Malaysia faces elevated exposure to physical climate risks.

Relatedly, CIMB's branches and main offices across all locations are subjected to climate-related physical risks. These hazards can disrupt operations, damage infrastructure and affect customer access. To address these challenges, as part of the Group's Business Continuity Management requirements, a Risk Assessment and Business Impact Analysis (BIA) is conducted on an annual basis for all respective business units including branches. Apart from the BIA, a Location Risk Profile (LRP) is also conducted for CIMB's main premises across the region to evaluate operational resiliency from both historical and potential disruptions arising from disasters and threats, including physical risk events such as floods, landslides, storms, typhoons, earthquakes and water shortages.

[1] *Malaysia Fourth National Communication Report (NC4) Under the United Nations Framework Convention on Climate Change, Minister of Natural Resources and Environmental Sustainability, 2024*

Types of Disruptions (Non-Exhaustive) Affecting CIMB's Operations in Malaysia



Key Physical Risk Adaptation Measures in Malaysia

Preventive Measures:
Avoiding locating new branches and offices in high-risk areas such as coastal zones or hillsides.

Protective Infrastructure:
Installing flood barriers, sandbags, and elevating critical service infrastructure to reduce vulnerability.

Preparedness Planning:
Using Risk Assessments and Business Impact Assessments to assess exposure to natural disasters and documenting corrective actions.

Seasonal Readiness:
Conducting annual engagements in Q3–Q4 to prepare for the flood season and to support operational resilience during disruptions.

These measures strengthen our ability to maintain service continuity and safeguard assets against climate-related physical risks.

Securing Our Future

CLIMATE-RELATED OPPORTUNITIES FOR CIMB'S OWN OPERATIONS AND ASSETS

We have also identified the opportunities that can arise from climate-related factors, which can serve to enhance the efficiency, resilience and capabilities of CIMB's physical assets.

Strategic Pillar	Opportunities and Benefits	Time Horizon
Energy & Infrastructure	**Renewable Energy Procurement:** Expand green energy sourcing including Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs) to lower our operational carbon footprint.	Short to long-term
	Operational Efficiency Gains: Invest in energy-efficient equipment and the use of low-Global Warming Potential (GWP) refrigerants within our operational systems to reduce GHG emissions and long-term energy costs.	Short to long-term
	Waste Circularity: Emphasise waste reduction at source, consider economically viable waste-to-energy solutions and zero-waste circularity programmes that enable resource recovery and minimise landfill dependency.	Short to long-term
Digital Transformation	**Virtual Collaboration:** Utilise digital tools to enable remote working while lowering reliance on commuting and business travel.	Short to long-term
	Digital Delivery: Accelerate the shift to paperless operations and prioritise a digital-first approach across all customer communication touchpoints to improve operational efficiency and modernise service delivery.	Short to long-term
Logistics & Supply Chain	**Low-Carbon Logistics:** Partner with environmentally responsible carriers, such as DHL, via its GoGreen programme, to reduce emissions from distribution activities through fuel-efficient transport modes, lower-emissions delivery options and optimised logistics routes.	Short to long-term
	Fleet Transition: Invest in Electric Vehicles (EVs), expand charging infrastructure and roll out green mobility programmes aimed at reducing fuel-related emissions.	Short to long-term
	Sustainable Procurement: Engage suppliers through responsible sourcing practices and discussions to minimise the environmental footprint of purchased goods, while encouraging higher sustainability standards and performance across our supply chain.	Short to long-term

EMISSIONS FROM OUR FINANCING AND INVESTMENT ACTIVITIES

Our greatest opportunity to influence climate outcomes arises from how we allocate capital and support clients in transitioning to low-carbon business models. CIMB is committed to aligning our financing and investment portfolios with pathways that support a Net Zero economy by 2050 and limit global warming to 1.5 degrees Celsius above pre-industrial levels. This commitment informs our risk management, business decisions and client engagement.

OUR APPROACH TO SUPPORTING DECARBONISATION ACROSS OUR PORTFOLIOS

Our approach to decarbonising our portfolios balances the management of climate-related risks with the identification and pursuit of opportunities arising from the Net Zero transition.

At CIMB, climate risk management is overseen by the Climate Risk unit, which identifies, assesses and manages both climate-related transition and physical risks across the Group's financing and investment portfolios. Climate-related risks are progressively integrated into the Group's risk governance, policies, processes and credit underwriting, supported by a range of assessment approaches, including climate scenario analysis (CSA) and climate risk stress testing (CRST).

These risk insights provide the foundation for Net Zero Transition Planning, driven by Group Sustainability. Transition planning translates this understanding into forward-looking action, starting with the establishment of clear metrics and targets which provide a consistent basis for monitoring progress, guiding opportunity identification, and coordinating delivery across the Group. The delivery of climate-related opportunities is undertaken in close collaboration with business teams, with transition considerations embedded into portfolio decisions and aligned with the Group's broader business strategy.

Execution is enabled by robust people and data capabilities, including structured, role-specific training through the Group's Sustainability Academy and the establishment of robust sustainability and climate data infrastructure designed to provide consistent, reliable and scalable information across the Group.

Insights and outcomes from these initiatives are communicated through various disclosure and reporting channels, providing transparency on progress, governance and strategic alignment with recognised climate-related disclosure standards.

We are guided by Bank Negara Malaysia's Climate Risk Management and Scenario Analysis (CRMSA) policy document, as well as other relevant climate-related regulations and frameworks. These references keep our approach robust, transparent and aligned with evolving standards. By staying attuned to regulatory expectations and global best practices, we aim to strengthen our long-term resilience and support a just and orderly transition to a low-carbon economy.

For details on climate risk management, please refer to page 58.

For details on climate-related opportunities, please refer to page 79.

Securing Our Future

Our Scope 3 (Category 15) Delivery Framework

Climate Risk Management

Risk insights inform transition priorities

Transition progress feeds back into risk metrics

Net Zero Transition Planning

Set Clear Metrics and Targets with Robust Monitoring

Understanding our Financed Emissions
Progressive expansion and improvement of financed emissions measurement and disclosure, aligned with evolving data availability and industry standards

Tracking and Managing Progress against Sector-Specific 2030 Interim Targets
Ongoing monitoring of progress against interim targets, supported by structured internal escalation mechanisms to enable early identification of potential misalignment and timely management action

Capture Climate-related Opportunities

Market Opportunity Identification
Market scanning and opportunity sizing informed by policy, technology and client demand trends

Client Transition Assessment and Classification
Structured assessment and categorisation of clients based on transition maturity and emissions profile, enabling prioritisation and enhancing transparency

Targeted Engagement and Solution Enablement
Collaborative engagement with clients and industry stakeholders to support transition plans and catalyse broader market shifts through tailored financing, advisory and partnerships

Build People and Data Capabilities for Effective Delivery

Strengthening Talent and Expertise
Build internal capabilities through structured training programmes and enable cross-functional coordination to execute the transition strategy consistently and at scale.

Enhancing Data and System Infrastructure
Improve data quality, architecture and analytical tools to support accurate climate-related measurement, monitoring and reporting.

Business Strategy Alignment
Align financing/investment decisions with transition targets; embed transition considerations into core portfolio strategy

Disclosure & Reporting
Transparent reporting of Net Zero progress, governance and alignment with recognised climate disclosure standards

We recognise the complexity of this journey. Progress depends on collective effort within our organisation and the broader ecosystem (including clients, investors, regulators, and civil society), alongside the effective implementation of climate commitments across the ecosystem, as well as supportive economic conditions. This interdependency highlights why collaboration is essential. Working together across these stakeholders ensures our strategies remain relevant, impactful, and adaptable as the climate and economic landscape evolves.

CLIMATE RISK MANAGEMENT

Climate change is recognised as both a standalone and cross-cutting risk that could materially affect the Group's long-term resilience and our ability to create value for stakeholders. This risk is typically categorised into two main types: transition risks arising from shifts in policy, technology, customer preferences or market dynamics; and physical risks resulting from the acute or chronic impacts of climate change on our assets and operations, or those of our clients and investees.

Climate-related risks can directly affect CIMB's business model, value chain, financial position and performance, as well as cash flows, driven by macroeconomic and microeconomic responses affecting the economy, companies and societies. For instance, as transition policies accelerate across ASEAN, sectors with higher emissions intensity may face increased exposure to carbon pricing mechanisms, regulatory shifts, changes in market demand and technology substitution. Physical risks — including rising temperatures, floods and sea-level rise — may further affect clients' and our own asset values and business continuity, particularly in vulnerable regions. These climate-related risks manifest and impact CIMB through existing risk types, primarily credit, market, operational, liquidity and funding, as well as reputation risks.

Credit risk arising from downstream financing and investment activities, which contributes 81.3% of the Group's risk-weighted assets as of 31 December 2025, continues to be the most significant risk type where climate risk could manifest and have the greatest impact on the Group, underscoring the need for targeted management. As a financial institution, our primary climate-related risk arises from our financing and investment activities, particularly in high-emitting sectors. These sectors account for a significant share of our financed emissions and are areas where transition dynamics could materially affect client resilience and consequently, CIMB's credit risk profile.

Accordingly, climate considerations are embedded into CIMB's business and risk management processes across the value chain, from client onboarding and due diligence to risk appetite setting and portfolio monitoring. This also underpins the Group's sector-specific 2030 interim targets, which outline sectoral portfolio decarbonisation pathways and client transition strategies.

Climate-Related Risks Impacting CIMB's Business

We identify and assess climate-related risks across different time horizons that may affect our credit, market, operational, liquidity and funding, as well as reputational risk profiles. This analysis is regularly refreshed to reflect our ongoing assessment of policy, market and scientific developments across ASEAN. Key climate-related risks are summarised below.

Climate Risk Type & Driver	Risk Type	Potential Impact to CIMB	Time Horizon[2]
Transition Risk Policy and Regulatory Changes Technology Shifts Investor Expectations Consumer Preferences **Physical Risk** Acute Chronic	**Credit Risk**	• Impacts clients' repayment capacity and default rates • Impacts collateral value due to stranding of climate-misaligned assets • Higher expected credit losses and risk-weighted assets (RWA)	Short to long-term
	Market Risk	• Impacts the value of climate-incompatible securities underwritten or held by the Group, due to market volatility • Lower returns on investments	Medium to long-term
	Liquidity and Funding Risk	• Impacts the Group's liquidity due to clients' inability to repay their facilities or significant and sudden cash withdrawals or credit drawdowns due to extreme climate events • Lower Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)	Short to long-term
	Reputational Risk	• Impacts the Group's reputation and image due to financing of carbon-intensive sectors such as Coal • Impacts stakeholder confidence in the Group's sustainability efforts and ability to manage climate-related risk exposure	Short to long-term
	Operational Risk[1]	• Impacts the Group's operations when physical assets are damaged or if access to them is disrupted due to extreme weather events • Impacts the Group when new climate-related regulations result in the need to change internal processes, systems and investments to comply with new requirements	Short to long-term
	Strategic Risk	• Impacts the Group's competitiveness, market share and attractiveness to investors due to the inability to shift from "brown" to "green" financing	Medium to long-term
	Enterprise-wide Risk (Capital Risk)	• Impacts the Group's ability to absorb losses, cater for business investments and maintain public confidence due to inadequate capital for climate-related risks	Medium to long-term
	Model Risk	• Impacts the Group's ability to accurately quantify the impact of climate-related risks due to inherent uncertainties and limitations associated with climate risk models, assumptions and scenarios applied, as well as improper implementation and usage of those models	Short to long-term

[1] *For details on climate risks in relation to CIMB's own operations, please refer to page 54.*

[2] *Time horizons are determined by considering both when climate risks are likely to materialise and the level of uncertainty around them. CIMB adopts a prudent approach by extending timeframes where needed to capture risks that may fall outside conventional assessment and management cycles.*

Securing Our Future

Operationalising Climate Risk Management

To manage climate risk alongside other risk types in a consistent and integrated way, from frontline teams to the Board, we build on existing risk processes and controls to include climate risk. As set out in the Group's Climate Risk Management Standard, a suite of tools and methodologies are embedded across different stages of the risk management process to identify, assess, manage, monitor and report climate risk.

Stage	Tool/Methodology	Time Horizon Considered
Risk Identification and Assessment	**Climate Risk Heatmapping** • Identifies material climate risk areas based on exposure profiles across the Group • Maintains a list of sectoral and regional heatmaps identifying "pockets of risk" for focused management	Short to long-term
	Annual Material Risk Assessment (MRA) • Forms a part of the Group's Internal Capital Adequacy Assessment Process (ICAAP), where business units conduct annual self-assessments of non-measurable risks including sustainability (and climate) risks in significant business activities • Facilitates discussions between Sustainability, Climate Risk and business units to evaluate sustainability risk exposure and effectiveness of controls • Compares estimated capital from the MRA against internal Pillar 2 risk buffers, and sets aside capital as part of ICAAP	Short-term
	Risk Hotspots and Emerging Risks Assessment (RHER) • Identifies, analyses and monitors sustainability (and climate) risk hotspots and emerging risks while evaluating the adequacy of internal controls in providing appropriate risk response actions where required • Enables early detection of developing or evolving material climate risk drivers which may be difficult to quantify	Short-term
	Financed Emissions Inventory • Calculates the carbon footprint of the Group's financing and investment assets, which can be used as a proxy for transition risk exposure	Short to medium-term
	Alignment to Sector-specific 2030 Interim Targets • Measures the alignment of progress against the Group's sector-specific interim Net Zero goals to gauge exposure to transition and reputational risks	Short to long-term
Risk Measurement	**Climate Scenario Analysis/Climate Risk Stress Testing (CSA/CRST)** • Evaluates climate-driven impacts on credit and non-credit parameters using quantitative and/or qualitative methods	Short to long-term

(This table continues on the next page)

Stage	Tool/Methodology	Time Horizon Considered
Risk Management	**Integrated Sustainability Assessment Tool (ISAT)** • Evaluates climate risk of non-retail customers and transactions, and develops action plans to mitigate or adapt as needed	Short to long-term
	Green, Social, Sustainable Impact Products and Services (GSSIPS) • Mobilises climate finance (e.g., climate-supporting financing, transition finance) to help clients decarbonise	Short to medium-term
	Country Sector Limit Methodology (CSLM) • Manages the Group's exposure to climate risk through the Sustainability Overlay, developed based on sector sensitivities to transition risk using the Transition Risk Heatmap from the United Nations Environment Programme Finance Initiative (UNEP FI)	Short to medium-term
	Operational Risk Management • Manages the Group's operational risk impacts caused by physical or transition risk-driven events	Short to medium-term
Risk Monitoring and Reporting	**Risk Appetite Dashboard (RAD)** • Monitors the Group's performance against established climate risk appetite metrics and facilitates mitigating actions	Short to long-term
	Regulatory Reports/Disclosures • Communicates the Group's climate risk management approach and performance in line with regulatory requirements and standards (e.g., CRMSA, IFRS S2)	Short to long-term

Advancing Climate Risk Management in FY2025

In 2025, we strengthened how climate risk is identified, assessed and managed across the Group, integrating it into our broader risk management processes from frontline operations to Board-level oversight.

Implementing the Group's Climate Risk Management Standard

In 2025, we rolled out the Group's Climate Risk Management Standard across key operating countries, including Indonesia, Singapore and Thailand. The Standard was adapted to reflect local regulatory, market and risk conditions while maintaining Group-wide consistency. This approach strengthens accountability and enables us to operate confidently across all markets we serve.

Setting FY2026 Climate Risk Appetite

Following the introduction of the qualitative Sustainability Risk Appetite Statement (RAS) and the Group's Sustainability Risk Appetite Dashboard in July 2024, Red-Amber-Green thresholds were successfully established for internal climate risk metrics. These thresholds, which will take effect in 2026, act as guardrails to monitor portfolio-level climate risk and trigger timely management actions by business units whenever an appetite breach occurs.

Updating the Sustainability Overlay

The Sustainability Overlay applied for FY2026 CSLM in Malaysia was validated and updated by the Climate Risk unit in 2025, incorporating insights from the 2024 Bank Negara Malaysia Climate Risk Stress Testing exercise.

Integrating Climate Risks into Group-wide Stress Testing

Climate risk factors (e.g., catastrophic flooding) were incorporated into the macro-economic scenarios of the existing regulatory Groupwide Stress Test (GWST) to derive impacts to CIMB's Pillar 1 Regulatory Capital and Pillar 2 risks using Economic Capital where applicable. This exercise allows us to better assess the resilience of CIMB against macro-financial shocks with compound effects from climate change.

Strengthening Climate Risk Data and Analytics

Sourcing of third-party climate-related transition and physical risk datasets was expanded to enrich internal data and enhance our ability to assess climate risk in relation to customers and collateral.

Securing Our Future

Building CIMB Group's Transition Risk Heatmap

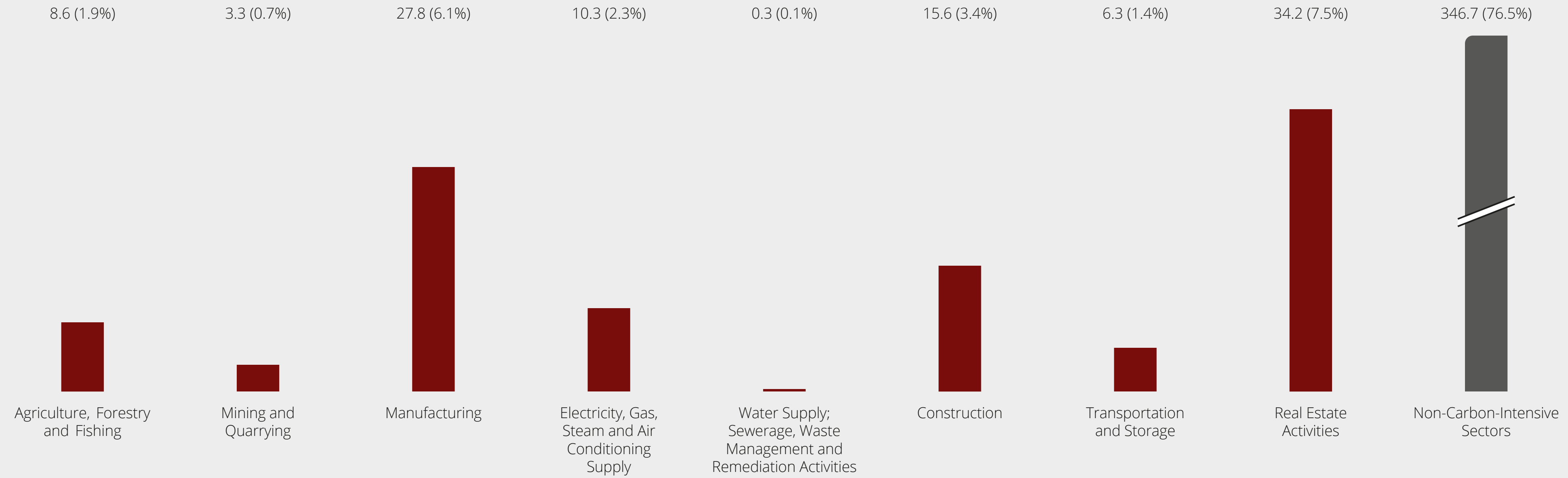
To enhance visibility and assessment of transition-driven credit risk within our loans and financing portfolio, we developed a Transition Risk Heatmap. This heatmap uses sectoral exposures to carbon-intensive sectors — measured by gross carrying amount — as a proxy for transition risk.

To support data comparability across the industry, the identification of carbon-intensive sectors was guided by Bank Negara Malaysia's information note, focusing on the top-emitting and moderate-emission sectors using the Malaysia Standard Industrial Classification (MSIC). For markets using classification systems other than MSIC, equivalent sectors were mapped for consistency across our regional footprint.

As of 31 December 2025, 23.5% (or RM106.3 billion) of the Group's total gross carrying amount is exposed to transition risk.

Transition Risk Heatmap

CIMB Group's exposure to carbon-intensive sectors as of 31 December 2025, classified based on MSIC and measured by gross carrying amount, in RM billion and percentage terms*



* *Gross carrying amount represents gross loans, advances, and financing. Percentages are calculated using gross loans, advances, and financing to non-individual customers in carbon-intensive sectors across our key markets (Malaysia, Indonesia, Singapore, Thailand, Labuan, London, Hong Kong and Shanghai) as the numerator, and the Group's total gross loans, advances, and financing to both individual and non-individual customers as the denominator.*

Carbon-Intensive Sectors   Non-Carbon-Intensive Sectors

Climate Scenario Analysis and Climate Risk Stress Testing

Regulators across ASEAN have increasingly prioritised Climate Scenario Analysis (CSA) and Climate Risk Stress Testing (CRST) as essential tools to safeguard financial stability. These methodologies enable financial institutions and regulators to assess how different climate pathways could affect individual financial institutions as well as the financial system as a whole, identify areas of vulnerability and prepare for uncertainties.

Since 2021, we have taken progressive steps to strengthen our internal CSA/CRST capabilities to meet regulatory expectations and manage an evolving climate risk landscape.

2021-2022

Pilot of the Paris Agreement Capital Transition Assessment (PACTA) Tool for Banks
- Evaluated how non-retail financing portfolios in Malaysia and Singapore align with global transition scenarios and temperature goals

Retail Flood Risk Assessment Pilot
- Investigated the effects of Malaysia's 2021 flood events on our mortgage portfolio, including the impact on collateral valuation and customers' repayment capacity

2023

Road-testing of In-House CSA/CRST Models
- Developed a suite of sector-specific and emissions-based climate risk models for eight climate-sensitive sectors, including Agriculture, Power Generation and Oil & Gas
- Tested the models through a proof-of-concept exercise on non-retail financing and investment portfolios across Malaysia, Indonesia, Singapore and Thailand

2024

Preparation for Regulatory CRST Exercises
- Enhanced internal climate risk models and processes in alignment with regulatory requirements
- Produced first round of results per Bank Negara Malaysia's (BNM) CRST specifications
- Submitted preliminary CRST results to the Indonesia Financial Services Authority (OJK)
- Completed the Bank of Thailand (BoT) pilot CRST along with other local Thai banks, focusing on physical risk, i.e. major flooding in Thailand

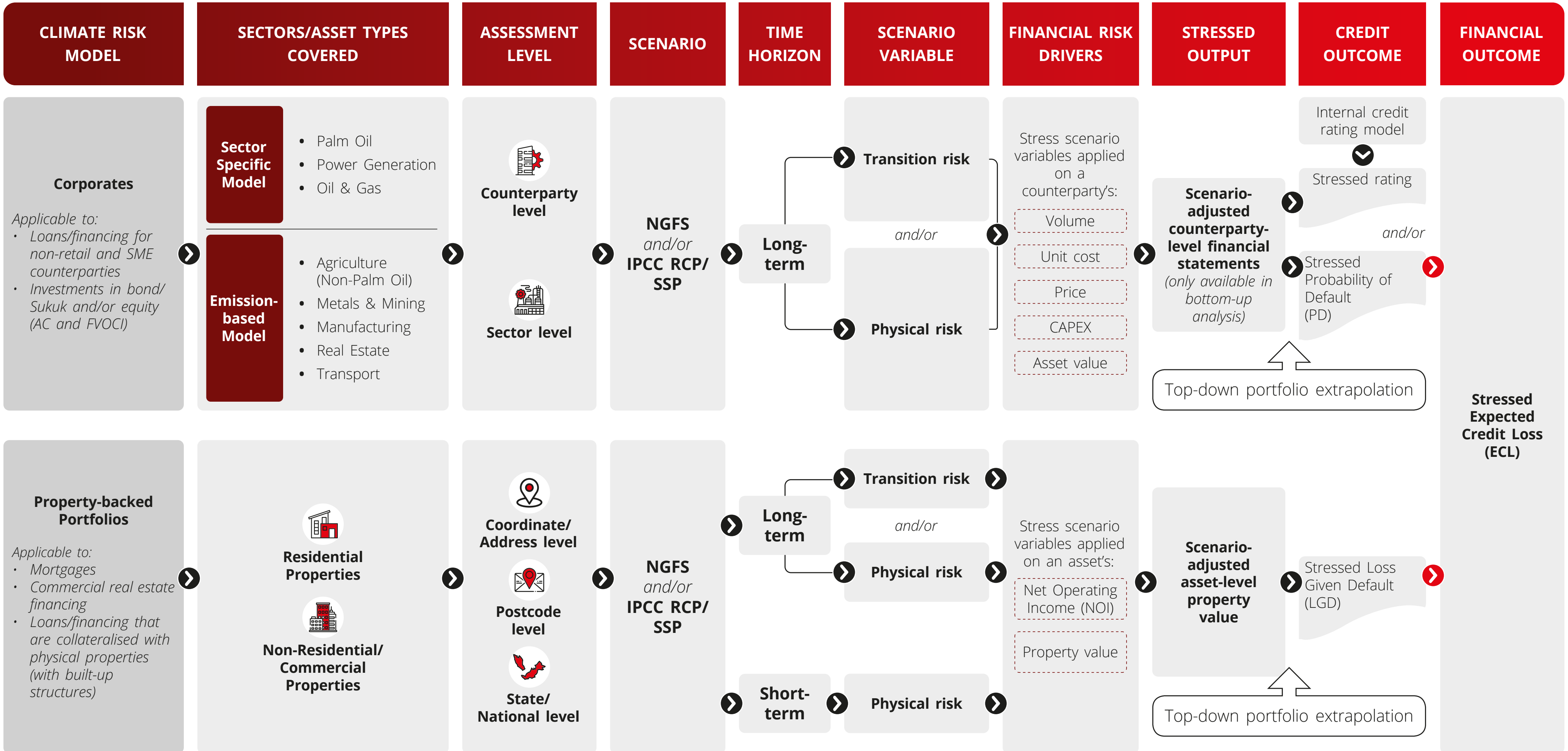
2025

Building End-to-End CRST Readiness
- Onboarded third-party climate risk datasets to support more granular risk quantification
- Conducted a climate risk workshop for the Board and management to present findings and to further enhance their understanding of climate risks
- Completed internal validation of our climate risk models, which were rated "Fit for Purpose"
- Obtained necessary committee approvals and submitted the 2024 BNM CRST results

Securing Our Future

Overview of CIMB Group's Climate Risk Modelling Approach

To deliver the CSA/CRST exercises in alignment with supervisory expectations across the Group, we utilise two primary types of climate risk models: Corporate Models for corporate counterparties and Property-backed Model for portfolios secured by real estate. The Corporate Models provide a comprehensive assessment of how climate risks — transition and/or physical — may influence counterparties' Probability of Default (PD) and credit ratings under long-term climate scenarios. In contrast, the Property-backed Model focuses on evaluating how acute physical events and/or transition risk drivers could impact property collateral values and, consequently, the Loss Given Default (LGD) faced by CIMB if such risks materialise.



Corporate Models

For corporate customers, we apply a combination of sector-specific and emissions-based models for eight climate-sensitive sectors to assess counterparties' sensitivity to climate-related transition and/or physical risks. These models allow us to derive forward-looking insights into potential financial and credit impacts on both the counterparties and CIMB as their financier.

Applicable to Oil & Gas, Power Generation and Palm Oil, the sector-specific models provide a more detailed approach by modelling product-level changes under each climate scenario (e.g., renewable versus fossil fuels in Power Generation sector) and mapping the resulting scenario-driven financial impacts to counterparties.

The emissions-based climate risk models, on the other hand, estimate financial risk driver impacts based on company-level Scope 1, 2 and upstream Scope 3 emissions. This approach is best suited for high-emissions sectors where technology transition pathways are less well defined or where data limitations prevent the use of sector-specific models. However, it is not appropriate for sectors where downstream Scope 3 emissions represent a significant portion of their carbon footprint. Sectors modelled using this approach include Agriculture (excluding Palm Oil), Real Estate, Transportation, Metals and Mining, as well as Manufacturing.

We adopt a structured, data-driven methodology when implementing climate risk models for corporate portfolios:

- Categorise counterparties into archetypes based on shared business and risk characteristics within each sector, enabling portfolio-level extrapolation at a later stage
- Select representative companies that exhibit diverse risk and business profiles within each sector to represent each distinct archetype and perform bottom-up financial stress simulations using pre-selected climate scenarios. These simulations assess how transition and/or physical-related scenario variables affect financial position, performance and cashflows and subsequently influence Probability of Default (PD) and/or credit ratings of those representative companies
- Extrapolate bottom-up results to the remaining counterparties within the same sector, based on average distance to default (DD) shifts of the corresponding archetype and derive their climate-adjusted PD and credit rating under each climate-stressed scenario

Property-backed Model

The Property-backed Model analyses how climate-related transition and/or physical risks can affect the future valuation of financed properties and collateral, both residential and commercial. Changes in property value may, in turn, influence LGD outcomes.

The model supports both short- and long-term climate scenarios, enabling geocode-level analysis that incorporates climate-related hazards, including floods, heatwaves and water stress. If geocode-level data is unavailable, assessments are scaled to less granular levels (postcode, state or national).

For transition risks, the model accounts for potential changes in operating costs, including higher energy expenses and pressure on property owners to retrofit or improve energy efficiency. These dynamics can affect Net Operating Income of the properties and, over time, impact property valuations.

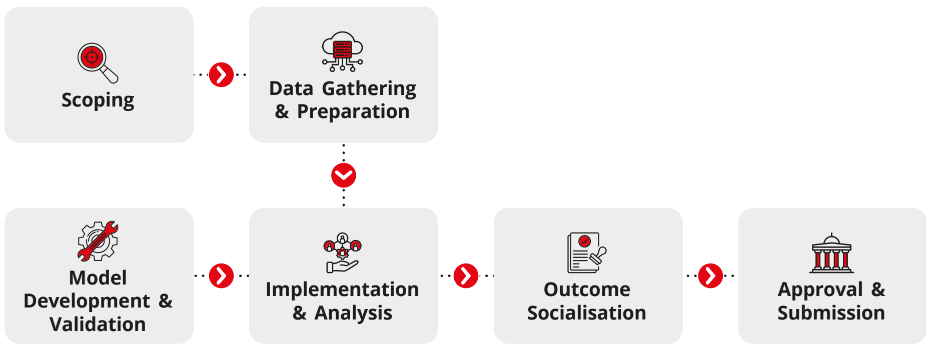
Institutionalising CSA/CRST within CIMB

To support robust and credible CSA/CRST assessments, several foundational elements must be established — such as clear roles, responsibilities and governance; rigorous model validation; systematic challenge of assumptions and limitations; and effective socialisation of results with relevant stakeholders. These building blocks not only enhance the integrity of the analysis but also promote transparency and informed engagement across CIMB.

Governance

Oversight Committees	Board Risk and Compliance Committee (BRCC), Group Risk and Compliance Committee (GRCC)
Process Owner	Climate Risk Unit
Model Owner	Risk Intelligence and Strategic Modelling Unit
Key Stakeholders Involved	Group Risk, Group Finance, Group Sustainability and business units

Implementation



Securing Our Future

Colour coding reflects severity of a scenario from a macro-financial risk perspective, based on expert judgements and references from publicly available sources:

Lower Risk	Moderate Risk	Higher Risk

Stress Testing the Future: Key Takeaways for Malaysia

Bank Negara Malaysia (BNM) mandated the 2024 CRST exercise for financial institutions in Malaysia to deepen their understanding of and capacity to address climate-related risks, specifically by refining their existing risk management strategies and exploring new stress testing approaches relevant to the assessment of climate-related risks.

Key Assumptions and Variables of NGFS Phase III Long-Term Adverse Climate Scenarios

	Orderly **Net Zero 2050 (NZ 2050)**	*Disorderly* **Divergent Net Zero (DNZ)**	*Hot House World* **Nationally Determined Contributions (NDCs)**
Scenario Narrative	• Early and decisive action from governments, companies and consumers reduce global emissions in a gradual way • Some jurisdictions such as the US, EU, UK reach net zero for all GHGs	• Governmental action to address climate change is delayed to 2030 • The 10-year delay uses up the global carbon budget, and more significant action is needed to catch up, resulting in higher carbon prices across sectors and a quicker phase down of oil use	• Governments fail to introduce policies to address climate change other than those already announced until COP26 in 2021
Policy Ambition	1.4 degrees Celsius	1.4 degrees Celsius	2.6 degrees Celsius
Transition Risk	**Moderate to higher risk**	**Higher risk**	**Lower risk**
Policy reaction	Immediate and smooth	Immediate, but divergent across sectors	NDCs
Technological change	Fast change	Fast change	Slow change
Carbon dioxide removal	Medium-high use	Low-medium use	Low-medium use
Regional policy variation	Medium variation	Medium variation	Medium variation
Physical Risk[1]	**Lower** [RCP2.6]	**Lower** [RCP2.6]	**Higher** [RCP8.5]

[1] *Mapping to IPCC RCP emissions trajectory by CIMB, using a conservative approach*

Selected Key Variables of NGFS Phase III Scenarios	*Orderly* **Net Zero 2050 (NZ 2050)**	*Disorderly* **Divergent Net Zero (DNZ)**	*Hot House World* **Nationally Determined Contributions (NDCs)**
Carbon price (US$ 2010/tCO_2)	2030: 114.64; 2050: 451.24	2030: 260.98; 2050: 700.76	2030: 35.61; 2050: 50.67
Oil demand (EJ/yr vs 2020)	2030: ↓ 9%; 2050: ↓ 55%	2030: ↓ 15%; 2050: ↓ 68%	2030: ↓ 1%; 2050: ↓ 26%
Coal demand (EJ/yr vs 2020)	2030: ↓ 75%; 2050: ↓ 98%	2030: ↓ 78%; 2050: ↓ 98%	2030: ↓ 22%; 2050: ↓ 58%
Market total electricity generation (EJ/yr vs 2020)	2030: ↑ 39%; 2050: ↑ 141%	2030: ↑ 40%; 2050: ↑ 168%	2030: ↑ 37%; 2050: ↑ 115%
GDP including high physical risk damage (billion US$/yr vs 2020)	2030: ↑ 32%; 2050: ↑ 104%	2030: ↑ 31%; 2050: ↑ 103%	2030: ↑ 34%; 2050: ↑ 104%
Total Kyoto[1] GHG emissions (Mt CO_2e/yr vs 2020)	2030: ↓ 41%; 2050: ↓ 82%	2030: ↓ 45%; 2050: ↓ 81%	2030: ↓ 8%; 2050: ↓ 27%

[1] *Total Kyoto GHG emissions represent the sum of all greenhouse gas emissions covered under the Kyoto Protocol, expressed in CO_2e terms.*

Source: NGFS Climate Scenarios Database Technical Documentation v3.1 (September 2022), BNM 2024 CRST Methodology Paper (February 2025), and internal documentation

In line with the regulator's 2024 CRST Methodology Paper, we commenced our work in 2024 and delivered the final outcomes to BNM on schedule in June 2025. Using exposures booked in Malaysia as of 31 December 2023 as the starting position, together with a static balance sheet assumption, the exercise projected forward the credit risk impacts associated with our counterparties from both climate-related transition and physical risks across two scenario sets:

- **Three long-term adverse climate scenarios** spanning 31 December 2023 to 31 December 2050, derived from NGFS Phase III: Net Zero 2050, Divergent Net Zero and Nationally Determined Contributions.
- **One short-term acute physical risk scenario** simulating a one-in-200-year nationwide flood event in Malaysia, aligned with the IPCC's Representative Concentration Pathway (RCP) 8.5, assumed to occur on 1 January 2024.

Assessing Corporate Customers' Resilience under Long-Term Adverse Scenarios

The 2024 BNM CRST results revealed that the incremental Expected Credit Loss (ECL) impact from climate risks remains limited under long-term adverse climate scenarios between the base position of 31 December 2023 and the final projected position on 31 December 2050, with nuanced variations observed in ECL across sectors and scenarios. NZ 2050 and DNZ scenarios see higher ECL due to transition risk impact on counterparties' PD, while NDC sees higher LGD from physical risks.

Sectors such as Transportation and Storage as well as Mining and Quarrying are likely to face poorer credit quality compared to Real Estate and Power Generation. For example, coal companies under Mining and Quarrying are particularly impacted by demand drops, high carbon costs and carbon abatement CAPEX under NZ 2050. In Real Estate, companies benefit across all scenarios from rising revenue due to economic development, minimal carbon cost increases and healthy starting financials.

CIMB's financing assets, primarily in ASEAN, are exposed to relatively low-carbon costs and have an average maturity of less than 10 years. As such, short- to medium-term climate risk impact is manageable, but long-term transition and physical risks remain a concern. We are addressing these through climate targets, sustainable finance and strengthened risk management.

This table highlights the ECL Impact between 2023 base year and 2050 for in-scope corporate portfolios under Long-Term Adverse Climate Scenarios.

Incremental Climate Adjusted ECL Impact	NZ 2050	DNZ	NDCs
Agriculture, Forestry and Fishing	↑	↑↑	↑↑↑
Construction	↓↓↓	↓	↓↓
Electricity, Gas, Steam and Air Conditioning Supply	↓↓	↓↓↓	↓
Manufacturing	↑↑	↑↑↑	↑
Mining and Quarrying	↑↑	↑↑↑	↑
Real Estate Activities	↓↓	↓↓↓	↓
Transportation and Storage	↑↑	↑↑↑	↑
Water Supply, Sewerage, Waste Management and Remediation Activities	↓↓	↓↓↓	↓

↑ indicates a higher ECL in 2050 compared to 2023
↓ reflects a lower or improved ECL

The number of arrows represents the magnitude of change across scenarios within a sector, with three arrows indicating the highest incremental ECL and fewer arrows indicating smaller changes.

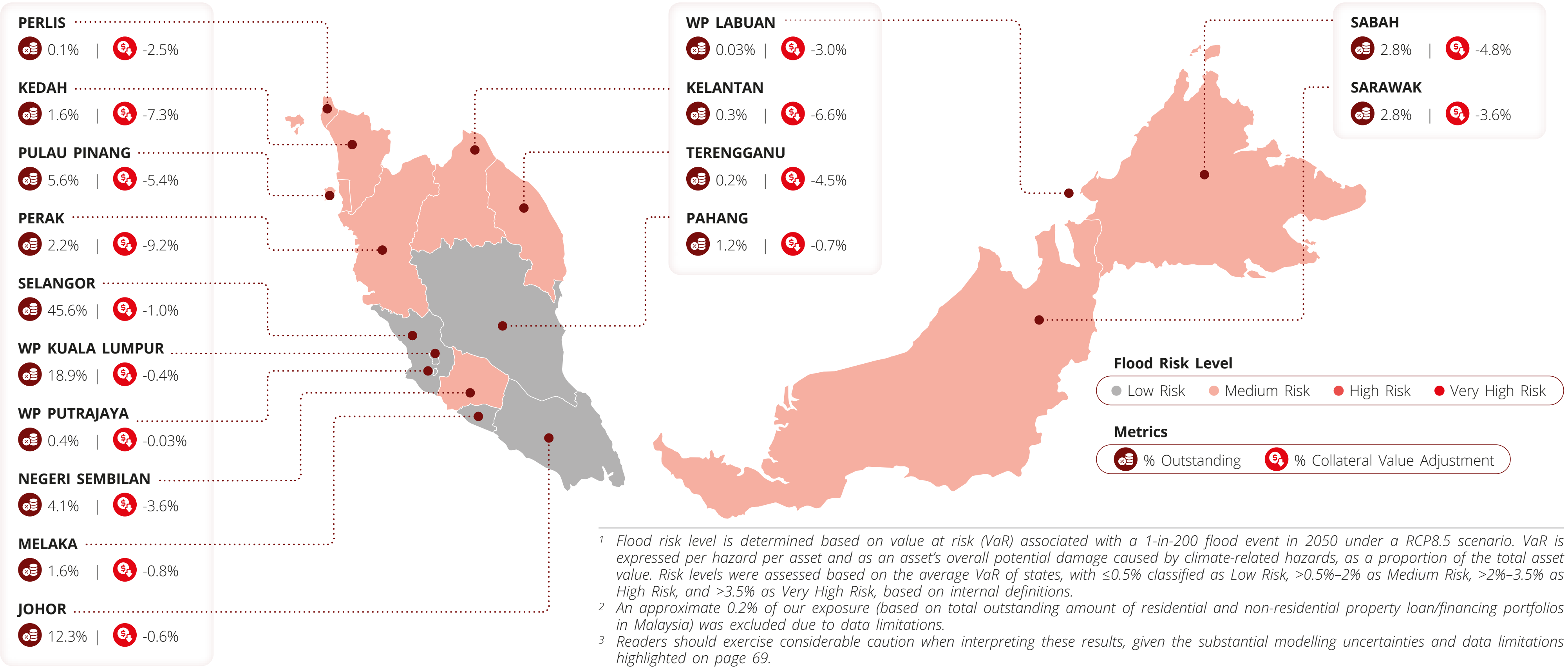
Securing Our Future

Assessing the Impact of Short-Term Acute Physical Risk Scenario on our Property-backed Portfolio

As part of the 2024 BNM CRST exercise, we conducted an in-depth assessment of how an acute one-in-200 flood event under the RCP8.5 scenario could impact the value of our property-backed portfolio in Malaysia. This portfolio comprises mortgages, commercial real estate financing and other financing secured by physical properties. The analysis focused on direct physical damage and valuation shocks to buildings and did not include indirect effects such as supply chain disruptions or compound hazards (e.g., landslides triggered by prolonged rainfall).

The CRST results showed that the overall impact on ECL after the shock was minimal. This is primarily because most of our property-backed exposures as at 31 December 2023 were concentrated in states assessed to have lower flood risk.

To provide an up-to-date view of our exposure to the exact acute flood event, we repeated a similar assessment using the latest position as at 31 December 2025. The map below illustrates the relative flood risk[1] (based on value at risk) across Malaysian states, together with our exposure distribution (based on percentage of total outstanding residential and non-residential property loans/financing in Malaysia[2]) and the corresponding average percentage decline in collateral market values[3]. The most significant declines in post-shock property values were observed in Perak (-9.2%), Kedah (-7.3%) and Kelantan (-6.6%).



1 Flood risk level is determined based on value at risk (VaR) associated with a 1-in-200 flood event in 2050 under a RCP8.5 scenario. VaR is expressed per hazard per asset and as an asset's overall potential damage caused by climate-related hazards, as a proportion of the total asset value. Risk levels were assessed based on the average VaR of states, with ≤0.5% classified as Low Risk, >0.5%–2% as Medium Risk, >2%–3.5% as High Risk, and >3.5% as Very High Risk, based on internal definitions.

2 An approximate 0.2% of our exposure (based on total outstanding amount of residential and non-residential property loan/financing portfolios in Malaysia) was excluded due to data limitations.

3 Readers should exercise considerable caution when interpreting these results, given the substantial modelling uncertainties and data limitations highlighted on page 69.

Uncertainties and Limitations of Current CSA/CRST Approaches

While CSA/CRST remain essential for assessing climate-related vulnerabilities, internal reviews highlight several evolving limitations that could affect the precision and comparability of our CSA/CRST exercises. Recognising and addressing these constraints helps enhance and refine CIMB's approach to climate risk management and modelling over time.

Climate Scenarios

- The long-term NGFS scenarios are not forecasts. They are intended to explore the range of plausible futures (neither the most probable nor the most desirable) for the assessment of financial risk and to prepare the financial system for the shocks that may arise. The scenarios include assumptions about emissions trajectories, global cooperation and transition pathways, which may or may not materialise.
- The NGFS Phase III scenarios, released in 2022, only reflect climate pledges or policies implemented or announced up to 2021. They do not account for more recent developments like the National Energy Transition Roadmap (NETR) and Malaysia's carbon tax plan for the Iron and Steel sector.
- The NGFS Phase III scenarios do not capture all potential implications of climate change, especially the full extent of physical hazards and risks as well as their impact on the macro-economy through various transmission channels.
- Beyond 2050, global warming under the NDCs scenario is projected to give rise to more severe and potentially irreversible physical risks (e.g., ecosystem tipping points) in the second half of the century. As the current CRST results only cover impacts up to 2050, longer-term financial impacts may be underestimated.

Modelling Approaches

- A mix of bottom-up assessment and portfolio extrapolation techniques is used in the CRST exercise, which may lead to a loss of result sensitivities, especially in capturing counterparty characteristics. However, this trade-off is acceptable given the intense resource requirements of a fully bottom-up approach.
- Current climate risk models do not adequately capture second-order effects, such as feedback loops and cascading impacts, which can amplify initial risk estimates.
- Our corporate models adopt static assumptions for pass-through rates and price elasticity of demand and supply throughout the projection timeframe, whereas market structures are expected to evolve as transition policies drive consolidation and impact sector profitability and viability.

Data Availability and Quality

- The availability and quality of financial and non-financial data are crucial for accurate CRST results. In the absence of certain data points, proxies and/or imputations based on relevant industry estimates are used, which may reduce sensitivities. For example, our property-backed portfolio model allows geocode-level analysis but may lose sensitivity and accuracy if asset addresses or geocodes are incomplete or inaccurate.

Stress Testing the Future: Key Takeaways for Indonesia

Following the issuance of POJK 17/2023 by Indonesia's Financial Services Authority (OJK), financial institutions are required to integrate climate risk into their broader risk management frameworks. To support this, OJK introduced a detailed technical guideline on Climate Risk Management and Scenario Analysis (CRMS) to be rolled out in phases from 2024 to 2027. Since then, CIMB Niaga has participated in several climate scenario analysis (CSA) exercises initiated by the regulator, most recently in 2025, which featured broader scope and coverage.

CIMB Niaga leveraged the Group's climate risk modelling suite, with refined methodologies to execute the 2025 CSA pilot for OJK, which comprised the following components:

- **Quantitative assessment of credit risk:** Evaluated transition-related risks across all economic sectors for non-retail and retail portfolios, extending well beyond the 60% coverage of credit exposures associated with non-retail priority sectors in the first CSA pilot in 2024
- **Quantitative assessment of market risk:** Evaluated the impact of transition risks on governmental and corporate marketable securities, including bonds and Sukuk
- **Quantitative physical risk impact assessment:** Evaluated physical risk impacts from events such as flooding and wildfires on selected sectors and retail mortgages
- **Qualitative assessment of operational risk and liquidity risk:** Examined how climate-related factors can affect liquidity and operational resilience across CIMB Niaga's activities

The 2025 CSA exercise, based on credit exposures as of 31 December 2024, shows favourable credit risk outcomes over the long-term for the Real Estate, Technology, Telecommunications, Consumer Discretionary and Consumer Staples sectors under the NGFS NZ 2050 scenario, reflecting more favourable sector fundamentals and comparatively lower emissions profiles. The high-emitting Power Generation sector also demonstrates positive outcomes, aided by expected industry expansion, the ability to pass higher marginal carbon abatement costs to consumers and government support through subsidies. In contrast, relatively adverse impacts were observed in the Agriculture, Oil & Gas, Transportation and Storage, Manufacturing, Mining and Quarrying and Healthcare sectors, driven by higher emissions intensity, anticipated decarbonisation requirements and margin pressures. The Hospitality sector recorded a neutral impact under the NZ 2050 scenario.

Securing Our Future

Stress Testing the Future: Key Takeaways for Thailand

The Bank of Thailand (BOT) continues to strengthen the financial sector's readiness for climate-related shocks. In 2024, CIMB Thai voluntarily participated in the BOT's pilot CRST, which focused on assessing the impact of physical risk on financing portfolios under two scenarios:

- **Baseline:** Reflects standard economic and financial conditions forecasted for 2030-2032, serving as a reference point
- **Adverse:** Assumes a severe and sudden flood occurring in 2030 based on the 2011 nationwide flood, significantly impacting the economy and financial sector in 2030-2032

The physical risk assessment followed the BOT's guidelines for assessing credit risk impact and covered five selected sectors: Electronics, Engineering and Instruments, Retail Trade, Wholesale Trade, as well as Real Estate. The findings were acknowledged by the Board of Directors of CIMB Thai and subsequently submitted to the BOT in December 2024. Credit rating deterioration in the non-retail portfolio and increased Days Past Due (DPD) migration in the retail portfolio resulted in higher PD. In addition, LGD increased for collaterals located in flood-prone areas across both non-retail and retail portfolios. These factors collectively contributed to higher ECL.

In 2025, CIMB Thai began collecting key physical risk datasets. New climate stress test models are being developed to address gaps identified by the BOT, including improvements in business loan customer data, collateral data, hazard mapping and LGD assessments and segmentation. A Climate Risk Management training session was delivered for the Board of Directors on 12 September 2025.

KEY OUTCOME

Conducted and delivered regulatory climate stress testing results to respective regulators in Malaysia, Indonesia and Thailand

Moving Forward

At the Group level, our future priorities will focus on advancing the maturity of CSA/CRST capabilities by improving process efficiency to enhance reproducibility locally and across the Group, expanding internal climate risk models across a broader range of asset classes and sectors and developing fit-for-purpose approaches for short-term climate scenarios.

CIMB Niaga will continue to enhance methodologies and analytical capabilities in preparation for the upcoming regulatory CSA exercise in 2026. CIMB Thai is preparing to participate in the upcoming pilot CRST scheduled for 2026, which will extend to transition risk. This pilot aims to enhance CIMB Thai's readiness for the mandatory BOT regulatory stress test expected in 2027.

More importantly, further efforts will be focused on systematically embedding key learnings from CSA/CRST exercises conducted across the Group into core risk management and business decision-making processes. These efforts include:

- Strengthening internal due diligence practices by integrating climate risk considerations into underwriting processes across both retail and non-retail portfolios.
- Leveraging CSA/CRST outcomes to inform risk appetite calibration, including the refinement of climate-related risk appetite metrics and thresholds.
- Enriching our client engagements through insights derived from CSA/CRST. This supports a deeper understanding of potential physical and transition risk impacts across short-, medium- and long-term horizons, and enables the exploration of opportunities for collaboration, including transition and adaptation financing, with our clients.
- Consolidating climate and sustainability data into a centralised repository to enhance data visibility, consistency and governance across the Group.

NET ZERO TRANSITION PLANNING

Our Financed Emissions

CIMB has been publishing our financed emissions inventory in a supplementary Financed Emissions Report since 2024, covering the period from January to December of the previous year, with each report released annually around July. We do this so that we are always disclosing the latest available data, given that clients' emissions data are usually only published in Q2 each year. The emissions and related data disclosed are calculated in line with the Partnership for Carbon Accounting Financials (PCAF) methodology.

The latest Financed Emissions Report, reflecting progress as of 2024, shows that total financed emissions for the nine focus sectors (clients' Scope 1 and 2 emissions) decreased by 6.9% to 17,526.52 ktCO_2e. Emissions intensity improved by 10.0% to 49.63 ktCO_2e per RM billion compared with the previous year. Detailed bottom-up calculations are conducted for these nine sectors, which together covered 54% of the Group's total financing and investment portfolio while accounting for 73% of total financed emissions. The remainder of the portfolio is assessed using high-level estimations.

KEY OUTCOME

Scope 3 Financed Emissions for our nine most carbon-intensive sectors reduced by 6.9% between 2023 and 2024, driven by methodological enhancements and shifts in portfolio composition

For more information and commentary on our 2024 financed emissions, including detailed sectoral and country-level breakdowns, please refer to our 2024 Financed Emissions: Supplementary Report. We expect to publish the latest 2025 data in Q3 2026.

Sector-specific 2030 Interim Targets

Building on our financed emissions inventory, CIMB has identified priority sectors for decarbonisation and established six sector-specific 2030 interim targets. These targets, set progressively between 2022 and 2024 following UNEP FI's *Guidance for Climate Target Setting for Banks*, are aligned with science-based pathways consistent with a 1.5 degrees Celsius scenario. Collectively, the sectors in which these targets sit represented approximately 47% of the Group's total financing and investment portfolio and around 60% of financed emissions at the time of target-setting, reflecting their materiality to CIMB's portfolio. They also correspond to emissions-intensive activities that feature prominently in both ASEAN and global transition pathways. As 2030 approaches, further interim milestones will be set to keep us on track for Net Zero by 2050.

In 2025, we transitioned from target-setting to full implementation, focusing on strengthening the foundations for effective delivery at scale. This includes piloting our climate-focused client engagement approaches and rolling out other sector-level decarbonisation levers defined during target-setting, while enhancing internal monitoring and control processes. These efforts are carried out alongside the progressive alignment with climate risk management efforts to support consistency across strategy, risk and portfolio actions as we scale these initiatives in the coming years.

A summary of our 2030 targets is provided below. Full details on scope and methodology are available in our Path to Net Zero — Charting a Course to Decarbonisation whitepaper v2.0.

	Sector					
	Thermal Coal Mining	**Power Generation**	**Oil & Gas**	**Palm Oil**	**Cement**	**Real Estate**
Target Metric	% of portfolio exposure	Physical emissions intensity, i.e., kg of CO_2 equivalent per megawatt hour ($kgCO_2e/MWh$)	Financed Emissions Lending Intensity (FELI), i.e. tonnes of CO_2 equivalent per million MYR of financing (tCO_2e/MYR MM)	Physical emissions intensity i.e., tonnes of CO_2 equivalent per tonne of crude palm oil ($tCO_2e/tCPO$)	Physical emissions intensity i.e., tonnes of CO_2 equivalent per tonne of cement (tCO_2e/t cement)	Physical emissions intensity, i.e., kg of CO_2 equivalent per m^2 of gross floor area ($kgCO_2e/m^2$)
Parts of the Value Chain Included	Thermal coal mining	Power generation	Upstream exploration and production (E&P) companies and all parts of the value chain for integrated companies	Planting and milling	Cement manufacturing	Developers, owner-operators and REITs across office, retail, hotel, industrial and mixed building types
Client Emission Scopes Included	N/A	Scope 1 emissions of power generation clients (including electric utilities, power plants, independent power producers, renewable energy producers)	Scope 1, 2 and 3	Scope 1 (including land-use change related emissions and sequestration) and 2 of plantation, mill and integrated clients. Scope 3 upstream (i.e., external sourcing of fresh fruit bunches) of integrated clients	Scope 1 and 2 emissions of cement manufacturing clients	Scope 1 and 2 operational emissions from buildings
Asset Classes Included	• Business loans/financing • Investments held for sale or to maturity, including corporate bonds/Sukuk and equities • Facilitation of capital raising activities for clients including bonds/Sukuk issuances and initial public offerings					
Reference Scenario	IEA NZE 2050 (regional)	IEA NZE 2050 (regional)	IEA NZE 2050 (regional)	Adjusted SBTi FLAG Commodity Pathway for Palm Oil (regional)	SBTi Carbon Intensity Pathway for Cement (global)	IEA APS & CRREM v2 (regional)
Baseline	100% (as of 2021)	439 (as of 2022)	694 (as of 2022)	1.81 (as of 2022)	0.72 (as of 2021)	117 (as of 2022)
2030 Target	50%	272	583	1.52	0.46	77
Targeted Change	50% reduction	38% reduction	16% reduction	16% reduction	36% reduction	34% reduction

Securing Our Future

Our Progress

This section provides an update on the Group's progress towards meeting our interim climate targets. As of 2024, four out of six sector-specific 2030 interim targets are tracking in line with their reference scenarios. Details of the key drivers influencing this progress are provided in the following section.

Our progress reporting reflects a one-year lag to allow comprehensive data collection, verification and alignment with reporting cycles. We are working to reduce this gap and improve the timeliness of our reporting.

For context on how our sector targets were designed, including value chain and emissions scope, chosen metrics and reference scenarios, please refer to our *Path to Net Zero: Charting a Course to Decarbonisation* whitepaper V2.0 to better understand the annual progress updates presented in this section.

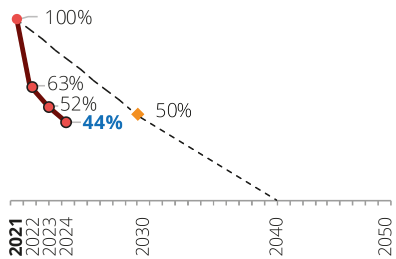
Looking ahead, progress will continue to be guided not only by our internal efforts but also the external environment, including the effective implementation of climate commitments at all levels and the stability of economic and market conditions. This interdependency underscores the importance of coordinated action to maintain momentum and achieve meaningful decarbonisation outcomes across the economy.

KEY OUTCOME

Four out of six of the Group's 2030 sectoral targets are progressing in line with their respective Net Zero reference pathways

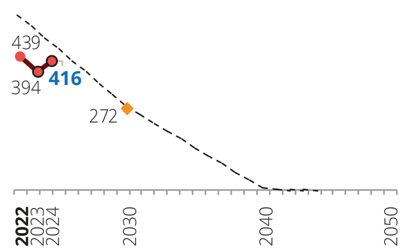
Climate Progress Dashboard

Thermal Coal Mining
in Portfolio Exposure (%)



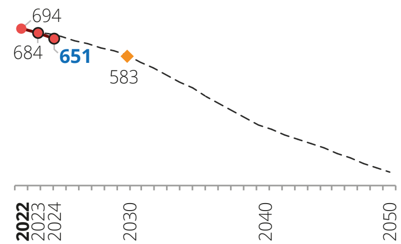
2024 vs CIMB Baseline **-56%** | 2024 vs Target Pathway **-47%**

Power Generation
in $kgCO_2e/MWh$



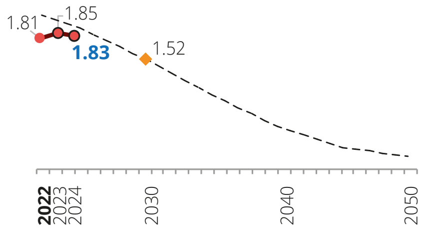
2024 vs CIMB Baseline **-5%** | 2024 vs Target Pathway **-16%**

Oil & Gas
in tCO_2e/MYR MM



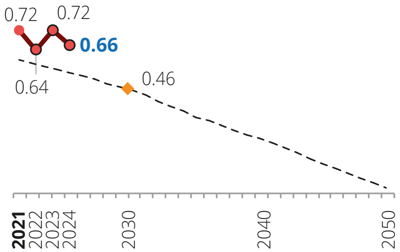
2024 vs CIMB Baseline **-6%** | 2024 vs Target Pathway **-3%**

Palm Oil
in $tCO_2e/tCPO$



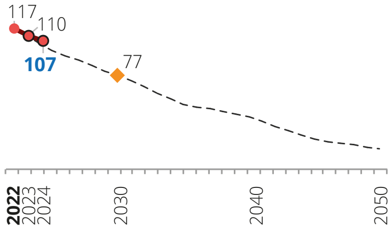
2024 vs CIMB Baseline **1%** | 2024 vs Target Pathway **-9%**

Cement
in $tCO_2e/tCement$



2024 vs CIMB Baseline **-8%** | 2024 vs Target Pathway **19%**

Commercial Real Estate
in $kgCO_2e/m^2$



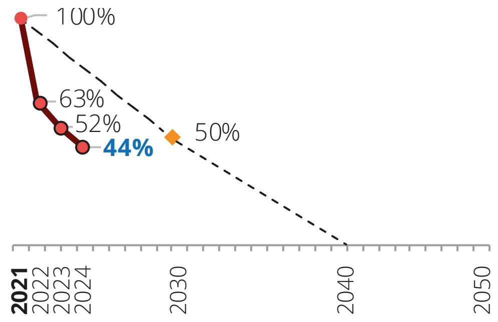
2024 vs CIMB Baseline **-8%** | 2024 vs Target Pathway **2%**

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario
- CIMB Annual Progress

Status indicators:
On track – below or at target pathway
Slightly off track – up to 5% above target pathway
Off track – more than 5% above target pathway

Thermal Coal Mining

in Portfolio Exposure (%)



2023 vs CIMB Baseline **-56%**

2024 vs Target Pathway **-47%**

- CIMB Baseline
- CIMB 2030 Target
- CIMB Target Pathway per IEA NZE 2050 (Regional)
- CIMB Annual Progress

In-scope sector value chain
Thermal Coal Mining

Emissions scope
Not applicable

Target reduction from baseline to 2030
50%

Decarbonisation Levers

- Continuing to apply prohibitions within our Coal Sector Guide without exception
- Periodically strengthening the Guide, such as through scope expansion and introducing revenue and fuel mix thresholds for new and existing Power Generation clients
- Engaging clients proactively to support diversification plans
- Putting in place appropriate controls to manage the socio-economic impacts from any wind-downs

Sector Dynamics

Coal remained a critical component of ASEAN's energy mix in 2024. Indonesia's coal output hit record highs, affirming its position as the world's largest coal exporter, driven by continued demand from India and China.

Across the region, policy developments reflected differing national priorities. In Indonesia, new regulations under Government Regulation (GR) 8/2025, which require export proceeds from certain natural resources (including coal) to be fully deposited and retained within the Indonesian financial system for at least one year, are expected to boost domestic liquidity but may increase short-term financing needs for exporters. Meanwhile, Thailand and Singapore advanced plans to reduce coal dependence through renewable energy replacements and cross-border power imports. At the same time, Malaysia's Energy Transition Roadmap has outlined pathways for phasing down coal from its power generation mix.

Our 2024 Progress

Our portfolio exposure to Thermal Coal Mining clients continued to decline in 2024, reaching a 56% reduction relative to our 2021 baseline, well exceeding the 2030 target of a 50% reduction. This reduction continues to be driven by the natural amortisation of existing facilities, alongside ongoing adherence to the Group's Coal Sector Guide.

While exposure levels remain below the target pathway, the potential for short-term increases persists. Previously approved but undrawn facilities may be utilised in periods of weaker sector economics or in response to regulatory developments, which may increase short-term financing needs for exporters.

To manage this, additional coal exposure controls have been embedded into the Group's country-sector limit setting process, complementing the sector restrictions set out in the Coal Sector Guide. Exceptions to the Group's coal sector prohibitions are limited to transition-enabling purposes, including diversification activities or structured phase-outs. These measures support continued alignment with CIMB's Net Zero pathway while recognising potential short-term fluctuations.

Portfolio Exposure to Coal and its Expected Financial Impact

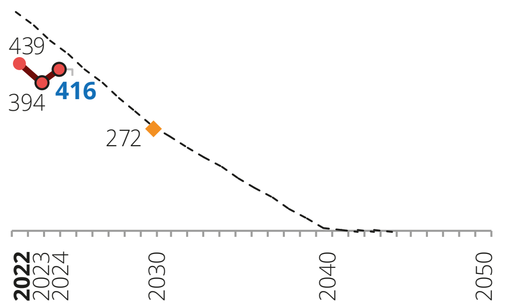
Our direct exposure to coal, based on entities classified under coal internal sector codes, including thermal coal mining and Coal-Fired Power Plants (CFPP), represents less than 0.5% of the Group's total financing portfolio. This exposure is concentrated in a small number of clients, allowing for targeted engagement and phase-out planning, with limited associated financial impact expected.

The Group's coal exposure through diversified power generation companies with mixed energy portfolios represents a more material portion of our portfolio. We currently manage this via the Power sector interim target and evolving sector guide requirements, supporting a gradual and orderly transition aligned with market practice and national climate pathways. This approach seeks to mitigate risks such as carbon leakage and supply disruption while keeping financial impact under control.

There is also exposure to captive CFPP operated by clients in certain industrial sectors. Unlike standalone coal projects or clients, these facilities are typically embedded within diversified corporates and financed through general-purpose facilities, making standalone quantification challenging. CIMB manages such exposure through broader sector and client transition assessments, while progressively enhancing monitoring and data capabilities in these Sustainability Sensitive Sectors.

Securing Our Future

Power Generation
in $kgCO_2e/MWh$



2023 vs CIMB Baseline	2024 vs Target Pathway
-5%	**-16%**

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario – IEA NZE 2050 (Regional)
- CIMB Annual Progress

In-scope sector value chain
Power Generation (including electric utilities, power plants, independent power producers and renewable energy producers)

Emissions scope
Scope 1

Target reduction from baseline to 2030
38%

Decarbonisation Levers

- Applying the commitments of our Coal Sector Guide, with progressive enhancements to support thermal coal phase-out by 2040
- Expanding financing for renewable energy projects
- Supporting Carbon Capture, Utilisation and Storage (CCUS) as a longer-term lever beyond 2030
- Facilitating the early retirement of unabated fossil fuel power plants under structured managed phase-out programmes

Sector Dynamics

ASEAN's power sector continued to expand in 2024, driven by ongoing urbanisation, industrial activity and electrification. Despite record renewable energy capacity, fossil fuels still generated over 70% of the region's electricity, while renewables contributed only around 26%, well below the global average of 40%[1&2].

Governments across the region have accelerated action to close this gap. Indonesia introduced government guarantees for renewable energy projects to improve bankability; Malaysia advanced its National Energy Transition Roadmap with large-scale solar tenders and cross-border renewables trading; Thailand updated its Power Development Plan to scale up renewable energy deployment including the consideration of nuclear energy by deploying small modular reactors (SMRs); and Singapore expanded its framework for regional power imports.

Even as policy momentum builds, structural constraints persist. Regional grids require an estimated US$21 billion in annual investments from 2026–2030 to modernise infrastructure and integrate variable renewables[3]. Financing hurdles, regulatory complexity and uneven policy execution continue to slow large-scale deployment. With regional electricity demand projected to expand by about 4% annually through to 2035, balancing reliability, accessibility and decarbonisation will remain a key challenge[4]. These dynamics are expected to fuel greater demand for transition-aligned financing to support grid modernisation and regional power interconnectivity.

[1] *Asian Business Review, ASEAN generates 26% of electricity from renewables in 2024, 2024.*
[2] *Ember, ASEAN's Clean Power Pathways: 2024 Insights, 2024.*
[3] *Business Today, Event Driven Integration Holds the Key to ASEAN's Power Market Growth, 2025*
[4] *IEA, Southeast Asia Energy Outlook, 2024.*

Our 2024 Progress

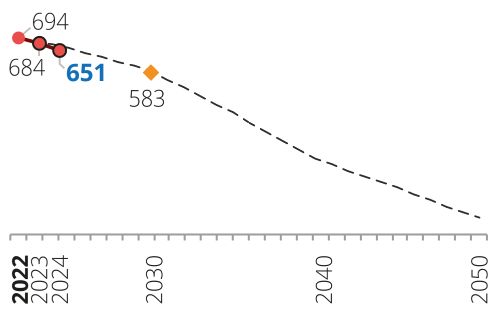
In 2024, the Group's financed emissions intensity in the Power sector stood at 416 $kgCO_2e/MWh$, representing a 6% year-on-year increase, but remained 16% below the reference scenario pathway and a 5% reduction from baseline. Performance therefore continues to track comfortably within the target pathway.

The year-on-year movement was largely driven by an update to the underlying asset-level power plant data that we utilise for our calculations. In 2024, S&P transitioned from the discontinued World Electric Power Plants (WEPP) database to the Energy Global Power Plant (GPP) database, following a comprehensive plant-by-plant review. The update improved data accuracy by removing duplicate entries, excluding self-generators and updating plant status, capacity and end-of-life information. The dataset now focuses on utility-scale, grid-connected power plants, so emissions intensity reflects only assets that contribute to system-wide decarbonisation. While these refinements provide a more accurate and up-to-date view of the sector, they also caused shifts in our reported intensity relative to prior year, with effects greater than those expected from routine portfolio changes, such as plant retirements or new capacity.

Despite the changes arising from the changes in third-party source data, the Group's underlying portfolio strategy remains unchanged. Continued financing of renewable energy projects and adherence to the Coal Sector Guide have limited the introduction of high-emission assets. As with other sectors, progress toward 2030 is not expected to be linear. Nevertheless, current performance remains aligned with the Group's Net Zero trajectory.

Oil & Gas

in tCO_2e/MYR MM



2024 vs CIMB Baseline **-6%**

2024 vs Target Pathway **-3%**

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario – IEA NZE 2050 (Regional)
- CIMB Annual Progress

In-scope sector value chain

Upstream Exploration and Production (E&P) companies (excluding companies focused solely on ancillary services) and integrated Oil & Gas companies

Emissions scope

- Scope 1 and 2 from exploration, extraction, transportation and refining activities
- Scope 3 downstream emissions from end-use of O&G products, incl. energy-related combustion

Target reduction from baseline to 2030

16%

Decarbonisation Levers

- Maintaining our sectoral commitment to no longer provide dedicated financing for oil field projects approved for development after December 2021
- Supporting client diversification into renewables, low-carbon fuels and related infrastructure
- Financing operational efficiency measures that lower emissions intensity in production and processing activities
- Working with clients to design, implement and accelerate Net Zero transition strategies

Sector Dynamics

ASEAN's Oil & Gas sector remained active through 2024, reflecting the region's continued focus on energy security and fiscal stability. Indonesia led investments in the region with approximately US$17.5 billion in upstream investment within a broader US$32.3 billion energy and mineral resources commitment[1]. In Malaysia, gas output grew 3%, offsetting a 3.8% decline in oil production, and total upstream investment reached RM48.4 billion[2&3]. Thailand advanced new LNG import capacity and domestic gas exploration. At the same time, Singapore reinforced its position as a regional trading and bunkering hub through pilot projects in sustainable aviation fuel and bio-LNG.

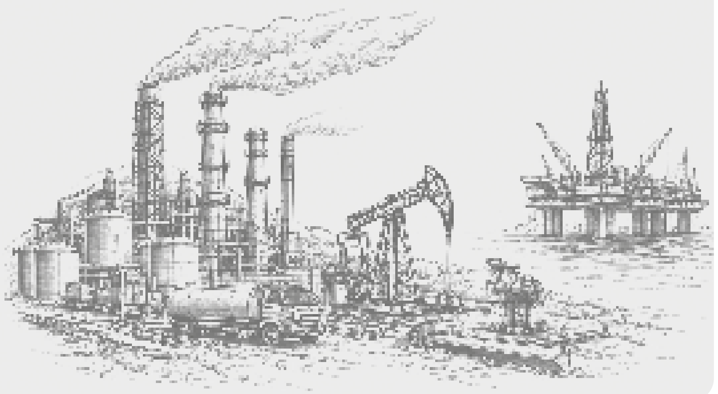
While fossil fuels still dominate the regional energy mix, the shift toward gas as a transitional fuel is gaining momentum. This is expected to spur demand for LNG infrastructure, alongside CCUS integration and low-carbon fuel development, supported by policy incentives and corporate transition commitments across the region.

Our 2024 Progress

In 2024, the Group's financed emissions lending intensity (FELI) for the Oil & Gas sector stood at 651 tCO_2e/RM million, reflecting a 5% year-on-year reduction, 6% below our 2022 baseline, and approximately 3% below the reference scenario pathway.

This reduction reflects a combination of lower exposures in certain markets and emissions improvements from key clients, supported by progress in reducing routine flaring and venting, as well as operational efficiency gains, in addition to changes in portfolio exposures. Maintenance shutdowns and lower asset utilisation by certain clients also contributed to emissions improvements. Looking ahead, further emissions reductions in upstream oil and gas are expected to be incremental as assets approach technical efficiency limits, with more material reductions likely to depend on the broader deployment of carbon capture, utilisation and storage technologies over the next decade.

Notwithstanding these improvements, Scope 3 emissions disclosure across the Group's Oil and Gas portfolio of clients remains uneven. While reporting practices are improving and third-party data is used to support estimation, year-on-year variations are expected. Continued client engagement and disciplined capital deployment are expected to support progress toward the 2030 sector target.



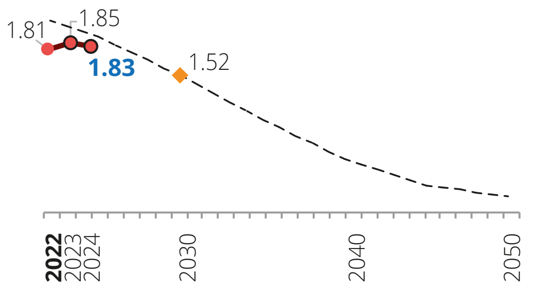
1 *Jakarta Globe, Indonesia's Energy and Mineral Sector Posts $32.3 billion in Investment, 2025.*

2 *Department of Statistics Malaysia (DOSM), Mining of Petroleum and Natural Gas Statistics Q4 2024, 2025.*

3 *The Edge CEO Morning Brief, Malaysia's Upstream O&G Investments Total RM256 billion from 2018-2024, Sarawak Tops with RM113 billion — Azalina, 2025.*

Securing Our Future

Palm Oil
in $tCO_2e/tCPO$



2024 vs CIMB Baseline
1%

2024 vs Target Pathway
-9%

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario – Adjusted SBTi FLAG Commodity Pathway for Palm Oil (Regional)
- CIMB Annual Progress

In-scope sector value chain
Planting and milling

Emissions scope
- Scope 1 (including land-use change-related emissions and sequestration) and Scope 2 of plantation, mill and integrated clients
- Scope 3 upstream (i.e., external sourcing of fresh fruit bunches) of integrated clients

Target reduction from baseline to 2030
16%

Decarbonisation Levers
- Upholding our No Deforestation, No Peat, No Exploitation (NDPE) commitment across all financing activities
- Supporting our clients to obtain Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) certification, as well as International Sustainability and Carbon Certification (ISCC), while improving emissions data reporting
- Onboarding new certified clients and supporting existing clients to accelerate emissions intensity reductions
- Financing biogas plant installation at palm oil mills to reduce methane emissions and create additional revenue streams
- Extending support across the value chain, with a focus on improving the livelihoods of vulnerable groups, including smallholders, through financing and capacity building
- Incorporating emissions disclosure requirements into the sustainability due diligence process, applied during onboarding and renewal, to close portfolio-level data gaps

Sector Dynamics
In 2024, the Palm Oil sector in Indonesia and Malaysia, the world's dominant producers, remained relatively subdued amid persistent weather challenges and labour constraints.

At the same time, momentum on responsible production and certification continued to gain traction. Malaysia's MSPO certification expanded to about 86% of planted area ahead of the rollout of MSPO 2.0 implementation in 2025, progressively aligning national standards with the EU Deforestation Regulation (EUDR)[1]. Indonesia advanced enforcement of its ISPO mandate, extending compliance to smallholders through the implementation guidance issued in early 2024, followed by the Presidential Regulation No. 16/2025.

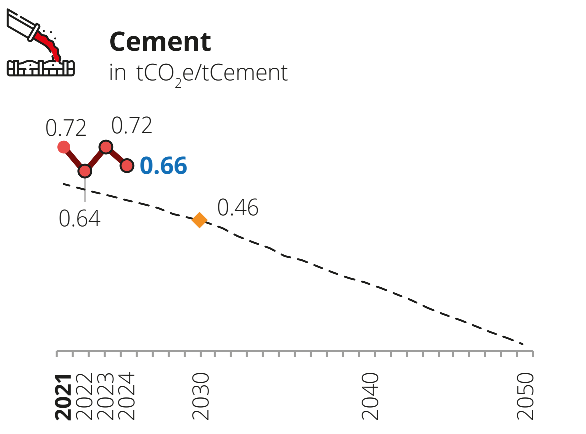
As global scrutiny intensifies, producers are increasingly focused on traceability, compliance to deforestation-free requirements and supply chain transparency. Investment in digital monitoring and smallholder integration are emerging as key drivers of competitiveness, marking a sector-wide shift from focusing mainly on expansion to concentrating on progress built on responsible and efficient practices.

[1] *MPOC, Version 2 of MSPO standards to be implemented in 2025, 2024.*

Our 2024 Progress
The Group's emissions intensity for the Palm Oil sector stood at 1.83 $tCO_2e/tCPO$ in 2024, reflecting a 1% year-on-year decrease. While this represents a 1% increase from baseline, performance remains comfortably below the SBTi FLAG reference pathway, at approximately 9% ahead of the target trajectory for the year.

The year-on-year movement was primarily driven by a material reduction in exposure in one market, which lowered the Group's aggregated emissions intensity. We did not see much improvement in overall client-reported emissions, with comparability challenges stemming from differing methodologies, system boundaries and scope coverage across the sector. Clients have adopted a range of frameworks, including the GHG Protocol Standard, the GHG Protocol Land Sector and Removals Standard and certification-based tools such as ISCC and RSPO PalmGHG, with periodic restatements further limiting portfolio-level comparability. Encouragingly, convergence towards the GHG Protocol Land Sector and Removals Standard appears to be increasing, and as adoption stabilises, portfolio-level trends are expected to become clearer and more meaningful for decision-making.

Overall, the Palm Oil portfolio continues to track in line with the selected reference pathway, with monitoring, engagement and guidance focused on improving data quality, disclosures and certification adoption across the sector.



2024 vs CIMB Baseline **-8%**

2024 vs Target Pathway **19%**

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario – SBTi Carbon Intensity Pathway for Cement (Global)
- CIMB Annual Progress

In-scope sector value chain
Cement manufacturers

Emissions scope
Scope 1 and 2

Target reduction from baseline to 2030
36%

Decarbonisation Levers

- Supporting the adoption of lower-emission technologies and production methods
- Providing financing options that incentivise sector-wide emissions reduction
- Working with Real Estate clients to drive demand for low-carbon construction materials
- Partnering with industry organisations and regulators to advance sector-level decarbonisation efforts
- Onboarding new Cement clients selectively, requiring clear transition plans aligned with Net Zero 2050

Sector Dynamics

In 2024, ASEAN's cement industry continued to face elevated energy and raw material costs with persistent inflation. Governments and industry associations across ASEAN are increasingly responding to the cement sector's significant CO_2 footprint (estimated at roughly 7–8% of global emissions) with coordinated policy and industry initiatives.

The launch of the 2035 ASEAN Federation of Cement Manufacturers (AFCM) Decarbonisation Roadmap — the first regional strategy of its kind — reflects a collective commitment to systematic emissions reduction through low-carbon cement standards, cleaner energy use, alternative fuels and advanced technologies such as CCUS and supplementary cementitious materials.

Our 2024 Progress

The Group's Cement sector emissions intensity in 2024 stood at 0.66 tCO_2e/t Cement. Although this was 19% above the reference pathway, it was an 8% improvement compared to our baseline.

The reduction was mainly driven by two factors. First, key clients continued to demonstrate steady year-on-year reductions in reported emissions. These reductions were primarily attributed to lower clinker ratios, increased use of alternative fuels and greater electrification supported by renewable energy. Second, the year-on-year movement reflects the absence of a large, facilitated bond transaction comparable in scale to that recorded in 2023. As facilitated emissions are recognised for one year only, the non-recurrence of such a transaction in 2024 contributed to the lower aggregated emissions intensity.

However, emissions intensity remains above the reference pathway, partly due to the use of a global reference scenario rather than a regionalised pathway. When this target was established in 2022 — the first of two sectors for which CIMB set a Net Zero target — regionalisation was constrained by data availability and comparability limitations. With improved client-level data and deeper sector insights now available, CIMB is assessing the appropriateness of regionalising the reference pathway to better reflect ASEAN-specific production profiles and transition dynamics.

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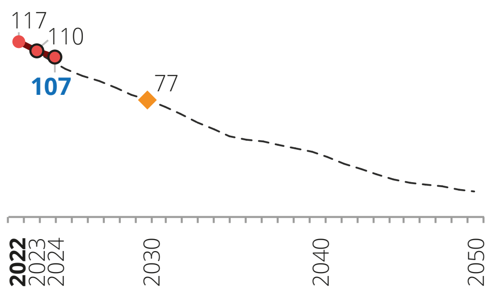
Commercial Real Estate

in $kgCO_2e/m^2$



2024 vs CIMB Baseline	2024 vs Target Pathway
-8%	**2%**

- CIMB Baseline
- CIMB 2030 Target
- Reference Scenario – IEA APS & CRREM v2 (Regional)
- CIMB Annual Progress

In-scope sector value chain
Commercial real estate portfolio, excluding developers that exclusively develop residential properties and residential mortgages

Emissions scope
Scope 1 and 2 operational emissions from buildings, which may also include Scope 3 tenant emissions for real estate developers

Target reduction from baseline to 2030
34%

Decarbonisation Levers

- Financing the development, retrofit and maintenance of energy-efficient buildings, prioritising assets with higher energy efficiency ratings and recognised green certifications
- Supporting the transition of buildings to cleaner energy use through electrification, installation of onsite renewable energy capacity and procurement of renewable energy
- Enabling and supporting clients to establish and implement Net Zero transition plans

Sector Dynamics
In 2024, ASEAN's Commercial Real Estate sector continued to recover, with investments focused on premium assets in key business districts and tenants increasingly seeking modern, flexible office space. Older buildings, by contrast, faced falling occupancy and growing pressure to upgrade. Energy efficiency is becoming a key factor in both asset value and investor interest.

Singapore leads the region with its Green Mark and Super Low Energy standards, aiming for up to 60% energy reductions in new buildings, supported by a rising carbon price. Malaysia provides incentives for green retrofits through the Green Investment Tax Allowance (GITA) and NETR, while Thailand is strengthening green building adoption through its domestic TREES certification and the mainstreaming of LEED, alongside the introduction of building performance thresholds as a requirement for accessing green finance in Phase 2 of the BoT's Sustainable Finance Taxonomy.

Decarbonisation opportunities increasingly depend on grid readiness. Markets with access to low-carbon electricity can cut operational emissions more deeply, while markets with limited access face higher energy costs and growing pressure from tenants and investors.

Our 2024 Progress
The Group's Real Estate sector emissions intensity in 2024 declined to 107 $kgCO_2e/m^2$, from 110 $kgCO_2e/m^2$ in 2023, representing an approximately 3% year-on-year reduction and an 8% reduction from baseline. Performance for the year sits slightly above the reference scenario pathway, exceeding it by around 2%.

The year-on-year movement was primarily influenced by changes in portfolio exposure, notably an increase to the Singapore market, where real estate clients generally exhibit both lower average emissions intensity and more consistent emissions disclosure, supported by comparatively mature building energy efficiency standards and regulatory requirements.

Progress toward the 2030 target remains closely linked to grid decarbonisation, given that electricity use accounts for the majority of operational emissions in the Real Estate sector. CIMB continues to support this transition while encouraging clients to adopt energy-efficient designs, deploy low-carbon technologies, and strengthen emissions disclosure to enable effective monitoring.

Emerging Focus Area: Data Centres
Data centres are a rapidly expanding part of the real estate landscape, driven by rising demand for artificial intelligence, digital services, cloud computing and data storage. These facilities are highly energy-intensive, making them increasingly relevant to long-term emissions trends.

At the time CIMB's Real Estate Net Zero target was set, data centres were not explicitly included within the sector scope due to their limited presence in our portfolio. Some of the projects we finance may also be out of scope, such as construction-phase activities which we currently do not cover.

Nevertheless, the Group has introduced a set of initial environmental and social requirements including assessments on physical climate risks, energy and water efficiency, and human rights considerations. These requirements will be progressively enhanced over time, taking into consideration evolving industry practices and relevant frameworks and indicators. Further disclosures will be provided as we refine our approach to managing and financing data centre-related projects and clients, in line with our Net Zero objectives.

CLIMATE-RELATED OPPORTUNITIES

The transition to a low-carbon economy continues across ASEAN, reshaping industries and creating new opportunities for investment and innovation. As a regional bank, we play a pivotal role in steering and enabling this shift — financing real-economy change and helping clients move decisively toward lower-emission business models.

Through deep sector engagement and market insight, we help both existing and new-to-bank clients translate climate ambition into practical, investable strategies. This includes financing operational decarbonisation efforts, enabling emerging low-carbon business models and supporting clients as they adapt to evolving market, policy and technological landscapes. Insights from market monitoring, product innovation and portfolio deployment continuously inform our approach, keeping our support responsive and relevant to market realities and the needs of our clients.

Market Opportunity Identification

CIMB identifies climate-related opportunities by monitoring policy developments, analysing sector trends, assessing portfolio exposures and engaging with clients. This allows us to prioritise sectors and clients where financing and advisory support can have the greatest impact. Across ASEAN, national transition frameworks such as Malaysia's National Energy Transition Roadmap (NETR), Indonesia's Just Energy Transition Partnership (JETP) and the ASEAN Taxonomy for Sustainable Finance are accelerating investments in renewable energy, cleaner transport, sustainable real estate and nature-based solutions. These frameworks guide the sectors and markets where capital deployment can deliver measurable decarbonisation outcomes.

Climate-related opportunities span different time horizons. Some can be realised through immediate capital allocation while others are still emerging, or are expected to mature beyond 2030. Opportunities are therefore prioritised not only by financial relevance, decarbonisation potential and client readiness, but also by the expected timeframe over which impact can be realised.

Mobilising Capital for the ASEAN Transition

ASEAN is entering a decisive decade for climate action, with countries setting clearer pathways to reduce emissions and build resilience. Meeting these goals will require significant capital to support energy transition, infrastructure upgrades and new low-carbon business models across the region.

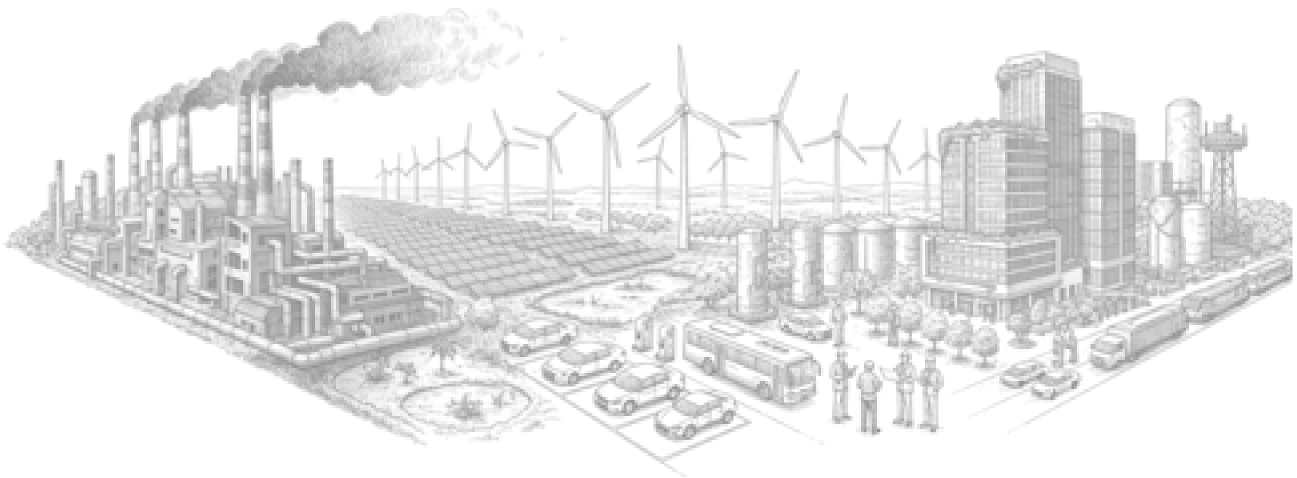
These developments represent a strategic opportunity for CIMB to leverage sector insights, strong client relationships and tailored financing solutions, enabling businesses and communities to translate climate ambitions into tangible investments across the region.

From 2021 to 2025, we mobilised RM156.8 billion in Green, Social, Sustainable Impact Products and Services (GSSIPS). Building on this momentum, we have set a target to mobilise RM300 billion in GSSIPS from 2021 to 2030, reflecting both the scale of market opportunities and our commitment to support regional transition efforts. As at 31 December 2025, the Group had RM19.5 billion in green loans outstanding, representing 4.3% of total loans and financing. Together, these figures reflect how sustainable finance is becoming an increasingly embedded component of CIMB's business, as we scale solutions that strengthen resilience, reduce emissions and contribute to a fair, low-carbon economy.

For details on the concentration of opportunities, please refer to the section "Sustainable and Responsible Finance" on pages 37 to 45.

KEY OUTCOME

We have mobilised RM156.8 billion in Green, Social, Sustainable Impact Products and Services from 2021 to 2025



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The table below outlines opportunities for CIMB over various time horizons. It focuses on selected key sectors that shape ASEAN's transition landscape. While non-exhaustive, it highlights the sectors currently most material to our transition strategy and client engagements. In parallel, we have identified emerging green sectors such as green mobility ecosystems and circular economy models via the Group's Green, Social, Sustainable and Impact Products and Services (GSSIPS) Framework, reflecting transition opportunities beyond those presented here.

Sector	Short to Medium-Term (1-10 years)	Long-Term (>10 years)
Thermal Coal Mining	• Help clients diversify towards sustainable businesses and alternative green revenue streams • Enable scalable, cost-effective technologies to accelerate the coal-to-clean transition • Support fair transition for workers and surrounding communities	• Continue support for just transition and regional energy transition infrastructure
Power Generation	• Finance new renewable energy projects (solar, wind, hydro) • Support phase-out and early retirement of unabated fossil fuel power plants	• Finance large-scale energy storage and grid upgrades • Support sector coupling projects and development of interconnected regional grids (e.g., ASEAN grid) • Finance green hydrogen and other low-carbon energy solutions
Oil & Gas	• Support reduction of operational emissions through proven and cost-effective measures • Finance diversification into renewable and low-carbon fuels and decarbonisation R&D • Support transition of downstream users, especially those in transportation, heavy industry and power generation, to cleaner energy sources	• Support development of green hydrogen and other low-carbon fuels, as well as scaling of carbon capture and storage (CCS) for industrial applications
Palm Oil	• Support clients in achieving sustainable palm oil certifications such as MSPO, ISPO, RSPO and ISCC • Finance modern farming technologies that improve yield and resource efficiency • Enable biogas capture and circular waste solutions in mill operations	• Support adoption of precision agriculture and digital tools • Finance the production of low-carbon palm-derivative products (e.g., biochar and SAF) at scale • Support the transition to landscape-based approaches that promote sustainable land use, smallholder inclusion and deforestation-free supply chains
Cement	• Finance energy-efficient technologies such as electric kilns and alternative fuels • Encourage uptake of low-carbon construction materials through collaboration across the value chain	• Finance CCS projects • Support development of low-carbon cement formulations using advanced binders • Support circular construction materials adoption
Real Estate	• Finance development and retrofitting of lower-emission buildings across commercial real estate, mixed-use and industrial portfolios • Increase access to cleaner energy and energy-efficient systems • Enable adoption of innovative, green technologies that reduce energy demand and waste	• Finance net zero buildings and integrate whole-life carbon measurement in building design • Expand access to affordable green homes and buildings

For further details, refer to our Path to Net Zero — Charting a Course to Decarbonisation Whitepaper (v2.0).

Client Engagement to Support Portfolio Transition

Structured Engagement as a Strategic Lever

Client engagement is a critical lever in delivering CIMB's Net Zero commitments. Engaging closely with our clients helps us to gain a deep understanding of where they are on their decarbonisation journeys, their readiness to act and the areas where advisory or financing support can accelerate progress. These conversations provide a vital view of the on-the-ground realities that public disclosures alone may not capture.

We are taking a phased approach to client engagement. Clients are prioritised based on financed emissions, enabling us to focus first on the largest emitters within the six sectors where we have established interim targets, as well as clients where CIMB has greater influence through higher financing exposure. Engagements are conducted primarily at the group level rather than at the individual entity level. This approach ensures a comprehensive, holistic view of how the group as a whole plans and progresses toward Net Zero. Over time, we aim to progressively expand engagement across a broader range of clients within these sectors, taking into account their transition readiness and progress.

We tailor our client engagement approach by segmenting clients according to their progress on the sustainability journey, varying our approach to meet each client's stage and unique circumstances. More advanced clients benefit from collaborative, implementation-focused discussions, while early-stage clients require guidance, capacity-building and foundational support. Our approach ensures that engagements are both practical and valuable for clients across the spectrum.

Internal Assessment Tool to Guide Client Engagements

To ensure consistency and rigour in our engagements, we developed the Client Transition Assessment (CTA), an internal tool that supports structured dialogue and portfolio insights. The CTA evaluates clients in three key areas:

Governance and Risk Management

Climate-related governance structures, integration into risk management frameworks and clear accountability mechanisms that support implementation and disclosure

GHG Emissions

Quality and completeness of emissions reporting across Scope 1, 2 and 3, transparency of disclosures, external assurance where available, and evidence of reductions from baseline years

Targets and Transition Plan

Long-term net zero commitments, interim milestones and defined initiatives and/or investments to deliver on these goals

Based on the initial assessment, we categorise clients into four segments to guide differentiated engagement and solution deployment:

- **Aligned:** Clients with 1.5 degrees Celsius aligned 2050 Net Zero targets, supported by medium-term milestones, credible transition plans and demonstrated progress through year-on-year emissions reductions with enhanced disclosures.
- **Aligning:** Clients with Net Zero commitments aligned with the Paris Agreement or national transition pathways; transition plans underway, but with gaps in interim targets, implementation details or demonstrated progress.
- **Aware:** Clients at an early stage of awareness; without formal commitments such as a 2050 Net Zero target or interim targets, although initial discussions or exploratory actions to establish targets and transition plans may exist.
- **Unaware:** Clients with limited recognition of climate-related risks or opportunities and no meaningful observable efforts to progress on emissions management, target-setting or transition planning.

The assessment is initially conducted using publicly disclosed information to form a baseline view of transition readiness. Through our one-on-one conversations with our clients, we validate and refine this assessment, providing a more comprehensive understanding of ambition and implementation capacity. This evaluation also supports our assessment of transition finance eligibility.

In 2025, the CTA was piloted in Malaysia to test and refine our structured engagement approach. The assessment was conducted at the client group level across the Power, Oil & Gas, Palm Oil and Cement sectors, covering groups which, including their subsidiaries, collectively account for approximately 80% of the sectors' emissions intensity contribution within our Malaysian portfolio. Following the assessment, we prioritised and engaged 10 key client groups across these sectors to further understand transition-related data and plans.

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Results varied across clients, reflecting sector characteristics and regulatory requirements. Many listed corporates benefit from established national frameworks such as the National Energy Transition Roadmap (NETR) and Bursa Malaysia's National Sustainability Reporting Framework (NSRF), which require structured decarbonisation planning and disclosures. As a result, most were assessed as Aligned or Aligning, indicating stronger transition readiness.

In contrast, non-listed and smaller Commercial Banking clients tend to fall into the Aware or Unaware segments. Public disclosures for these clients are often limited, so assessments drew largely on insights from relationship managers who work closely with these clients. Many face capacity constraints and competing capital priorities that can slow the pace of transition. These observations reflect general trends identified during the pilot, although exceptions were noted across the client groups.

These findings highlight that regulatory, investor and supply chain pressures are key drivers of transition progress.

Linking Climate Transition Assessment Outcomes to Engagement and Solution Deployment

The CTA pilot has enabled us to improve our engagement strategy and gain clearer insights into how we can assist and support clients at different points in their climate journeys. For clients with well-defined transition plans — Aligned or Aligning — discussions centre around enabling implementation through tailored green, sustainability-linked, and transition financing solutions that support concrete decarbonisation actions.

For clients in the earlier stages of readiness — Aware and Unaware — we prioritise practical advisory to help them assess their starting point, understand stakeholder expectations and identify credible transition pathways. Support may include facilitated workshops, advisory sessions on sustainability strategy and finance frameworks, and introduction to sector specialists and industry tools. For SMEs, much of this support is delivered through our end-to-end GreenBizReady™ programme.

For details on our GreenBizReady™ solution for SMEs, please refer to the section "GreenBizReady™: Making Real Impact For MSMEs" on page 98.

Close coordination among our sector, product and sustainability specialists supports solutions grounded in evidence and market realities. We also collaborate with industry partners and institutional investors to expand financing and advisory options for climate-related projects. Insights from engagements feed into portfolio steering, guiding sector priorities, financing appetite and target-setting to channel capital effectively while managing risk.

Insights gained from the Malaysia pilot are guiding improvements to our client engagement strategies and prompting targeted enhancements to the CTA. These refinements focus on usability, sector calibration, and better integration with financing processes. CIMB plans to extend this structured, engagement-led approach to other regional markets progressively.

KEY OUTCOME

Developed and piloted an internal Carbon Transition Assessment tool, and developed different strategies to engage clients on climate, tailored to the clients' sector and level of maturity

PEOPLE AND DATA CAPABILITIES FOR EFFECTIVE DELIVERY

Strong outcomes depend on the right people, transparent processes and reliable data. Across CIMB, accountability for climate-related matters is shared between business and control functions. Group Sustainability, Climate Risk and business units work together to coordinate actions and apply our climate strategy across the Group.

Targeted training, primarily through the Sustainability Academy, continues to build understanding across business units and enablers, helping teams identify and manage transition-aligned opportunities and risks. Performance and remuneration frameworks are also being refined to include climate-linked key performance indicators, strengthening ownership of progress toward our Net Zero goal.

CIMB is developing a Sustainability and Climate Data Warehouse to simplify how we collect, extract and use data across all sustainability and climate-related use cases. This infrastructure will enhance traceability, consistency and data quality, supporting more accurate and efficient portfolio analytics, monitoring and reporting.

Together, these efforts lay the foundation CIMB needs to deliver our Net Zero transition plan and climate risk management efforts with clarity, consistency and transparency.

NATURE AND BIODIVERSITY

To learn more about our approach to this material topic, visit our website.

KEY HIGHLIGHTS IN 2025

- Published our inaugural Nature and Biodiversity Report aligned with Taskforce for Nature-Related Financial Disclosures recommendations, and with four key sectors in Malaysia assessed in line with the Locate-Evaluate-Assess-Prepare approach
- Led knowledge sharing and policy development efforts, through the UNEP FI Nature Capacity-Building Programme and Malaysian National Biodiversity Policy Implementation — Business Advisory Group

WHY NATURE MATTERS FOR FINANCE

Nature underpins the global economy: from water for agriculture and forests that regulate climate, to ecosystems that support supply chains and provide genetic resources for medicine. When natural systems are degraded, businesses and communities face lower agricultural yields, higher costs, operational disruption and even public health risks, among others. For banks, this could translate into declining asset values, increased credit risk and greater portfolio volatility. Safeguarding nature and biodiversity are therefore critical to our long-term credit quality and financial resilience.

Globally, more than US$44 trillion of economic value — over half of total global GDP — depends on ecosystem services provided by nature[1], underscoring the foundational role of biodiversity in supporting human and economic systems. In ASEAN, this dependence is heightened by the region's rich natural endowments, including tropical forests, coral reefs and freshwater systems that sustain supply chains and livelihoods.

CIMB's footprint spans three of the world's 17 megadiverse countries — Indonesia, Malaysia and the Philippines[2]. These jurisdictions contain some of the world's most ecologically significant forests and marine systems. A significant portion of ASEAN's economy is directly linked to ecosystems of global importance, making nature-related risk management a critical component of how we safeguard long-term portfolio quality and economic resilience.

In Malaysia alone, approximately 9.5 million hectares of tree cover have been lost since 2001, reflecting ongoing pressure on forest ecosystems and the services they provide[3]. This ecological dependency is mirrored in financial exposure. Estimates by the World Bank and Bank Negara Malaysia suggest that 54% of Malaysia's banking system financing is directed towards sectors highly dependent on ecosystem services, while 87% is linked to industries with material impacts on nature[4].

Recognising this connection, CIMB has integrated nature and biodiversity considerations into our approach to risk management, client engagement and portfolio strategy. Although our No Deforestation, No Peat and No Exploitation (NDPE) screening and biodiversity risk assessment processes have guided our efforts in assessing and engaging clients in land-use sectors for several years, our understanding of nature-related risks has since evolved to become broader and more nuanced, capturing ecosystem dependencies, location-specific sensitivities and potential transition implications.

1 *World Economic Forum, Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy, 2020.*

2 *World Economic Forum, World Environment Day: These are the world's 17 megadiverse countries, 5 June 2024, 2024.*

3 *Global Forest Watch, Malaysia Deforestation Rates & Statistics | GFW, 2022.*

4 *Bank Negara Malaysia, An Exploration of Nature-Related Financial Risks in Malaysia, 2022.*

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ADVANCING OUR NATURE JOURNEY OVER TIME

In the last few years, CIMB has been progressively strengthening the integration of nature-related considerations into our strategy, governance and risk management processes. Our approach has evolved in depth and sophistication, reflecting a growing recognition of the interlinkages between nature, climate and financial resilience. This journey demonstrates our continued commitment to embedding nature into decision-making, strengthening safeguards and aligning with emerging global expectations.

2020

Sector Guides
- Established a High-Risk Sector List and Guidance, including nature-related safeguards
- Introduced Palm Oil Sector Guide
- Introduced Forestry Sector Guide

2022

No Deforestation, No Peat and No Exploitation (NDPE) commitment
- Applied to the Palm Oil, Forestry (including Rubber), and Timber Plantation sectors

ASEAN Investment Framework for Haze-Free Sustainable Land Management
- Participated as an advisory team member, contributing to identifying investment needs and opportunities in sustainable agriculture (e.g., peatland management, fire prevention)

2023

Deforestation and Biodiversity Risk Assessment
- Applied screening tools to assess deforestation and biodiversity risks across relevant sectors

National Business Advisory Group (Malaysia)
- Participated as an advisory member to support the Malaysian Government, contributing to the development of a Business Biodiversity Action Plan under Malaysia's National Policy on Biological Diversity

2024

Biodiversity Statement
- Published our position and approach to nature-related risks

2025

Palm Sector Guide Update
- Introduced enhanced NDPE commitments with an expanded scope, alongside introduction of traceability requirements

Inaugural Banking on Nature Report
- Became the first Malaysian bank to publish a dedicated nature and biodiversity report, including a first-phase assessment of four material sectors in Malaysia

INTEGRATING NATURE INTO FINANCING DECISIONS

As part of our environmental and social due diligence processes, we incorporate nature considerations into the evaluation of non-retail clients and the projects we finance. This year, we introduced a water risk assessment approach to better understand the relationship between clients' water dependency and local water availability. Our assessment includes location-specific water stress mapping and examines how clients' water use and discharge practices may impact local catchments and communities. We also strengthened biodiversity and NDPE screening and expanded our Sustainability Due Diligence processes.

Over the past year, in-depth nature risk assessments were conducted for more than 70 transactions across our operating locations, focusing on clients operating in environmentally-sensitive locations and industries. These involve the use of tools such as Global Forest Watch Pro and the WWF Biodiversity Risk Filter to assess environmental and biodiversity risks, guiding our financing decisions for sensitive projects.

In 2025, we conducted Enhanced Sustainability Due Diligence (ESDD) on 707 non-retail financing transactions. Of these, 114 were identified as having nature-related risks, leading to the development of action plans with clients, representing 59% of the total ESDD cases recommended with action plans. This marks a notable increase compared to 2024, due to the enhancements to our Palm Oil Sector Guide introduced in January 2025.

Nature-related action plans for seven clients, arising from action plans from earlier years, were scheduled for completion in 2025. Of these, three were successfully completed by year-end. The remaining plans are currently in progress and subject to ongoing monitoring and client engagement.

KEY OUTCOME

- 114 Enhanced Sustainability Due Diligence cases with action plans related to nature

For details on the action plans that were not completed, please refer to the section "Sustainability Due Diligence" on page 40.

OUR NATURE STRATEGY AND ROADMAP

Our work in 2025 reflects CIMB's commitment to progressively deepening our capabilities in alignment with leading international frameworks, including the Taskforce on Nature-related Financial Disclosures and the Kunming-Montreal Global Biodiversity Framework, complementing and reinforcing our broader ambitions in climate action, social impact and responsible finance.

In August 2025, we published our first Nature and Biodiversity Report, which positions CIMB among the first ASEAN banks to provide a structured assessment of nature-related risks, dependencies, impacts and opportunities. While the in-depth analysis focused on CIMB's portfolio in Malaysia, the insights and strategies can be extended to our operations in other ASEAN markets.

The report highlights how nature-related risks are increasingly material to financial resilience and underscores the importance of integrating nature considerations into governance, risk management and financing decisions to support long-term value creation and a nature-positive transition. While highlights of the report are summarised in the following sections, the detailed analysis, insights and strategic foundations informing this work are presented in the *Nature and Biodiversity Report*.

KEY OUTCOME

Published our first Nature and Biodiversity Report, entitled 'Banking on Nature: Advancing our Nature Journey', in alignment with Taskforce for Nature-Related Financial Disclosures recommendations

NATURE-RELATED GOVERNANCE

As part of our broader sustainability strategy, nature-related considerations are embedded within the Group's overarching Sustainability governance framework, providing holistic and consistent oversight, clear accountability and integration into enterprise-wide decision-making.

DEVELOPING OUR NATURE STRATEGY

We recognise that nature and biodiversity are material considerations from both financial risk and environmental impact perspectives. To address this, we apply a double materiality lens when assessing how the sectors and activities we finance interact with natural systems. This approach allows us to evaluate not only how our clients' operations affect ecosystems, but also how nature loss may impact their financial performance, operational continuity and long-term resilience, which in turn could influence our own portfolio performance.

To determine which sectors to prioritise for deeper focus and analysis, we applied a structured framework based on four key criteria:

- Criticality for Net Zero and nature risks
- Potential for nature positive impact
- Relevance to ASEAN and to CIMB
- Alignment to TNFD and PRB focus sectors

Using these criteria, our assessment provided a structured view of how nature-related dependencies, impacts and risks intersect with our portfolio. Although the analysis was conducted with a primary focus on Malaysia, it was informed by broader insights across the ASEAN region to reflect shared ecological characteristics, sectoral dynamics and cross-border value chains.

Palm Oil, Forestry, Power and Oil & Gas were identified as priority sectors, given their strong linkages to biodiversity, land-use change and water systems across Malaysia and the wider ASEAN region.

Further analysis using tools including ENCORE, Global Forest Watch and the WWF Biodiversity Risk Filter confirmed that the Palm Oil and Forestry sectors have very high dependencies on terrestrial and freshwater ecosystems and carry significant potential for habitat and soil impacts. Power and Oil & Gas also depend strongly on natural capital, particularly water resources, and contribute to impacts through emissions, thermal discharge and ecosystem disturbance.

As at the end of 2025, these priority sectors accounted for approximately 7.2% of our portfolio exposure across Malaysia, Indonesia, Singapore and Thailand, reflecting the materiality of ecosystem dependencies and biodiversity impacts in our financing activities.

	Agriculture, including Palm and Forestry	Power	Oil & Gas
Exposure (RM' million)[1]	23,270	16,614	8,864
% of Total Exposure[2]	3.4%	2.5%	1.3%

[1] *Our exposure reflects the Group's total gross financing and investment portfolio as at 31 December 2025, covering Malaysia, Indonesia and Singapore. Figure for Thailand is based on the latest available data for 2024.*

[2] *The exposure percentages presented here may differ from other portfolio exposure figures in this report or other public disclosures due to differences in the scope of each disclosure.*

Securing Our Future

RISK MANAGEMENT: UNDERSTANDING HOW PRIORITY SECTORS INTERACT WITH NATURE

The activities we finance can have adverse impacts on nature, creating reputational and credit risks. At the same time, nature loss can lead to water scarcity, agricultural yield volatility and ecosystem instability, while increasing regulatory, reputational and liability risks for our clients and ultimately credit risk for CIMB. To better understand these linkages, we undertook a detailed assessment of how each priority sector interacts with nature. Using the Taskforce on Nature-related Financial Disclosures (TNFD) framework, we mapped where dependencies and impacts are most concentrated, identifying the environmental assets each sector relies on, the ecosystem services that enable them and the key drivers of nature change. Building on this assessment, we examined physical assets such as freshwater systems, soil health and forest cover, alongside ecosystem services such as water supply, pollination and climate regulation. These were then linked to specific sector activities, including land conversion, resource extraction, emissions and waste discharge, to highlight where pressures on ecosystems are most pronounced. Understanding these relationships allows us to systematically evaluate nature-related exposures and integrate them into our business decisions, risk management and client engagement strategies.

	Factors					
	Value Chain Exposure	**Key Impacts**		**Key Dependencies**		**Primary Risks**
	Portions Most Exposed to Nature	**Impact Drivers Caused by Sector Activities**	**Environmental Assets Affected**	**Environmental Assets**	**Ecosystem Services Relied upon by the Sector**	**Physical, Transition, Reputational, Liability and Value Chain Cascade**
Palm Oil	Planting and milling stages	Land-use change, peatland drainage, high water demand, fertiliser and pesticide use and mill effluent discharge	Terrestrial ecosystems, freshwater rivers and wetlands, soil quality and atmospheric carbon stocks	Land, soil health, freshwater resources and stable local climate conditions	Soil nutrient cycling, pollination, water supply and natural flood regulation	Climate and water stress, peat fire and yield decline (physical risk), traceability and deforestation-free requirements (transition risk), NGO and market scrutiny (reputational risk), land and pollution-related legal exposure (liability risk) and sustainability issues cascading to downstream buyers and financiers (value chain risk)
Forestry	Harvesting, land management and timber processing	Logging, land clearing, overharvesting, carbon emissions, infrastructure development, sediment runoff and biomass extraction	Degradation of forest ecosystems and habitat quality, impacting timber livelihoods, soil structure and watershed stability	Forest cover, soil stability and natural regeneration capacity	Climate regulation, carbon storage, water purification, habitat provision and soil and sediment retention	Exposure to wildfire, erosion and climate variability (physical risk), increasing certification and legality standards (transition risk), scrutiny linked to deforestation and Indigenous rights (reputational risk), land rights and environmental litigation risk (liability risk), and tightening downstream sustainable sourcing requirements (value chain risk)
Power Generation	Fuel extraction	Water withdrawal for cooling, land clearing for infrastructure, air emissions and thermal discharge into waterways	Freshwater systems, mineral and energy sources, atmospheric quality and surrounding terrestrial ecosystems	Water supply and purification, soil systems and stable climate patterns	Water regulation, temperature regulation, soil and sediment retention and climate stability	Exposure to water scarcity and climate impacts on power generation reliability (physical risk), pressure to shift from fossil fuels (transition risk), scrutiny of siting and community impacts (reputational risk), regulatory enforcement on pollution and displacement (liability risk), and reduced access to financing for carbon-intensive grids (value chain risk)
Oil & Gas	Exploration, extraction, drilling and refining processes	Seabed and land disturbance, emissions, flaring, discharge and potential spills or leaks	Marine and freshwater habitats and ecosystems, coastal zones, soil and atmospheric carbon balance	Coastal stability, land geomorphology, marine biodiversity and geological formations	Natural buffering and protection from coastal systems, erosion control, water purification, provisioning of fossil fuels and climate regulation	Exposure to coastal and offshore climate disruption (physical risk), increasing decarbonisation and methane regulation (transition risk), reputational risk from spills and ecosystem disturbance (reputational risk), liability for contamination and remediation failures (liability risk), and declining demand as downstream sectors decarbonise (value chain risk)

For a deeper understanding of the methodology, the underlying environmental and ecosystem linkages and how sector activities interact with these natural systems, please refer to the Nature and Biodiversity report.

SECTOR INSIGHT NO FOREST, NO FLOW: THE REAL NATURAL ASSET BEHIND HYDROPOWER

Hydropower relies on steady river flows that are naturally regulated by forests and healthy soils. Climate change and nature loss disrupt this balance. Rainfall becomes more extreme and less predictable, erosion increases and sediment accumulates in reservoirs. This can affect turbine efficiency, storage capacity and grid reliability. In severe cases, lower power output can lead to greater reliance on carbon-intensive alternatives.

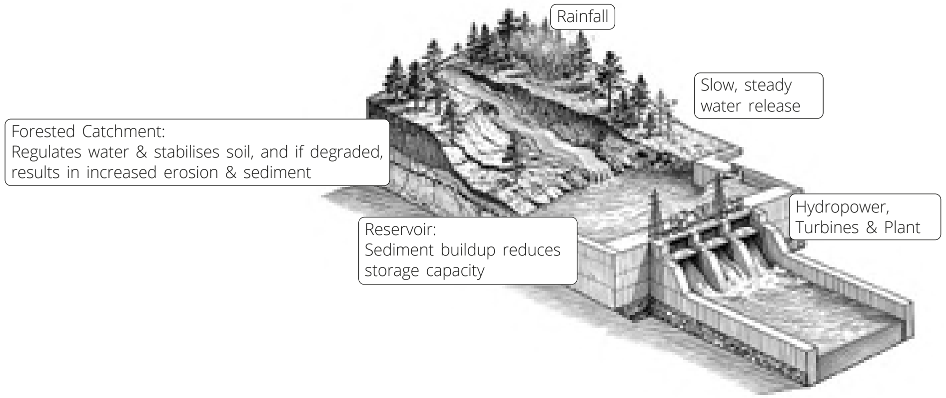
How nature loss affects asset performance

- Healthy catchments help regulate runoff and support stable river flows
- Degraded landscapes increase erosion and sediment in reservoirs, which reduces storage capacity and wears down turbines faster
- Outcomes include higher maintenance costs, uneven power output and shorter asset life

What this means for CIMB and our clients

We are strengthening our approach to reduce harm to nature and create positive impacts through the clients and projects we finance. Beyond environmental outcomes, protecting nature is also sound business practice. It supports asset performance, reduces risk and strengthens long-term portfolio stability, while enabling our clients to build more resilient businesses and supporting healthier communities and ecosystems. Potential safeguards include:

- Integrating biodiversity action planning and ecosystem safeguards into renewable energy site selection and project design to manage ecosystem impacts and reduce project delays
- Catchment protection and water security initiatives to support more reliable hydropower generation
- Protecting upstream forests and natural landscapes within hydropower catchments to reduce erosion, sedimentation and long-term asset performance risks



The challenges faced

While the case for integrating nature into financing decisions is clear, progress is shaped by several practical constraints:

- Data gaps at both asset and catchment levels, which limit our ability to consistently assess nature-related risks and reflect them in financing decisions
- Capacity and skills constraints as regulatory and disclosure expectations emerge and develop
- Inconsistent metrics for assessing nature-related performance

Building the right assessments over time

Forest cover loss, soil erosion and changing rainfall patterns can influence reservoir storage capacity, turbine efficiency and long-term generation reliability. Assessing these factors helps us better understand the physical risks facing hydropower assets. While methodologies for evaluating nature-related risks continue to evolve, we are strengthening how upstream land use, water security and ecosystem condition are considered in hydropower project assessments.

How we work with clients and partners

Progress depends on collaboration and early engagement. In practice, this means working together to understand nature-related risks, improve decision-making and strengthen resilience across projects and portfolios. This typically includes discussions around:

- How nature-related risks are identified and managed within projects and operations
- Improving data quality and disclosures over time as methodologies and expectations evolve
- Considering nature-based and resilience-focused solutions early in project planning

Securing Our Future

UNLOCKING NATURE-RELATED OPPORTUNITIES

CIMB is strengthening our approach to support nature-positive transitions across the clients and projects we finance, recognising that nature resilience is increasingly linked to long-term portfolio stability, client performance and asset value. Some examples include:

- **Biodiversity Action Planning in Project Design:** Encouraging clients to integrate biodiversity-related action plans into project planning and development, helping to manage ecosystem impacts and minimise potential operational and regulatory delays.
- **Deforestation-Free and Traceable Supply Chains:** Engaging clients to strengthen traceability systems and certification pathways, supporting their efforts to meet no-deforestation and no-conversion requirements in order to maintain access to global markets.
- **Water Security and Catchment Resilience:** Assessing potential avenues to support nature-based solutions, including reforestation and catchment protection in hydropower and industrial basins, as part of CIMB's efforts to strengthen water reliability and long-term infrastructure resilience.
- **Blue Carbon Protection and Restoration:** Supporting initiatives such as mangrove conservation and restoration that deliver nature and climate co-benefits, as well as opportunities for high-integrity carbon credits in collaboration with public and private partners.
- **Renewable Energy with Ecosystem Safeguards:** For renewable energy projects we finance, supporting and encouraging clients to integrate biodiversity and habitat protection considerations into site selection and design.
- **High-Integrity Nature-Based Credits and Blended Finance Models:** Exploring opportunities in blended finance and outcome-based mechanisms that mobilise capital towards conservation, restoration and regenerative land management, in collaboration with relevant partners.

These focus areas are operationalised through a combination of Sustainability Due Diligence (SDD), client engagement and targeted financing solutions. Nature-related risks and mitigation measures are assessed as part of project and client reviews, with action plans agreed where relevant. We engage clients to strengthen biodiversity management practices, improve traceability and adopt ecosystem safeguards, while supporting viable transition pathways. In parallel, we are expanding financing mechanisms that support nature-positive outcomes, including products such as EcoSave-i, Corporate Responsibility investments and innovative blended finance structures developed in collaboration with industry partners and working groups.

TRACKING PROGRESS: METRICS AND TARGETS

Clear metrics and targets are essential for managing nature-related risks and opportunities, tracking progress and aligning with global nature goals. They also support informed decision-making and transparent stakeholder communication.

CIMB has taken foundational steps to integrate nature considerations into our operations, including double materiality assessments and the incorporation of nature-related factors into policies, due diligence and governance frameworks. While formal, quantified nature and biodiversity targets have not yet been established, existing commitments under our Net Zero transition plan, our Green, Social, Sustainable Impact Products and Services (GSSIPS) framework, and high-risk sector financing requirements already reflect nature-related considerations.

Given evolving methodologies and data limitations, CIMB is strengthening internal capabilities and exploring potential metrics to enhance monitoring and client engagement, including indicators related to NDPE commitments, nature-related screening and biodiversity considerations in financed projects. CIMB is also evaluating nature-related indicators aligned with the Kunming–Montreal Global Biodiversity Framework and TNFD recommendations, alongside potential data sources, to support future disclosures and target-setting.

WAY FORWARD

CIMB has begun integrating nature considerations into our broader sustainability and responsible finance journey. Our Nature and Biodiversity Report establishes a clear pathway toward 2030, providing a structured foundation for strengthening risk assessment, deepening client engagement and expanding financing that supports nature-positive outcomes. Moving forward, our focus will be on translating insights into measurable action by working closely with stakeholders to scale practical and effective solutions. The following timeline outlines the key milestones guiding this transition through 2030.

2026

- Enhance Sustainable Finance Framework to capture nature opportunities
- Integrate nature into the Group Sustainable Financing Policy and Sector Guides
- Explore interim tools and screening criteria (e.g., WWF Water Risk Filter, Aqueduct Water Risk Atlas, IBAT)

2027

- Identify and prioritise sectors and clients for engagement
- Conduct preliminary discussions with clients to understand nature-related practices, data availability and transition readiness
- Curate products tailored to clients or industry needs

2028

- Define biodiversity and nature-related indicators for priority sectors*
- Track internal exposure to high nature risk sectors and locations

* *Subject to availability of suitable data, tools, and resources*

2029

- Align biodiversity strategy with National Biodiversity Strategies and Action Plans
- Refine sector guides, credit policies and escalation mechanisms
- Embed indicators and nature-related expectations into product development and risk screening

2030

- Publicly disclose metrics and management approaches across all four TNFD pillars: Governance, Strategy, Risk and Impact Management and Metrics and Targets
- Launch innovative nature-related financing instruments, including blended finance facilities and financing mechanisms for nature-based carbon credits

KEY OUTCOME

Defined our medium-term nature strategy, with a clear roadmap towards TNFD alignment by 2030

Beyond the progress achieved to date, including the advancement of nature-related risk assessments and the publication of one of Malaysia's first dedicated nature and biodiversity reports by a financial institution, CIMB recognises that integrating nature into financial decision-making remains an evolving and long-term undertaking. Scaling impact will require continued refinement of methodologies, strengthening of internal capabilities and deeper collaboration across sectors. Key challenges persist, including the absence of consistent and comparable metrics across sectors, limited asset- and landscape-level data, traceability gaps that reduce transparency, capacity and skills constraints across institutions, and evolving regulatory and disclosure expectations that may create implementation uncertainty.

Over time, CIMB will progressively strengthen the integration of nature considerations into our risk management and financing practices through enhanced client engagement, improved data integration and the continued refinement of assessment tools and sector-level approaches. These efforts support our alignment with the TNFD recommendations and the Kunming-Montreal Global Biodiversity Framework, reinforcing our long-term commitment to integrating nature into our business.

Securing Our Future

HUMAN RIGHTS

To learn more about our approach to this material topic, visit our website.

KEY HIGHLIGHT IN 2025

- Completed our first human rights saliency assessment to deepen understanding on sector and country-specific human rights risks

Human rights are universal rights belonging to every individual regardless of race, sex, nationality or status. Grounded in principles of dignity, fairness, and equality, these rights protect people from abuse.

These rights are inherent to everyone and cannot be taken away. Among these fundamental rights are the right to life, freedom from torture and slavery, freedom of expression, privacy and access to a fair trial.

While states are legally obligated to respect, protect and fulfil these rights, businesses have a responsibility to respect them as well. This includes safeguarding labour rights, preventing forced labour, protecting data privacy and minimising environmental harm.

WHY HUMAN RIGHTS MATTER TO BANKS

CIMB recognises that the actions we take as a financier, employer and purchaser of goods and services have a direct impact on the well-being of individuals and communities. Within our own operations, we are committed to upholding fundamental human rights by promoting fair and inclusive employment practices, preventing discrimination and providing equitable access to opportunities across the workforce. Within our supply chain, we expect suppliers and service providers to adhere to applicable labour, ethical and human rights standards. These expectations have been embedded into our procurement processes to help mitigate risks and promote responsible business conduct.

Human rights risks in the banking sector primarily arise from the activities of clients and projects that banks finance, especially in sectors with complex supply chains, labour-intensive operations or direct interactions with local and Indigenous communities. Sectors involving land-use change, such as agriculture, forestry and large-scale infrastructure, can affect community livelihoods, land tenure and the rights of Indigenous peoples if developments proceed without adequate consultation or appropriate safeguards. Similarly, the manufacturing and construction sectors can present heightened risks due to reliance on migrant labour, potential gaps in worker protections, unsafe working conditions or excessive working hours.

Climate change is increasingly intensifying human rights risks by disrupting livelihoods, worsening working conditions and placing additional strain on vulnerable communities through extreme weather, resource scarcity and environmental degradation. Banks play a critical role in mitigating these risks. By integrating human rights and climate considerations into financing, investment and risk management processes, banks can better identify potential impacts, strengthen due diligence and support more responsible and resilient economic activity.

The business and human rights landscape across ASEAN is evolving towards a more structured and coordinated regional approach. Thailand, Indonesia and Vietnam have implemented their respective National Action Plans, while Malaysia published its first National Action Plan on Business and Human Rights in 2025.

Within the banking sector, industry guidance is also strengthening. The Association of Banks in Malaysia (ABM) has issued Human Rights Guidelines for Responsible Banking to support consistent practices across financial institutions. In parallel, the Joint Committee on Climate Change (JC3) is expected to release the CCPT 2.0 Framework by the end of 2027, incorporating enhanced guidance on the social dimensions of financing.

HUMAN RIGHTS GOVERNANCE

Human rights oversight at CIMB is anchored at the highest levels of the organisation and integrated within our broader sustainability governance framework. The Board of Directors, through the Board Group Sustainability Committee, provides strategic direction and holds ultimate accountability for human rights at CIMB. At the operational level, the Group Chief Sustainability Officer oversees implementation of human rights policies as a key aspect of CIMB's sustainability risk management framework.

Our Group Human Rights Policy lays out how we identify, assess, manage and mitigate human rights risks across our operations, financing and supply chains. It is aligned with leading international frameworks, including the Guiding Principles on Business and Human Rights (UNGP), the UNEP FI Principles for Responsible Banking and Bank Negara Malaysia's Value-based Intermediation (VBI) Financing and Investment Impact Assessment Framework. The Policy applies across our regional operations and is adapted for local regulatory and cultural contexts in Indonesia, Thailand, Cambodia and Vietnam. Through strengthened due diligence, ongoing client engagement and the application of environmental and social standards, we seek to prevent harm, promote resilient business practices and support a just transition that protects workers, communities and long-term financial stability.

UNDERSTANDING OUR SALIENT HUMAN RIGHTS RISKS

In 2025, we completed our first country- and sector-specific Human Rights Saliency Assessment to identify where CIMB's operations and financing may have the greatest impact on people. The goal was to better understand and prioritise the most significant human rights risks, taking into account country- and sector-specific nuances. The insights from the saliency assessment will then be used to inform and strengthen specific safeguards in relation to our roles as financier, employer and purchaser of goods and services.

The assessment was guided by the UNEP FI and the Principles of Responsible Investment (UNPRI) toolkits. We conducted desktop-based risk screening, analysing country-level human rights risk indicators (such as control of corruption, rule of law and economic and social rights) alongside sectoral risk profiles (e.g., sectors historically linked to forced labour, land rights violations or high-risk supply chains).

We also reviewed publicly available data to support our analysis, drawing qualitative insights from reputable sources, including reports from Amnesty International and Human Rights Watch. Finally, we consulted with our in-country teams and local stakeholders to validate and contextualise our findings.

By assessing these risks based on their severity and the likelihood of the associated risk events, we were able to identify and prioritise the human rights issues requiring focused action.

Top salient human rights risks

As a Financier	As an Employer	In our Supply Chain
Modern Slavery/ Forced Labour	Freedom of Association	Modern Slavery/ Forced Labour
Protection of Marginalised Groups	Conditions of Work/ Fair Treatment	Precarious Employment
Safety and Well-being (of communities)	Health and Safety	Occupational Health and Safety
Discrimination of Communities	Discrimination and Harassment	Discrimination

Following the assessment, we are reviewing and updating our due diligence processes to strengthen existing safeguards and address identified gaps. These enhancements will guide how we engage clients and suppliers, monitor risks and report progress moving forward.

Our Exit from Myanmar

In 1995, we obtained a licence to open a Representative Office in Myanmar. This office primarily served as a liaison for existing CIMB clients across our markets seeking to explore opportunities in the country's fast-emerging economy.

Following the outbreak of civil conflict in 2021, we heightened due diligence in accordance with our sanctions policy and applicable laws and regulations, including enhanced scrutiny of accounts and transactions related to Myanmar.

In 2024, following a comprehensive business review and careful consideration of the human rights and reputational risks associated with operating in Myanmar, as well as the operational cost of measures required to mitigate these risks, the CIMB Group Board approved the closure of the Representative Office. The exit process was concluded in early 2025.

OUR HUMAN RIGHTS PROGRESS AND PERFORMANCE

We track progress through clear indicators to understand how effectively human rights considerations are embedded across the organisation. These metrics help us measure impact, identify gaps and strengthen accountability. They are reviewed periodically to stay relevant and meaningful to our operations.

Indicator	2023	2024	2025
Number of employees trained in human rights regionally	542	1,346	1,242
Suppliers acknowledging our Vendor Code of Conduct annually, including human rights commitments[1]	81%	75%	84%
Percentage of human rights related action plans completed by clients[2]	78%[3]	95%	78%

1 Malaysia only
2 Expressed as a proportion of action plans issued to clients in prior years, which were due in the respective year
3 This figure has been restated to reflect a correction to underlying data

KEY OUTCOME

We supported clients to strengthen human rights risk management. Of the human rights-related client action plans due in 2025, 78% were completed