

FORWARD YOUR FUTURE

FORWARD23+

Sustainability
Report
2023



CIMB THAI
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Welcome to the Sustainability Report of CIMB Thai Bank PCL.

CIMB Thai Bank PCL. has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

We have taken conscious efforts to manage and minimize the environmental impact of our Sustainability report and related processes. This Sustainability Report is only available in digital format. The Food and Agriculture Organization of the United Nations (UN FAO) estimated that over the decade since 2010, the net loss in forests globally was 4.7 million hectares (almost 30 million rai) per year due to various reasons. Let's play our part to reduce paper consumption and digitalize sustainably.

View our Sustainability Report and other information about CIMB Thai Bank PCL. at www.cimbthai.com.

MESSAGE from the Chairman of the Board of Directors



Dear Stakeholders,

As the world faces unprecedented challenges related to climate change and social equality, Thailand has persevered in its Sustainability agenda. The Thai government publicly committed to reaching carbon neutrality by 2050 and net-zero GHG emission targets by 2065 at the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26) held in Glasgow in 2021. Furthermore, stakeholder expectations have risen in the Thailand Sustainability space, particularly with the push from the Bank of Thailand, local regulators and market participants.

The Securities and Exchange Commission has mandated Sustainability reporting in the Form 56-1 One Report annual public filing, and the Stock Exchange of Thailand has developed a Sustainability Reporting Guide for Listed Companies, alongside ESG metrics for each industry group, as guidance for standardized transparent disclosure of Sustainability-related information. The Bank of Thailand has implemented various initiatives to support the financial sector in evaluating environmental opportunities, risks, and impacts, as well as aiding sector transitions to a lower-carbon economy, for example, through the new Thai Taxonomy. Investors have also made their stance clear on the importance of having Sustainability approaches aligned with globally recognized frameworks and standards, of which there is more and more reliance on ESG Ratings to measure the performance of an Investee.

The Boardroom plays a crucial role in shaping the future of sustainable organizations. The right tone from the top can make all the difference between an organization leading the way or falling behind. This tone sets forth guiding organizational values and culture, and designs a mandate for management and their teams to take ownership of and implement. Our fundamental belief is that the Board needs to lead, and lead by example.

As Board members, there is a certain expectation on us. Being directly involved in the Bank's Sustainability journey is now accepted as a "must-do" for every Board member. To raise the bar, the Board has undergone a fulfilling educational journey involving self-learning, seminars, conferences, and programs run by local regulators and various other institutions, not to mention our CIMB Thai "The Cooler Earth Sustainability Summit". One additional highlight in the Board's journey this year was to have undergone a comprehensive training on Sustainability from the University of Cambridge's Institute for Sustainability Leadership (CISL).

I am proud to say that CIMB Thai has been at the forefront of the local Sustainability scene alongside other key players. To ensure we are driving meaningful change, we have ingrained ESG considerations into our organizational strategy, decision-making processes, and divisional and individual employee KPIs. We have also taken account of our learnings, strengths, areas for continual development, and opportunities to ensure a focused approach to our business. The guiding principles set by the Board focus the business strategy on what activities CIMB Thai will and will not pursue. There may be a loss of income in this approach; however, the opportunity is that we can be early leaders in new areas of business, which should replace the initial loss of earnings. The goal is to have our good intentions turn into value creation and combine Sustainability with our portfolio to deliver returns.

As part of CIMB Group, CIMB Thai is strongly aligned with the Group's overall commitments and purpose to build a high-performing Sustainability organization to help advance customers and society. The Group's leadership is a key strength for us, as they are the leading proponent of CIMB's focus on Sustainability, pushing the subsidiaries to move in the same direction.

CIMB Thai aims to be more involved in the sustainable finance market through CIMB Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework, of which the Group has pledged a MYR 100-billion (THB 770-billion) sustainable finance target by 2024. Two essential focus areas for us are green energy and green transportation, given the ever-increasing demand to transform high carbon-emitting sectors. We hope to support our customers on their own Sustainability journeys while managing our financed emissions from such activities. In an effort to ensure the best customer experience, various initiatives such as training programs, seminars, and collaborations have been held throughout the year to upskill our employees on Sustainability topics to deepen their understanding of the subject when engaging with both corporate and retail customers.

As the market continues to develop in terms of technical sophistication and information sharing, as regulators and investors call for organizations to drive progress and disclose data, and as organizations step up to publicly state their targets, achievements, and shortcomings, the future trajectory of the Thai Banking sector looks promising in that sustainable finance will continue to grow significantly.

CIMB Thai has set ambitious targets for our Sustainability journey, and we aim to collectively achieve these as "#teamCIMBThai". I look forward to seeing all divisions continue to work together and support each other to hit our targets in 2024, with the shared dream of showcasing that CIMB Thai is a leading financial institution in terms of Sustainability.

Our growth with profitability needs to be balanced with our Sustainability-focused business activities. As a bank, we are a business that has a responsibility to provide a return to our shareholders. While as a member of this society, we have a part to play in protecting the ability of our future generations to meet their own needs. It is clear for us that CIMB Thai takes every step forward with the Sustainability of our business, our economy, and our future generation in mind.



Dato' Robert Cheim Dau Meng

Chairman of the Board of Directors

MESSAGE from the President and Chief Executive Officer



Dear Stakeholders,

2023 was a good year for CIMB Thai in terms of Sustainability. I am extremely proud of our first “The Cooler Earth Sustainability Summit” held in September in collaboration with UN ESCAP and International Labour Organization – it was an honor to host it at the United Nations Conference Center in Bangkok.

This is one of our achieved targets. I am glad to share some of the Bank’s Sustainability highlights:

- Reduced our Scope 1 and 2 emissions by 31%,
- Met our internal CIMB Thai Green, Social, Sustainable Impact Products and Services (GSSIPS) targets at almost THB 44.6 billion,
- Established our very own Sustainable Financing Framework aligned with CIMB Group and the Bank of Thailand’s Taxonomy,
- Established CIMB Thai’s official low-income threshold to support social financing,
- Established our updated Human Rights Policy in accordance with United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labor Organization (ILO), and the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct,
- Carried out various CSR activities totaling to 41,695 hours.

Our commitment to Sustainability is aligned with CIMB Group and progresses alongside Thailand’s increased attentiveness and involvement in the space. The market has clear directions from the Thai government in the form of our Nationally Determined Contributions (NDC), Long-Term Low Greenhouse Gas Emissions Development Strategy (LT-LEDS), initiatives to drive green energy and electric vehicles, National Action Plan on Business and Human Rights (NAP), as well as increasingly stringent policies and guidelines. For the financial sector, the Bank of Thailand is clear that banks play an important role in facilitating a “Just Transition” to a low-carbon economy. These have been pivotal factors in the entirety of Thai market responding to the ESG call.

In recent years, our Stakeholders have expressed their increased expectations on Sustainability. These Stakeholders, including Boards of CIMB Thai and CIMB Group, have been actively asking more questions and requesting more information on our progress in Sustainability. Rating agencies want to know if we are meeting various ESG expectations and criteria when we measure and disclose our performance. Regulators such as the Bank of Thailand (BOT) have been pushing forward in a consultative manner, whereby they want to learn the best methodologies and strengths from different countries and organizations. Our customers want to know the sustainable products and services we have to offer and whether the Bank is serious about our purpose to support them in their financial needs when implementing their own plans for Sustainability.

I believe #teamCIMBThai has met Stakeholders' expectations in our Sustainability strategy and operationalization, which involves our entire supply chain. Our strength is the strong support from CIMB Group, which is the founding signatory of the UNEP FI Principles for Responsible Banking. CIMB Thai has been closely following the Group in terms of rolling out consistent Sustainability strategies, policies, plans, and targets. We have embedded Sustainability in our DNA, whereby each division has holistically embraced Sustainability as a Bank-wide strategy and has assigned our own Key Performance Indicators in forwarding the agenda to create actual net positive impacts.

I am proud to share that our team has been active members of the Bank of Thailand's various Working Groups in the central Bank's push for Sustainable Finance and elevated ESG achievements. This includes our involvement in the development of the new Thailand Taxonomy alongside other initiatives. While contributing to the Bank of Thailand's various programs, we also share our methodologies, experiences, and learnings as members of the Thai Bankers Association and Association of International Banks, setting ourselves as thought leaders in this space.

Moving forward towards 2024 and beyond, I anticipate CIMB Thai will build on our current successes, leveraging our strengths. Sustainability is now widely integrated throughout the Bank, enabling various business units with the competencies to drive our goals.

We have also set and surpassed our sustainable finance targets in line with the Group's Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework. When it comes to Corporate Social Responsibility, we have disbursed a fair share in contributions to schools, and various non-profit organizations. In August 2023, we donated THB 525,571.22 to Ban Phaeo Hospital as part of our "Run To Win - Save Children Heart" project that aimed to help pediatric patients with heart disease. CIMB Thai Bank organized the project through the virtual run application DROMOS. For every kilometer run by an employee between 22 April and 15 August 2023, CIMB Thai contributed THB 10 per kilometre to the Hospital.

Moving forward, we need to shift gear and focus on how we can really impact society in a non-monetary sense. We need to come together, create awareness, and go to the root of issues. For example, in the case of mule accounts, we need to start educating children about the importance of their identification documents and financial management.

I also hope that CIMB Thai will continue to spot new areas of opportunity for growth. There is potential for us to capture opportunities relating to alternative energy-generating capabilities and the EV ecosystem. With Thailand not being an oil-producing country, there is a head start on the motivation to switch over to EVs. Previously, EVs were difficult to acquire as they were expensive and demand was low, but today EVs can be found amidst every few cars attributed to a push from the government.

Another opportunity may be getting the CIMB Thai headquarters LEED-certified, which we have begun making the necessary changes to the building. Because this is a dated building, we have significant opportunities for climate mitigation and climate resilience. There is also the ASEAN proposition in the mid-term, where cross-border opportunities for GSSIPS are possible.

Sustainability is a long-haul journey; what is important now is that we take stock of where we are at and how we plan to move forward. As a Bank seeking to "do-good" and "be-good," we need to take up the mantle on behalf of vulnerable groups and our future generations. If we embrace this thought, it enables us to make the right decisions and take the right actions so that CIMB Thai flourishes and is sustainable. I hope that our future generations can look back at us today and proudly say:

"Thank You from Tomorrow"



Paul Wong Chee Kin

President and Chief Executive Officer



“Sustainability” needs champions.

Champions are individuals who refuse to settle for the status quo and actively pursue transformation, innovation, and growth. In today’s banking and business environment, the differentiating factor between leaders and laggards lies in the ability of Champions to generate the energy needed to propel the company ahead of its peers and establish a distinctive competitive advantage.

At CIMB Thai, our Champions are the ones who are willing to think out of the box, and go the extra mile. They are able to think strategically and embrace a long-term vision in order to position the Bank for sustained growth. This involves creating positive impacts not only on the economic front but also on environmental and social aspects, aligning the Bank with a comprehensive, and sustainable approach.

Sustainable banking practices create a competitive advantage by appealing to environmentally and socially mindful customers, mitigating risks, reducing costs, fostering innovation, attracting investments, ensuring regulatory compliance, and enhancing the overall resilience and reputation of the Bank in the marketplace.

We extend our heartfelt acknowledgment and gratitude to all our dedicated Champions of Sustainability. Their unwavering commitment and exceptional contributions have propelled CIMB Thai to take significant strides forward, positioning us as an emerging leader in the realms of ESG and Sustainability in Thailand.

Jason Lee
Head, Sustainability TH
Strategy and CEO’s Office

Champions from our Business Units

Everything begins from our hand. Turning tiny things to habits is a great start, for example, waste separation. For our CIMB Thai in 2023, Treasury Sales began initiating Sustainability-Linked Treasury Products to clients.

Sarinthorn Suree
Head, Treasury Sales TH
Treasury and Markets TH

Making the world a better place starts with each of us. When many people come together, I believe that the impact will be great enough to make a difference. Let’s help each other, starting with ourselves, our homes, and our work.

For Sustainability in CIMB Thai, we identify business activities to discover what can be adjusted, transitioned, or encouraged to be aligned with Sustainability policies and actions. Then, we engage with our management and colleagues to work on it together.

Let’s be a part of changing the world to create a better environment for everyone.

Lita Tantrakul
Vice President, Transaction Banking Strategic Finance and Performance Analytics TH
Business Management TH

Sustainability is an important issue that has become a part of the business activities of leading organizations today. The Sustainability department is a key department that helps organizations achieve their Sustainability goals. I would like to praise the Sustainability team of CIMB Thai Bank for providing knowledge and advice to Bank employees and customers so that they have knowledge and understanding of sustainability, which resulted in various successes in 2023. I would also like to encourage all team members to help CIMB Thai Bank achieve our Sustainability goals in the future.

Paniti Srisuwan

First Vice President, FIG Thailand - Non-Bank - Relationship Management TH
Financial Institutions Group & CLMV TH

Issuing a notable Green Bond in 2023 aligns with our commitment to Sustainability, drawing inspiration from our robust sustainable policies. This endeavor is a crucial building block for our long-term growth strategy. To our colleagues – let's stay on course, and continue pushing forward!

Poominant Na Songkhla

Senior Vice President, Debt Capital Markets Origination TH
Investment Banking TH

Given our bank's numerous commitments to international organizations, we are confident in our capabilities, diverse personnel, and product offerings in Thailand. This unique combination positions us to empower our customers and support their transition towards more sustainable financial practices.

As dedicated to helping banks identify opportunities in Sustainability and ESG lending, I experienced firsthand the value of building relationships with potential borrowers. Through a year-long engagement, we discovered businesses aligning with our Sustainability-Linked product. In 2023, we closed a landmark 3 billion baht loan with a hotel chain, marking CIMB Thai Bank's first Sustainability-Linked transaction. This achievement marks a significant step, and we are determined to build upon this success.

Sustainability is undoubtedly critical for our planet and our future. We are firmly committed to playing a leading role in accelerating sustainable development through financial solutions.

Jitrinee Tanskul

Head, Conglomerate TH
Corporate Banking TH



Champions from our Business Enablers

As the leader of the Climate Risk Team, my focus is on advancing Sustainability through various initiatives. This involves delivering insightful talks on ESG Risk Management within the realm of Risk Management, emphasizing the importance of sustainable practices. Actively participating in Group-wide Climate Risk project, I contributed to the creation of a model for Climate Risk Management and Scenario Analysis (CRMSA), aligning our efforts with sustainable objectives.

In addition, I organized sessions to articulate the far-reaching impacts of climate change on market dynamics, liquidity, and operational risk, collaborating closely with teams dedicated to sustainable practices. Beyond internal efforts, I extend my influence by delivering talks on sustainable finance and ESG Risk management at prominent international public forums.

Dr. Nongnuch Tantisantiwong

Head, Enterprise Risk and Infrastructure TH
Risk Management TH

Sustainability – We do it today to pass on a beautiful future to future generations.

In CIMB Thai, the CX Team provides support in conducting surveys to inquire about the opinions of customers and vendors, and to raise Sustainability awareness for those involved in the survey.

To our colleagues: Keep it up. You are creating a beautiful future for this planet.

Mayuree Puangsuwan

Head, CX Measurement and Programme Enabler TH
Customer Experience (CX) TH

To achieve global sustainability goals, we must start with ourselves. It is the responsibility of everyone, of every organization, to set policies and act together, and to expand to the community, society, and the nation.

For example, the “Bring Your Container” activity that is done within CIMB Thai encourages employees to bring their own containers to buy food and drinks at the canteen, reducing the use of single-use plastic cups, bags, and straws. It also sets up trash bins for different types of waste to make it easier for staff to manage. These activities may seem small, but they are the starting point for instilling a sense of social and environmental responsibility in employees.

In a broader picture, our Bank corporate events, such as the Money Expo, demonstrate environmental responsibility by reusing the structures and furniture in all booths throughout the year. Finally, the structures and furniture are donated to rural schools to be reused as playgrounds, library counters, etc. This reuse reduces the problem of waste and environmental pollution.

All of these actions must start with us and support the organization’s goal of Sustainability in the future.

Pirom Kongjinda

Head, Corporate Event and Corporate Social Responsibility (CSR) TH
Corporate Communication

Embracing a green business model is our pledge to champion Sustainability and Equality. Taking action today for a better tomorrow, our Procurement, Admin and Property Management prioritize energy conservation through initiatives such as changing appliances and installing solar panels.

By committing to these practices, we not only contribute to a greener environment but also advance the cause of equality. Our focus on sustainable operations is a tangible step towards a brighter and more inclusive future, inviting others to join us on this journey of positive change.

Tanit Onnuh

Head, Procurement, Administration and Property Management TH
Procurement, Administration and Property Management TH

Sustainability is not the responsibility of just one person. It is something that everyone must work on together. It may be difficult because we need to change our lifestyle habits, but I believe that it is not too difficult and the results we intend will be worth it.

CIMB Thai expresses the focus to build Sustainability, through collaboration with The College of Management, Mahidol University (CMMU), in developing Sustainability 101 to enlarge our employees’ knowledge about operating banking and finance business to support Sustainability.

Bank may not be the direct source of environmental impact, but it is a major source of capital for businesses. Therefore, it is important for banks to have knowledge and provide support for businesses that are committed to social and environmental responsibility.

Pe Suwansakornkul

Vice President, Learning and Development TH
Human Resources TH

Sustainability demands a collective effort from every individual at CIMB Thai. The key to building a robust foundation for the future and making a positive impact lies in fostering sustainable collaboration.

Kantong Boonyapataro

Manager, Head Office Audit TH
Internal Audit TH

The Bank of Thailand (BOT) serves as the primary point of contact for official agencies, ensuring that internal bank units comprehend official regulations. In the context of Sustainability, our approach extends beyond a mere understanding of the regulations; we actively communicate and coordinate with the BOT to appreciate its influential role in promoting Sustainability.

From my perspective, CIMB Thai’s Sustainability initiatives have been implemented progressively, embodying a novel operating model that genuinely reflects a commitment to Sustainability. This approach is not only intriguing but also presents valuable learning opportunities, proving beneficial not just for the Bank itself but also for the broader well-being of the country. Strong forward!

Tipwan Chantovut

First Vice President, Business Enabler Compliance TH
Compliance TH

Thailand's Sustainability Highlights

Thailand has made momentous progress in social development and economic expansion moving from a low-income to an upper middle-income country. The nation has been widely cited for our rapidly modernizing economy, robust economic growth, and impressive poverty reduction. In 2023, the nation has continued its impressive journey of Sustainable Development.

According to the United Nation's Sustainable Development Report 2023, Thailand's Sustainable Development Goal Index (SDG Index) ranks first in ASEAN for the fifth consecutive year. Thailand's overall score is 74.7, which is higher than the average of 67.2 for the East and South Asia regions. This achievement aligns with the nation's vision of achieving security, prosperity and sustainability in line with the Sufficiency Economy Philosophy, which has been a key element of balanced, sustainable development in the country. In terms of our Paris Agreement commitments, Thailand raised our ambition with its Second NDC in November 2022, stating a revised target of carbon neutrality by 2050 and net-zero greenhouse gas (GHG) emissions by 2065.

Nevertheless, ASEAN is one of the most susceptible regions to climate change, having witnessed rising average and extreme temperatures, increased intensity and duration of rainfall, and a higher frequency of extreme weather events like storms, droughts, floods, and land and forest fires. In response to this, the ASEAN Member States have taken necessary steps at regional and all levels to combat the issue.

The Global Climate Risk Index states Thailand is the ninth most affected country in the world in regards to climate change. Climate-vulnerable sectors use around 47% of the country's land, and although Thailand has a low contribution to global greenhouse gas emissions, the nation is heavily reliant on natural gas, which accounts for close to two-thirds of its energy generation.

Thailand is also preparing contingency plans to deal with a potential drought that could span years and squeeze global supplies of sugar and rice. The below-average rainfall during the 2023 monsoon season, coupled with the potential impact of the El Niño weather pattern, raises concerns for agriculture and food security. A 10% deficit in rainfall can have significant consequences for crops, affecting yields and potentially leading to lower agricultural productivity.

This could threaten the nation's position as the world's second-largest exporter of rice and sugar. Previously, rice shipments fell a third to 7.6 million tons in 2019 during El Niño. Sugar cane is known to be a sturdy crop; however, the country's millers have forecasted a decline in output. According to Thai Sugar Millers Corporation Limited, the nation's sugar output will drop by almost a fifth in the upcoming harvest, and production is estimated to fall by 18% to around 9 million tons in the 2023-2024 season.

To build a resilient and adaptive economy and society, the government developed its 13th National Economic and Social Development Plan (NESDP) (2023-2027). The NESDP acts as a fundamental mechanism to translate the 20-Year National Strategy into implementation and was formulated with the aim of focusing on substantial development.

The four principles of the 13th NESDP are as follows:

1. Sufficiency Economy Philosophy whereby multidisciplinary perspectives are considered to achieve development goals for the utmost benefits of the people;
2. Resiliency focusing on readiness of different levels of society to cope with crises, adjustment factors necessary for fostering economic, environmental and social security, and transformation for sustainable growth by pushing for structural changes;
3. Sustainable Development Goals (SDGs) based on the concept of "Leaving no one behind", and
4. Bio-Circular-Green Economy Model (BCG Model) focusing on scientific, technological and innovative expertise to generate economic growth and strive for a balance between conservation, and the use of natural resources.

For the past two years, Thailand has strengthened our commitments and reinforced its action towards climate mitigation and adaptation amongst other environmental and social campaigns:

- ▶ The government has revised its Long-Term Low Greenhouse Gas Emissions Development Strategy (LT-LEDS) in November 2022 which details policies, priorities, and key mitigation steps that will steer Thailand towards low GHG emissions, and climate-resilient development.
- ▶ The government is actively working on drafting a Climate Change Act and National Energy Plan. The Climate Change Act aims to outline the country's strategies for mitigating and adapting to climate change, including mandatory regulations for greenhouse gas emissions. Simultaneously, the National Energy Plan focuses on principles for the country's energy policy, emphasizing the transition to a low-carbon economy, increasing competitiveness, and attracting foreign investment. In September 2023, Prime Minister H.E. Mr. Srettha Thavisin expressed this commitment at the Climate Ambition Summit in New York, highlighting the importance of passing the Climate Change Act.
- ▶ Thailand's EV Policy Committee has outlined a roadmap (2021-2035) to establish a robust EV supply chain. The government aims for 30% electric vehicle production by 2030 through the 30@30 plan, contributing to its aspiration as the ASEAN hub for EV manufacturing.
- ▶ Thailand's Board of Investment (BOI) provides incentives for EV manufacturers, including zero import duty and a 3-8 year corporate income tax exemption. Extending support, BOI aims to grant tax exemptions for components related to battery electric vehicles, fostering comprehensive incentives for the EV industry. As of May 2023, BOI approved 14 projects with an annual production capacity of 276,640 EVs.
- ▶ The Green Climate Fund is providing funding for a climate-smart rice farming initiative in the agricultural sector. This Euro 38-million project aims to advance environmentally friendly rice farming practices and enhance the resilience of farmers to climate change.
- ▶ In December 2022, Thailand and other countries adopted the Kunming-Montreal Global Biodiversity Framework (GBF) during the 15th Meeting of the Convention on Biological Diversity. The GBF aims to reverse biodiversity loss, aligning with the 2050 vision of "Living in harmony with nature." Key goals include expanding natural ecosystems, sharing of benefits from genetic resources, preserving genetic diversity, supporting sustainable development, reducing extinction rates, and securing resources for GBF implementation.

Alongside climate change mitigation and adaptation initiatives, Thailand has also made efforts to improve the quality of life of our people:

- ▶ In October 2019, Thailand became the first Asian country to unveil a standalone National Action Plan on Business and Human Rights, addressing labor, land, environment, human rights defenders, and cross-border investments. Launched publicly in December 2019, it extends until 2022. The Ministry of Justice released the second National Action Plan (2023-2027) in 2023, focusing on four priority issues similar to the first plan.
- ▶ The Stock Exchange of Thailand (SET) has collaborated with Walk Free and Finance Against Slavery and Trafficking (FAST) to create tools for managing human rights risks. The “Guidance on Modern Slavery Risks for Thai Business” was launched to help businesses, especially SET-listed companies, understand and address modern slavery risks. The guidance provides practical tools, including a checklist covering governance, policy, risk assessment, supplier engagement, audits, purchasing practices, grievance mechanisms, and response/remediation. It spans eight sectors and emphasizes each sector’s role in combating modern slavery and human trafficking.
- ▶ The International Symposium on Digital Inclusion 2023 held in Bangkok, centered on discussions about Assistive Technology improving the lives of persons with disabilities. Emphasis was on championing their rights and fostering collaboration with international organizations, governments, private sector, and civil society to enhance accessibility.
- ▶ Addressing Thailand’s structural debt challenge, the Bank of Thailand (BOT) planned to introduce regulations promoting responsible lending to ensure improved debt repayment capacity among borrowers. In February 2023, the BOT released a “Directional Paper on Sustainable Solutions to Thailand’s Structural Debt Overhang Problems” offering a detailed examination of local household debt data and advocating for comprehensive and equitable approaches to address debt issues.

By the end of 2023, the Thai government passed a resolution to endorse the Clean Air Bill, which will undergo parliamentary debate as part of the legislative process. This comprehensive bill outlines short-term, medium-term, and long-term strategies to address the PM2.5 issue with the ultimate goal of ensuring clean air for public safety. The legislation also focuses on enhancing air quality assessment, monitoring, and early warning systems. Notably, the bill introduces both criminal and civil liabilities for offenders. Individuals found guilty may face imprisonment for up to one year, a fine of THB 100,000, and a daily fine of up to THB 10,000 until the pollution issue is resolved. Additionally, property or factory owners outside Thai territory contributing to air pollution within the kingdom could incur a fine. These stringent measures underscore the government’s commitment to addressing air quality concerns and promoting environmental sustainability.

Local financial institutions play a crucial role in driving Thailand’s sustainable growth by channeling resources towards a low-carbon economy. The country’s financial landscape has transformed to balance innovation promotion and risk management, supporting the shift to a digital and eco-friendly economy. In August 2021, the Sustainable Finance Initiatives for Thailand, published by the Working Group on Sustainable Finance (WG-SF), outlined five strategic initiatives (KSI). These include developing a practical taxonomy, improving the data environment, implementing effective incentives, creating demand-led products and services, and building human capital.

Aligned with these KSIs and a focus on environmental sustainability, the Bank of Thailand (BOT) prioritized five building blocks in our “Directional Paper on Transition towards Environmental Sustainability under the New Thai Financial Landscape” published on August 2022:

1. Products and Services: Adjusting financial institutions’ business operations to promote green financial products and services that meet the needs of the businesses;
2. Taxonomy: Classification of economic activities based on their environmental impact;
3. Data and Disclosure: Systematic and accessible environmental data platforms and setting disclosure standards for financial institutions;
4. Incentive: Supporting and incentivizing environmental actions in the financial sector; and
5. Capacity building: Enhancing the knowledge and skills of personnel in the financial sector.

The BOT sets three strategic directions for a smooth transition to a sustainable and digital economy: leveraging technology and data for innovation, managing the transition to sustainability, and shifting from stability to resiliency. Under the Sustainability Direction, the BOT aims to support businesses in accelerating their transition and developing infrastructure to adapt to environmental changes and encouraging households to adopt sustainable practices.

In 2023, the Thailand Taxonomy, the first Key Strategic Initiative (KSI), was introduced as a Green Taxonomy emphasizing environmentally-sustainable economic activities. Defined by the Bank of Thailand (BOT) as a guide for climate-aligned projects and assets, it serves as a tool for informed decision-making by financial institutions, bond issuers, investors, and governments, facilitating investments contributing to a low-carbon economy. The science-based and technologically neutral Taxonomy is designed to highlight six key environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of marine and water resources;
4. Protection and restoration of biodiversity and ecosystems;
5. Pollution prevention and control; and
6. Resource resilience and transition to a circular economy.

Phase 1 of the Taxonomy primarily focuses on the first two objectives, and two industry sectors, namely energy and transportation. Collectively the energy and transportation sectors are responsible for majority of the country’s total emissions. Thailand Taxonomy Phase 2, planned to be launched in 2024, is expanded to cover the manufacturing sector, agriculture sector, real estate and construction sector, and waste management sector.

To align with the BOT and to support the nation’s commitments towards Sustainable Development, the Thai Bankers’ Association (TBA) introduced our ESG Declaration to establish a unified direction for the banking sector in addressing Environmental, Social, and Governance (ESG) concerns through proactive implementation. The initiative aims to enhance awareness of Sustainability among Stakeholders and propel the Thai economy towards sustainable growth.

Under the ESG Declaration, shared action priorities amongst Thai banks are defined:

1. Governance: Ensure good corporate governance and effective oversight at the board level, with clear accountability and responsibility at the management level regarding the Environmental, Social, and Governance (ESG) agenda
2. Strategy: Integrate ESG into business strategies and define frameworks for sustainable finance to support Thailand in making harmonious transition towards net-zero society as committed
3. ESG Risk Management: Incorporate ESG into risk management processes
4. Financial Products: Utilize digital technology to increase financial accessibility; help customers achieve net-zero emissions and sustainable growth
5. Communication: Communicate and collaborate with all stakeholders in raising public awareness on ESG issues
6. Disclosure: Develop monitoring and reporting systems in line with Thailand's regulatory frameworks and global sustainability disclosure standards

In the final stretch of 2023, 16 local asset management firms launched 22 Thailand ESG (Thai ESG) funds, aiming to attract around THB 10 billion in investments. These tax-saving long-term funds align with the SEC's plan to promote Sustainability in the Thai capital market, urging companies and market operators to integrate environmental, social, and governance (ESG) factors. Investors can deduct up to 30% of their income, with a maximum of THB 100,000, for the tax year in which the investment is made, provided they hold the Thai ESG units for at least eight years.

Thai ESG funds are allowed to invest in stocks selected for their green and ESG criteria, covering over 200 Thai listed companies for now. Additionally, the funds can invest in stocks disclosing greenhouse gas emissions data, Sustainability-related bonds, and digital tokens complying with Sustainability standards for fundraising.

Remaining attuned to the evolving landscape in Thailand, CIMB Thai remains vigilant in effectively managing Sustainability-related risks and seizing opportunities. This proactive approach underscores our commitment to navigating the dynamic Sustainability terrain, ensuring resilience and responsible business practices.



CIMB Thai at a Glance

CIMB Thai Bank Public Company Limited, previously known as Bank Thai Public Company Limited, was established in 1998 and represents CIMB Group's banking presence in Thailand.

The Bank is licensed by the Ministry of Finance and relevant authorities to engage in commercial banking business, which constitutes the primary business of the Bank. We focus on offering quality and efficient products and services that can add value to the customers, particularly fee-based products and services, such as cash management, financial advisory and treasury, besides deposits and loans. Our customer base covers individual customers and business customers ranging from small and medium enterprises to large enterprises at home and across ASEAN via universal banking network of CIMB Group. Product and service offering is carried out through both physical branch and business center network and digital banking on mobile phone.

At present, the Bank is listed on the Stock Exchange of Thailand and operates 53 branches across the country. CIMB Thai serves more than 600,000 customers, delivering a wide range of services covered by its key business pillars – Consumer Banking, Corporate Banking, Investment Banking, Transaction Banking, Financial Institutions, and Treasury & Markets. CIMB Thai has two subsidiaries, namely CIMB Thai Auto Company Limited and WorldLease Company Limited. For more details on CIMB Thai's subsidiaries, please refer to CIMB Thai's One Report (Annual Report) 2023.

Our Value Chain



UPSTREAM ENTITIES

Vendors: 159 active vendors providing goods and services to the Bank:

- Business Partner: Entities or individuals with contracts or agreements with financial institutions to provide services as business partners acting on behalf of financial institutions such as financial agents and outsourced service providers or other forms of business alliances that conduct business with financial institutions to facilitate business advantage which may include a connection to the technology work system with financial institutions.
- Third party providers: Outside entities or individuals who are information technology service providers or are connected to information technology systems of financial institutions, or who have access to sensitive information of financial institution or customer information controlled by financial institutions. However, third parties do not include customers who use products and services of financial institutions.

CIMB THAI'S BUSINESS ACTIVITIES

Key Business Drivers in CIMB Thai:

- Consumer Banking
 - Deposits & Payments
 - Consumer Financing
 - Wealth Management
 - Digital Banking
- Corporate Banking
 - Loan & Credit Facilities
 - Foreign Exchange (FX) & Derivatives
 - Debt Capital Market (DCM)
 - Cash And Saving Accounts (CASA)
 - Cash Management
- Financial Institutions
 - Banks and Non-Bank Financial Institutions (NBFi)
 - Institutional Investors
 - FX, Bond Trading, Bond Forward
- Investment Banking
 - Debt Capital Market (DCM): Bonds
 - Equity Capital Market (ECM): Initial Public Offering (IPO), Mergers and Acquisition
- Treasury & Markets
 - Structured Products, Structured Deposits
 - Bonds
 - Foreign Exchange (FX)
 - Hedging
 - Derivatives
- Transaction Banking
 - Cash Management
 - Trade Finance

Key Business Drivers in CIMB Thai's Subsidiaries:

- CIMB Thai Auto Company Limited has been providing a full range of auto loan services to meet the needs of customers, both individual and corporate since 1995. The company provides personal and commercial car hire purchase, used car hire purchase and CIMB Thai Auto cash products. Currently, the company has 31 branches in every region across Thailand.
- WorldLease Company Limited has operated hire-purchase service of motorcycles in Thailand since 1994. Currently, the company has 14 branches in Bangkok and selected provinces.

DOWNSTREAM ENTITIES

- Retail customers in Thailand
- Non-retail customers in Thailand and across markets covered by CIMB Group:
 - Agriculture & Forestry
 - Construction
 - Financial Services
 - Hospitality
 - Infrastructure
 - Livestock & Fisheries
 - Manufactured Goods
 - Mining & Quarrying
 - Oil & Gas
- Personal Consumption
- Real Estate
- Services
- Sovereigns & Sub-sovereigns
- Telecommunication, Media & IT
- Transport & Storage
- Utilities
- Wholesale & Retail
- Others
- Financial institutions
- CSR beneficiaries (schools, non-profit organizations, non-governmental organizations)

Our Vendors and Partners

Vendors and suppliers are entity upstream from the Bank in its supply chain, which provides a product, or service that is used in the development of the Bank's own products or services.

In 2023 there are an accumulated of 359 vendors, whereby there are 159 significantly active vendors.

To sustain competitiveness and deliver optimal financial products and services, the Bank and its subsidiaries have actively collaborated with business partners and engaged in third-party outsourcing.

	Number of Business Partners	No of Third Party Outsourcing
CIMB Thai	127	94
CIMB Thai Auto	64	8
WorldLease	34	4
Total	225	106

Our Employees and Workers

Our employees and workers are the key drivers of our value chain and business activities, where they can affect the success or performance of the Bank.

As defined by the GRI Standards, an employee is an individual who is in an employment relationship with the Bank according to Thai national law or practice:

- A full-time employee is an employee whose working hours per week, month, or year are defined according to national law or practice regarding working time.
- A temporary employee is an employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees).

In addition to employees, the Bank also engages workers who are not employees – those who perform work for the Bank but are not in an employment relationship with the organization. The Bank might have sole control of the work or share control with one or more organizations (e.g., service providers or other outsourcing entities). Types of workers who are not employees and whose work is controlled by the organization are classified under contractors.

At the Bank, workers include those who are hired by our vendors but are working at the Bank's various operational locations while being paid by the Bank under operational expenditure, and those who are involved in project-based activities provided under capital expenditure of the Bank.

At CIMB Thai, Sustainability means understanding and managing positive and negative impacts that relate to people, including effects on their human rights, as a result of our activities or business relationships. Our employees and workers are our main stakeholders whereby they have interest that are affected or could be affected by the Bank's activities.

Our employee and workers data are reported in accordance with the following categorization:

- ▶ Permanent employees, and a breakdown by gender and by region;
- ▶ Temporary employees, and a breakdown by gender and by region;
- ▶ Full-time employees, and a breakdown by gender and by region;
- ▶ Part-time employees, and a breakdown by gender and by region

As of 31 December 2023, our employee and contractor headcount data are as below:

Type of employment/Gender	CIMB THAI			CIMB THAI AUTO			WorldLease			Total
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Permanent/Regular Employee	1672	796	2468	204	223	427	103	117	220	3115
Temporary Worker	9	8	17	1	1	2	0	0	0	19
Contractor	186	175	361	184	88	272	41	6	47	680
Total	1867	979	2846	389	312	701	144	123	267	3814

Type of employment/Gender	CIMB THAI			CIMB THAI AUTO			WorldLease			Total
	Female	Male	Total	Female	Male	Total	Female	Male	Total	
Full-time Employee	1867	979	2846	389	312	701	144	123	267	3814
Part-time Employee	0	0	0	0	0	0	0	0	0	0
Total	1867	979	2846	389	312	701	144	123	267	3814

Type of employment/ Geographical area	CIMB THAI			CIMB THAI AUTO			WorldLease			Total
	Bangkok Metropolitan	Elsewhere	Total	Bangkok Metropolitan	Elsewhere	Total	Bangkok Metropolitan	Elsewhere	Total	
Permanent/Regular Employee	2324	144	2468	258	169	427	117	103	220	3115
Temporary Worker	17	0	17	1	1	2	0	0	0	19
Contractor	309	52	361	205	67	272	47	0	47	680
Total	2650	196	2846	464	237	701	200	103	267	3814

Type of employment/ Geographical area	CIMB THAI			CIMB THAI AUTO			WorldLease			Total
	Bangkok Metropolitan	Elsewhere	Total	Bangkok Metropolitan	Elsewhere	Total	Bangkok Metropolitan	Elsewhere	Total	
Full-time Employee	2650	196	2846	464	237	701	200	103	267	3814
Part-time Employee	0	0	0	0	0	0	0	0	0	0
Total	2650	196	2846	464	237	701	200	103	267	3814

In 2023, there are no employees covered by any collective bargaining agreements.

Our Governance and Governing Bodies

A robust corporate governance framework supports the navigation of risks and creates a culture of transparency and accountability. At CIMB Thai, corporate governance is included in our principles of Sustainability, where we recognize the relationship between business, the environment and society. With the goal of long-term value creation along with the aspirations of creating positive impacts to people and the planet, we commit to adopting and implementing responsible policies, leading practices and forward thinking procedures that meet the requirements of regulators, the interest of our shareholders, and our obligations towards our stakeholders.

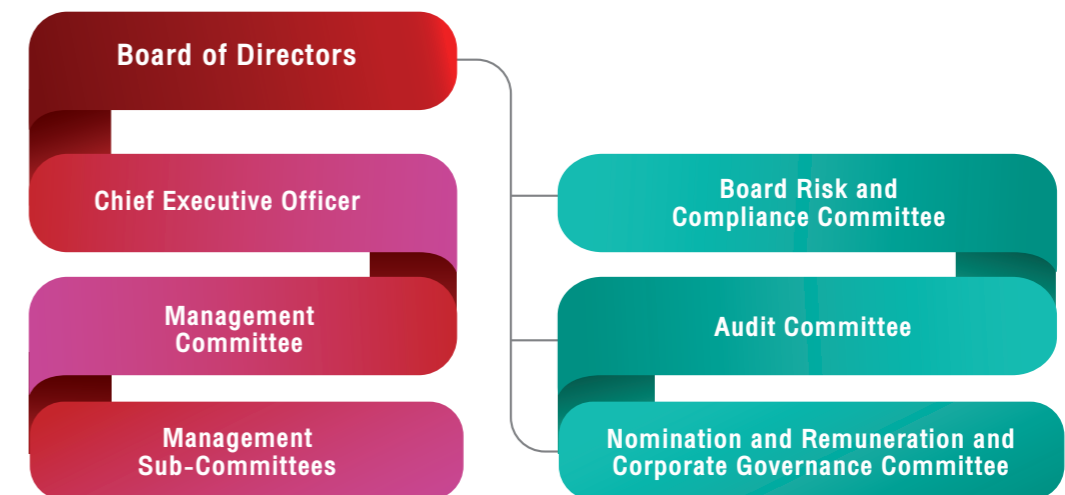
The Bank's Corporate Governance Policy and Structure

The Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to take charge of considering the Corporate Governance Policy, monitoring its implementation and compliance, as well as reviewing and updating the aforementioned Policy to ensure it is appropriate, up-to-date, and complies with the latest regulatory authorities' rules and regulations.

Independent decision-making by the Board of Directors and management is important to the Bank. Thus, the clear segregation of duties between the Chairman and the President and Chief Executive Officer are defined. Furthermore, the membership of the Board of Directors, of whom more than half must be independent directors, is explicitly established in the Bank's Corporate Governance Policy.

The Board of Directors is the highest governance body of the Bank has duties and responsibilities in overseeing CIMB Thai' business operations; reviewing and approving the vision, mission, policies, and strategic plan; and monitoring the implementation of governance and internal controls in accordance with the rules and regulatory requirements of related government agencies. The Board also provides oversight on CIMB Thai's Sustainability agenda and directs its efforts in managing material ESG issues, as well as opportunities and risks, supported by the Management Committee.

The major duties and roles of the Management Committee are to oversee and ensure that the Bank's business and operations are in line with its strategies, policies and regulations as approved by the Board. The Management Committee also drives CIMB Thai's vision and strategies bank-wide, in alignment with overall CIMB Group's overall targets, commitments, strategic frameworks.



Board Structure

The Board comprises 7 members (as of December 2023) with proven leadership abilities, business knowledge and ethics, with the awareness of business impact on environment and society, and possessing diverse professional skills and specific business competencies to provide the necessary oversight on the Bank's business operations to achieve sustainable growth.

The election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association, which stipulates that the number of directors on the Board shall not be fewer than five and not more than twelve persons. The structure and composition of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand's Notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's Notification regarding application and permission for initial public offering, and further amendments thereof.

The Board of Directors appoints one of its directors to be the Chairman. The Chairman shall be a non-executive director. Additionally, the Chairman and the President and CEO shall not be the same person. To ensure there is appropriate check and balance, the Board of Directors determines that there shall be independent directors not exceeding half of its total members. A separation between authorities and duties of the Board of Directors and management is clearly defined, which helps ensure that no single individual has unfettered decision-making power and enables the Chairman to be independent in giving objective views on the business administration by the management.

Composition of the Board of Directors	Male	Female
Total Members of the Board	5	2
▶ Executive directors	2	1
▶ Independent directors	2	1
▶ Non-executive directors who do not have Independent Director role	1	0
Tenure	More than 5 years – 1	
	Less than 5 years – 6	
Average age of Board members	Average Male 62 years	Average Female 58 years
	Average 61	

Attendance of meetings of the Board of Directors	
Total No. of Board Meetings in 2023	12
Annual General Meeting (AGM)	1
Extraordinary General Meeting (EGM)	0

Board Sub-Committees

Various committees are appointed by the Board of Directors and are responsible for monitoring and overseeing the Bank's business operations within the scope of work assigned by the Board of Directors. To enable the Board of Directors to carry out its responsibilities effectively and efficiently, the Bank's performance and the committee's deliberations must be routinely reported to the Board of Directors.

The Board delegates responsibility for the overall business and day-to-day management of CIMBT to the Chief Executive Office, Mr. Paul Wong Chee Kin. The CEO is responsible for leading the management and for making and implementing operational decisions, and is assisted by the Management Committee and other Management Sub-committees. The CEO and the members of the Management Committee along with key positions of the Bank reports to the Board Sub-Committees regularly and within set frequencies on various agendas relating to the governance of the Bank.

1. Audit Committee

The Audit Committee's scope of duties and responsibilities encompasses assisting the Board of Directors in reviewing the effectiveness of internal controls, risk management processes, accounting, reporting practices and good corporate governance taking into account the requirements of relevant guidelines associated with banking business issued by the regulators.

	Name and surname	Position
1	Mrs. Oranuch Apisaksirikul	Chairperson of the Committee
2	Mr. Anon Sirisaengtaksin	Committee Member
3	Mr. Natasak Rodjanapiches	Committee Member

2. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee has 3 main duties and responsibilities, which include:

1. Nomination - to select and nominate names of qualified candidates for the Bank's directors or persons with management power
2. Remuneration - to propose for the Board's approval on remuneration and other benefits and payments, and ensure that remunerations of directors and persons with management authority commensurate with their duties and responsibilities.
3. Corporate Governance - to formulate and review the Corporate Governance Policy and Codes of Conduct and oversee the Bank's compliance with corporate governance principles set forth by regulators.

	Name and surname	Position
1	Mr. Anon Sirisaengtaksin	Chairperson of the Committee
2	Dato' Robert Cheim Dau Meng	Alternate Chairperson
3	Mr. Natasak Rodjanapiches	Committee Member

3. Board Risk and Compliance Committee

The Board Risk and Compliance Committee's duties and responsibilities are to oversee the entire risk and capital management functions of the Bank and the efficiency of the Bank's overall management of compliance and AML/CFT risk.

	Name and surname	Position
1	Mr. Natasak Rodjanapiches	Chairperson of the Committee
2	Mr. Anon Sirisaengtaksin	Alternate Chairperson
3	Mrs. Vera Handajani	Committee Member

The Bank's Governance on Sustainability

CIMB Thai's Board and management at all levels play a crucial role in reinforcing our organizational capabilities for sustainable banking. Our meticulous Sustainability governance framework outlines specific responsibilities, aiming to mitigate risks, provide policy support, and ensure accountability through transparent disclosures. Regular reviews of our Sustainability strategy, operating model, and framework are conducted to enhance performance while staying compliant with regulatory standards.

At CIMB Thai, our commitment to Sustainability is exemplified through a robust governance structure that defines roles, addresses risks, and fosters accountability. Regular reviews of our Sustainability performance and outcomes demonstrate our dedication to continuous improvement, ensuring compliance with regulatory standards while navigating the dynamic landscape of sustainable banking.

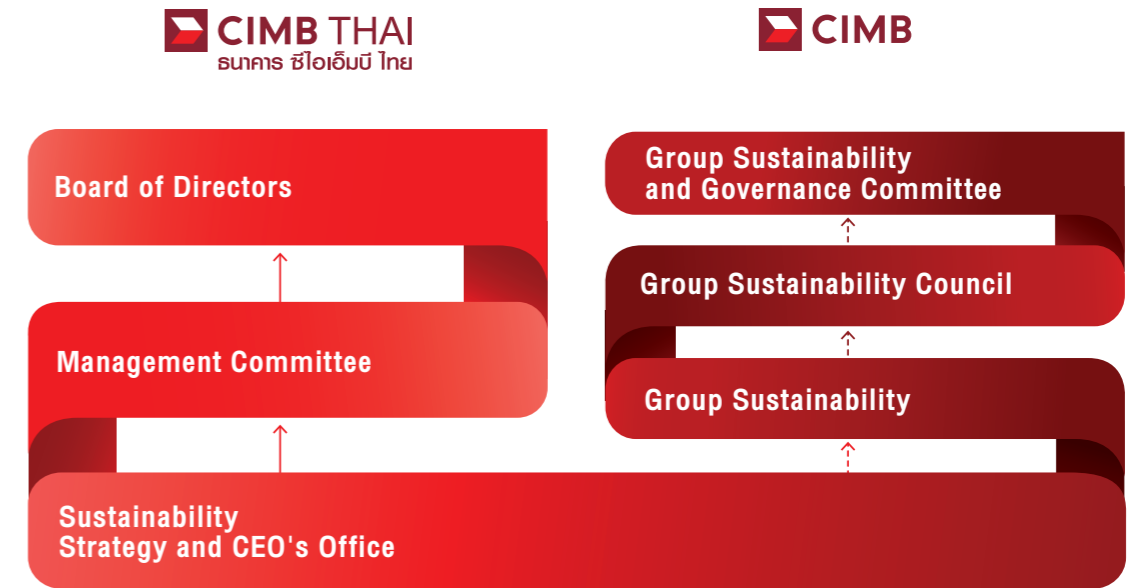
Overview of CIMB Thai's Sustainability Governance Structure

Our well-established governance systems and structure are rooted in the shared values and norms embraced by our Board, Management and employees. This is institutionalised through:

- ▶ Strong governance systems that are based on transparency, accountability and integrity.
- ▶ An integrated risk management approach that incorporates environmental and social risk considerations into daily decision-making and operations.
- ▶ Robust policies and frameworks that prioritise social and environmental well-being.
- ▶ Proactive management of Sustainability and climate-related risk and opportunities that promotes a just transition towards a low-carbon economy.

The Bank does not as yet have a separate Board Sustainability Committee locally. The Board as a whole, along with its Audit Committee, Nomination, Remuneration and Corporate Governance Committee, as well as Board Risk and Compliance Committee provide oversight on Sustainability in their respective committees. In addition, CIMB Thai as a part of CIMB Group, also implements group-wide governance of Sustainability under the Group Sustainability and Governance Committee (GSGC).

Overview of CIMB Thai's Sustainability Governance Structure



The GSGC consists of Board members of CIMB Group. It convenes every quarter and assists the Group in fulfilling its responsibilities in advocating and fostering a culture of sustainability, ethical conduct, and integrity in our group-wide corporate DNA. The GSGC provides oversight on implementing the Group's sustainability and climate change strategy, where we aim to proactively create a net positive impact on our material matters. The committee also oversees the management of bribery, corruption and other related risks across the entire Group.

Director and Executive Development

The Bank encourages all directors to participate regularly in the training programs, seminars, and lectures, organized by the Bank, CIMB Group, regulatory authorities, and external organizations, which relate to their roles and responsibilities as Board members in order to provide them with skills, and assisting them in developing visionary thinking for the sake of moving the Bank towards sustainable growth.

In 2023, the Bank's directors attended directorship-related training courses and seminars for performance enhancement as follows:

Dato' Robert Cheim Dau Meng

Trainings and Sessions	Date	Hours
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 1: Global Pressures and Trends	11 January 2023 15.00-17.00 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 2: A New Context for Business	8 February 2023 15.00-17.00 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 3: The End of Business-as-Usual and Evolving Board Duties	14 April 2023 13.30-15.30 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 4: What Constitutes an "Earth Competent Board"	1 June 2023 13.00-15.00 hrs	2
Joint Board for Group Sustainability - Session 2	20 July 2023 13.00-16.00 hrs	3
Joint Board on Risk Posture	24 August 2023 13.00-16.00 hrs	3
The Cooler Earth Sustainability Summit 2023 (Thailand)	18 September 2023 8.30-16.00 hrs	7.5
Regional Directors' Sharing Session	11 October 2023 9.00-18.00 hrs	9
Joint Board for Group Sustainability - Session 3	12 December 2023 13.30-17.30 hrs	4
IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1

Mr. Anon Sirisaengtaksin

Trainings and Sessions	Date	Hours
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 1: Global Pressures and Trends	11 January 2023 15.00-17.00 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 2: A New Context for Business	8 February 2023 15.00-17.00 hrs	2
Joint Board for Group Sustainability - Session 1	13 February 2023 15.00-16.00 hrs	1
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 3: The End of Business-as-Usual and Evolving Board Duties	14 April 2023 13.30-15.30 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 4: What Constitutes an "Earth Competent Board"	1 June 2023 13.00-15.00 hrs	2

Anti-Bribery and Anti-Corruption Training - Promoting Good Governance: Understanding Anti-Corruption Laws in Malaysia and Beyond	21 June 2023 9.00-10.00 hrs	1
Joint Board for Group Sustainability - Session 2	20 July 2023 13.00-16.00 hrs	3
Joint Board on Risk Posture	24 August 2023 13.00-16.00 hrs	3
The Cooler Earth Sustainability Summit 2023 (Thailand)	18 September 2023 8.30-16.00 hrs	7.5
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IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1

Mrs. Oranuch Apisaksirikul

Trainings and Sessions	Date	Hours
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CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 2: A New Context for Business	8 February 2023 15.00-17.00 hrs	2
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Joint Board for Group Sustainability - Session 3	12 December 2023 13.30-17.30 hrs	4
IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1

Mr. Natasak Rodjanapiches

Trainings and Sessions	Date	Hours
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 1: Global Pressures and Trends	11 January 2023 15.00-17.00 hrs	2
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Regional Directors' Sharing Session	11 October 2023 9.00-18.00 hrs	9
IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1

Dato' Abdul Rahman Ahmad

Trainings and Sessions	Date	Hours
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 1: Global Pressures and Trends	11 January 2023 15.00-17.00 hrs	2
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 2: A New Context for Business	8 February 2023 15.00-17.00 hrs	2

Joint Board for Group Sustainability - Session 1	13 February 2023 15.00-16.00 hrs	1
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Joint Board for Group Sustainability - Session 3	12 December 2023 13.30-17.30 hrs	4
IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1

Mrs. Vera Handajani

Trainings and Sessions	Date	Hours
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Mr Paul Wong Chee Kin

Trainings and Sessions	Date	Hours
CIMB-Cambridge Institute for Sustainability Leadership Program (CISL) - Session 1: Global Pressures and Trends	11 January 2023 15.00-17.00 hrs	2
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Joint Board for Group Sustainability - Session 3	12 December 2023 13.30-17.30 hrs	4
IT Security Awareness training Topic: Cybercrime does not discriminate: Why is everyone a target?	14 December 2023 11.00-12.00 hrs.	1
Total Hours		231.50

Evaluation of the Board's/Board Committees' Performance

The Bank has conducted an annual evaluation of the Board's and Board Committee's performance to allow Board and Board Committee members to jointly review their performance, raise problems and obstacles concerned, and give observations and recommendations for improvement of operational efficiency and alignment with the business direction on enhancing sustainable growth. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

As for the Board's Committees, their performance is evaluated on a yearly basis so that each Board Committee can review its performance in the past year relative to the duties and responsibilities assigned by the Board and use the evaluation results for improvement of its performance of duties. The evaluation is by way of self-assessment of the Committee as a whole and on an individual basis. The Board Secretary will send the evaluation form to each committee member to conduct the self-assessment, and later compile and conclude the results together with recommendations from each Board Committee to be presented to the Chairman of the Board.

Moreover, the Bank will conduct annual evaluation of President and Chief Executive Officer's performance, taking into consideration the key performance indicators determined based on the Bank's strategies and targets each year. The evaluation result will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

Remuneration of Directors and the Executive Management

The Board has a policy to disclose information on the remuneration of its directors and senior executives in compliance with the Public Limited Companies Act, B.E. 2535 (1992) and the requirements of the supervisory and regulatory bodies and has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks.

The shareholders will approve the monetary compensation structure and rate for the board and board committee members, while the determination of any compensation that is deemed appropriate resides with the Nomination, Remuneration and Corporate Governance Committee.

The Bank's commitment to Sustainability is evidenced in our inclusion of Sustainability key performance indicators (KPIs) as assessment components for our top management, including the President and CEO. The achievement of Sustainability KPIs directly impacts the bonus pool funding of the Bank. The compensation of the executive management and each division's entire population are linked to the success of their Sustainability initiatives and goals within their respective divisional scorecards. The scorecard is used to assess and report progress to our governing committees.

The executive management and various divisions' scorecard metrics include both internal targets and external commitments in the areas of environmental (including climate change), social, economic performance, and corporate governance, including leading and lagging indicators. This approach effectively ensures that our leadership, Business Units and Business Enablers are collectively focused on the Bank's Sustainability goals.

Examples of Sustainability KPIs include the mobilisation of sustainable finance under CIMB Thai's Green, Social, Sustainable Impact Products and Services (GSSIPS) framework, successful implementation of employee training on Sustainability, as well as bank-wide and divisional volunteering hours.

Please refer to CIMB Thai's Annual Report 2022 (Form 56-1 One Report) for further details on remuneration and compensation of Directors and Executive Management.

CIMB Thai Codes of Conduct

Codes of conduct are an integral part of good corporate governance. The Bank has put in place 11 principles of the codes of conduct for its directors and employees of all levels to strictly adhere to in carrying out business operations as follows:

1. **Customers:** The Bank is determined to protect the interests of, pay attention to and take responsibility for, as well as bring maximum satisfaction to the customers, by offering quality and efficient services and products.
2. **Shareholders:** The Bank is determined to operate its business efficiently, effectively and transparently, with appropriate and consistent growth and stability of returns to the shareholders, and to put best efforts in maintaining its assets, reputation and good image.
3. **Employees:** The Bank considers all staff a valuable resource and is thus determined to promote and develop their knowledge and capabilities for their career progress and stability and proper remuneration commensurate with their capabilities and performance.
4. **Trade partners/creditors:** The Bank adheres to operating its business with integrity on the basis of contractual compliances and under business conditions which are fair and equitable to the creditors.
5. **Integrity, fairness and morality:** The Bank is determined to operate its business with integrity under code of best practice and with due adherence to equitable provision of services. It will not support or compromise on any violation of the laws, rules and regulations, as well as code of best practice.
6. **Corporate social responsibility:** Corporate social responsibility (CSR) is part of the Bank's policy of giving back to the society by strictly complying with the relevant laws and regulations, and assisting and supporting activities that benefit the community and the society as a whole.
7. **Responsibility for competitors:** The Bank has a policy to promote competition under fair and transparent rules and circumstances, with no access to competitors' confidential information in an unethical manner and no ill intention to the reputation of competitors through false or unfair statements or acts.
8. **Customers' confidentiality:** The Bank is determined to build customers' trust by keeping customers' confidential information, thereby no such information shall be disclosed unless upon customers' written permission or in case of disclosure as required by law.
9. **Knowledge and capabilities in business operations:** The Bank will operate its business to be on par with the professionals in the same field by performing its duties effectively according to academic principles with combination between new knowledge and technologies. At the same time, it shall promote the use of specialists within the field to serve customers in order to achieve its business operational aim and to provide the utmost benefits to its customers.
10. **Strict adherence to and compliance with rules and regulations:** The Bank is determined to operate its business with sincerity and in conformity to the laws and regulatory rules, criteria and standards, code of conduct and best practice for employees, to ensure optimum benefits to customers and service users.
11. **Cooperation with regulators:** The Bank has put in place a policy to fully cooperate with relevant regulators by reporting news and information on an accurate, complete, timely and regular basis to ensure its business operations in line with the principles of good corporate governance.

The Bank's Code of Ethics and Conduct sets out the responsibilities of the Bank's employees and associated persons working for and on behalf of the Bank in observing the principles and upholding the corresponding conduct to achieve a high standard of professionalism and ethics in the conduct of our business and professional activities. The Code is an integral part of good corporate governance and all employees must adhere to the Code, both in letter and spirit, and on which they can rely for guidance in decision-making and their conduct.

The Code of Ethics outlines the Bank's set of principles that guides decision-making. It provides the statement of overarching principle telling all employees what is right and what is wrong.

The Code of Conduct outlines specific behaviors and conduct that are required or prohibited within the Bank as a condition of ongoing employment and the expected conduct in our interaction with our various key stakeholders.

Further, the Bank has policies in place to prevent conflicts of interest and related-party transactions. These include:

- Policy for consideration of the granting of credits to and investments in, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders and related persons thereof or businesses with beneficial interest related to the Bank, or the directors or persons with managing authority of the Bank, which must adhere to the ratios stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions, can take part in the decision-making process. In addition, the Bank has in place the policy relating to prohibition of and criteria for granting of credits and undertaking contingent liabilities or other credit-like transactions with the Bank's directors or persons with managing authority of the Bank and/or subsidiaries in the financial business group of the Bank, including the related persons thereof. Such transactions and undertakings are monitored to ensure compliance with the relevant laws and regulatory requirements.
- Conflict Management, Chinese Wall and Personal Account Dealing Policies which set ethical principles, prohibitions, criteria and practice guidelines for employees to prevent access to or use of internal information on the customers that has not yet been disclosed publicly for personal benefits or benefits of any persons in relation to the employees' performance of duties assigned by the Bank.
- Policy for undertaking major transactions as provided in the corporate governance principles of the Bank, comprising entering into connected transactions and/or making transactions to acquire or dispose of the Bank's core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with the requirements of regulatory agencies.

In addition to Codes of Conducts for the Board and employees, the Bank also maintains its Vendor Code of Conduct covering ESG dimensions.

- **Anti-Corruption**

- ▶ The Bank adopts a zero-tolerance approach to any and all acts of bribery or corruption perpetrated by its stakeholders, including vendors with whom the Bank works or who act on the Bank's behalf.
- ▶ The Bank works with vendors who adhere to the local anti-bribery and anti-corruption legislations and laws and provide the Vendors a safe platform to report such incidences.

- **Environment**

- ▶ The Bank does not condone any and all kinds of direct environmental harm while vendors execute the Bank's contracts. These include illegal logging, use of fire for clearing forest lands, natural resource development within UNESCO World Heritage sites (unless there is prior consensus with both the government authorities and UNESCO) etc.
- ▶ The Bank supports vendors who adhere to environmental laws and regulations to proactively manage their emissions / carbon footprint in conducting business, while also leveraging opportunities to create net positive impact on the environment through activities such as recycling etc.

- **Human Rights & Labour**

- ▶ The Bank promotes values of diversity and mutual respect that is free of racial, gender, ethnic, religious or other forms of discrimination in the business conduct of vendors.
- ▶ The Bank works with vendors who abide by local regulations and does not condone forced labour, child labour, exploitation, human trafficking, and breach of basic Human Rights in relation to health, safety, education amongst others. At the same time, CIMB does not restrict the vendors' freedom of association, right to collective bargaining, and equitable opportunities for business.

Membership associations

CIMB Thai and its representatives play significant roles in various associations and advocacy organizations in Thailand. We participate in projects and committees to drive various agendas in line with our regulators such as the Bank of Thailand (BOT) and the Stock Exchange of Thailand (SET). As a member of the Association of International Banks and the Thai Bankers Association (TBA), CIMB Thai's Sustainability Team have been actively involved in the working groups of BOT's Thailand Taxonomy Phase 1, TBA's Industry Handbook on Internalizing Environmental and Climate Change Aspects Into Financial Institution Business For Banks, and TBA's 5 Industry ESG KPIs.

Association	Type of Association
The Association of International Banks (AIB)	Trade Association
The Thai Chamber of Commerce	Trade Association
Board of Trade of Thailand	Trade Association
The Thai Bankers' Association (TBA)	Trade Association
Thai Listed Companies Association (TLCA)	Trade Association
The Stock Exchange of Thailand (SET)	Regulator
The Securities and Exchange (SEC)	Regulator
Thailand Securities Depository Company Limited (TSD)	Regulator

Compliance with laws and regulations

As a sustainable and responsible bank, we address any non-compliance, or failure to comply with, laws and regulations that apply to the Bank. Compliance with laws and regulations give insight into the ability of the Bank's management to ensure that we conform to robust performance parameters.

For the purposes of reporting in accordance with the GRI Standards, laws and regulations include:

- ▶ International declarations, conventions, and treaties;
- ▶ National, subnational, regional, and local regulations;
- ▶ Binding voluntary agreements made with regulatory authorities and developed as a Substitute for implementing a new regulation;
- ▶ Voluntary agreements (or covenants), if the organization directly joins the agreement, or if Public agencies make the agreement applicable to organizations in their territory through Legislations or regulations

For the reporting year 2023, there were no significant instances of non-compliance with laws and regulations or no fines were paid.

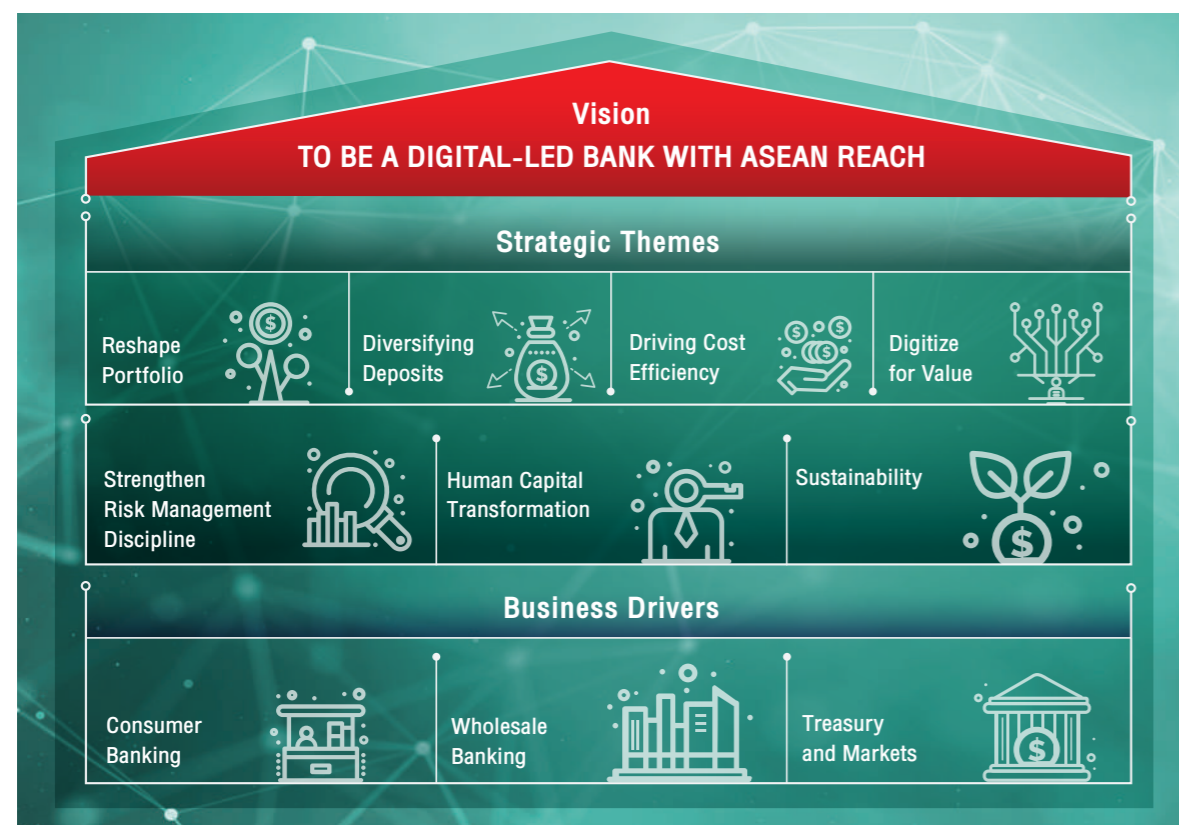
However, the Bank has incurred additional fee to the SET (Stock Exchange of Thailand) because the Bank had not met the free-float criteria of SET this year. The SET requires a listed company to maintain its free-float at a certain level after being listed, by not having less than 150 minor shareholders or not having minor shareholders holding less than 15% of paid up capital as per the shareholder list as of the closing date for the annual general meeting of shareholders. Any listed company not meeting the free-float criteria will be obliged to pay additional fee apart from the annual listing fee. Nevertheless, this has no material Sustainability impacts on the Bank or its stakeholders.

CIMB Thai's Sustainability Strategy and Approach

The Forward23+ is a group-wide strategic plan that was first formulated in 2020. CIMB Group's Forward23+ strategy is crafted to adeptly navigate the dynamic environment, aiming to create shared value in the long term. The Group's focus extends beyond immediate risks and opportunities, incorporating medium-term and longer-term Sustainability issues such as climate change, biodiversity loss, resource depletion, Human Rights violation, and widening social inequality. These interconnected challenges can amplify the impact of other environmental, social, and governance risks. Through Forward23+, we remain resolute in supporting our customers, employees, communities, and other stakeholders on their journeys toward greater resilience and Sustainability.

At CIMB Thai, we recognize the profound impact we wield on people and the planet, and we are dedicated to leveraging this influence for positive change. Our commitment extends to contributing to inclusive, equitable, and sustainable development in Thailand and beyond.

Advancing into 2023, through its Forward23+ transformation programme, CIMB Thai is committed to ramp up our growth engines aligned to our vision to be a digital-led Bank with ASEAN reach. The Bank strives to deliver our key performance targets through 7 strategic themes – Reshape Portfolio, Diversifying Deposits, Driving Cost Efficiency, Digitize for Value, Strengthen Risk Management Discipline, Human Capital Transformation and Sustainability.



The Bank places Sustainability as a key strategic theme and value driver, this is reflected in our aspirations towards becoming a visible shaper of Sustainability practices in the ASEAN community for strategic differentiation and future-proofing of the Bank as part of the CIMB Group. We continue to deepen integration of Sustainability considerations into decision making in our core business. We have continually refined and enhanced our Sustainability commitments by setting ambitious targets.

CIMB Thai's Sustainability targets are aligned with CIMB Group's targets, which include:

- ▶ Achieving net-zero GHG Scope 1 and 2 emissions in our operations by 2030
- ▶ Overall net-zero GHG by 2050 (including Financed Emissions and other categories in Scope 3)
- ▶ No Deforestation, No Peat, No Exploitation (NDPE) commitment
- ▶ Group-wide collective sustainable finance target of RM100 billion by 2024 under our Green, Social, Sustainable Impact Products & Services ("GSSIPS") Framework, which is increased from the RM60 billion target updated in 2023.
- ▶ Halve thermal coal mining sector exposure by 2030 from 2021 (base-year) and exit thermal coal mining sector exposure by 2040.
- ▶ Reduction of cement sector's emission intensity by 36% from 0.72 tCO₂e/t cement to 0.46 tCO₂e/t cement by 2030 from 2021. By 2050, reduction of clients' emission intensity to 0.03 tCO₂e/t cement produced, within the Group's collective portfolio.
- ▶ Average Sustainability training hours for management level employees
- ▶ Average volunteering hours for all employees

Additionally the Bank's strategies and management approach on Sustainability are aligned with various guidelines, declarations, and measures set forth by the Bank of Thailand (BOT) and the Thailand Banker's Association (TBA).

In 2019, the Bank signed the Memorandum of Understanding (MOU) on the TBA's Sustainable Banking Guidelines: Responsible Lending. The guidelines define the minimum expectations on responsible lending practices for all banks based in Thailand. It serves as a guidance for banks to establish a responsible lending strategy to manage their environmental and social (E&S) impacts and risks. The strategy includes, but not limited to, developing robust lending policies that incorporate Environmental, Social and Governance (ESG) criteria, and establishing effective internal controls along with transparent disclosures. Under these guidelines, the Bank is expected to ensure that our strategy evolves and reflects the increasingly demanding ESG expectations of both shareholders and other stakeholders. The expectations on the Bank's implementation include:

1. To establish internal policies and processes to address key ESG risks in their lending activities. These policies and processes should extend beyond legal compliance to reflect good environmental, social standards and frameworks.
2. To determine how ESG risks arising from their lending activities materialize as financial risks, and how these risks are factored into policies and processes.
3. To engage with clients to proactively support them in reducing negative impacts and improving their sustainability performance.
4. To identify and seek to manage their lending portfolio exposure to ESG risks.

By 2021, the Bank launched our the Sustainability Policy (SP) and Sustainable Financing Policy (SFP) along with their accompanying Procedures. The Bank officially mandated a Sustainability Team by 2022 to anchor the Bank’s Sustainability strategy, operationalization approach, and alignment with the Group’s commitments as a signatory of the UNEP FI Principles for Responsible Banking, the BOT’s requirements on sustainable finance and responsible lending, as well as obligations as a Thai Bank within the membership of the TBA.

In the 2022, the Bank became a signatory of TBA’s “ESG Declaration” to reinforce the banking industry’s clear common direction in addressing the ESG agenda with proactive execution, while raising awareness on sustainability among stakeholders and driving the economy toward sustainable growth.

With the Sustainability Team in place, the Bank has also established its local strategy and approach in strict alignment with the five building blocks BOT’s Directional Paper on Transition towards Environmental Sustainability under the New Thai Financial Landscape.

Our Sustainability Roadmap

The Bank’s Sustainability Roadmap, mirroring Group, is developed according to our Sustainability Principles, and forms the foundation of our strategies and initiatives to steer the Bank’s business activities and operations towards achieving our Sustainability aspirations. The scope of our roadmap covers all areas we may impact, including upstream relations, within our own operations, as well as downstream activities. The roadmap covers our material sustainability matters to deliver net positive impacts to our stakeholders, including the economy, environment and society at large.



While we can directly control and effect change in our own operations, we strive to positively influence our key stakeholders towards better Sustainability performance. We focus especially on working with our customers to create positive change, for example, by providing financing and capital-raising opportunities for green and environmental-focused projects, providing access to financial services to the underbanked and unbanked, and providing innovative sustainable finance solutions to further our clients’ own Sustainability ambitions.

CIMB Thai adopts the precautionary principle as set out in Principle 15 of the UN Rio Declaration on Environment and Development. It states: ‘Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation’. The precautionary principle means taking early action to prevent and mitigate potential negative impacts in situations where conclusive scientific understanding or evidence is lacking, but there is sufficient reason to expect serious or irreversible damage. While the precautionary principle is most often associated with the protection of the environment, it is also applied to other areas, such as health and safety.

Here in CIMB Thai, we manage impacts and deliver our commitments through our Sustainability pillars:

1. Sustainable Action
2. Sustainable Business
3. Governance and Risk
4. Stakeholder Engagement and Advocacy (including Corporate Social Responsibility)



Roles and Responsibilities in Sustainability

The Bank allocates responsibility to implement the commitments across different levels within the organization. We actively integrate commitments into organizational strategies, operational policies, and operational procedures.

In alignment with CIMB Group which established the Group Sustainability Team in 2019, CIMB Thai has since 2021 began the process of establishing the Bank’s dedicated Sustainability Team under the Strategy and CEO’s Office. By 2022, the Bank had a fully functional Sustainability Team to support the Bank’s governance and oversight on all Sustainability and Environmental, Social and Governance (ESG) matters, as well as to drive strategies and action plans that meets our regulatory, Group and stakeholder requirements and expectations.

Role	Responsibility
CIMB Thai Head of Sustainability, in alignment with CIMB Group Head of Sustainability and Group Chief Sustainability Officer	<ul style="list-style-type: none"> (a) Develop Sustainability strategies and frameworks, and oversee implementation, adequacy and effectiveness of policies and key controls. (b) Internal expert to align, verify and report on Sustainable and Sustainability-linked products and services issued by CIMB Thai or provided for customers (such as the role of Sustainability Coordinator or Sustainability Structuring Agent in accordance with APLMA/LMA/LSTA's Sustainability-Linked Loan Principles). (c) Monitor key regulatory developments and ensure alignment. (d) Provide updates to governance committee on policy related matters, risks and areas of concern as identified from time-to-time.
CIMB Thai Sustainability Team, with alignment with CIMB Group Sustainability Division	<ul style="list-style-type: none"> (a) Drive and oversee implementation of overall Sustainability strategy and framework. (b) Oversee adequacy and effectiveness of policies and key controls and provide updates to the Group Sustainability Council on policy related matters, risks and areas of concern as identified from time-to-time. (c) Monitor key regulatory developments and ensure alignment. (d) Review Policy dispensation requests, ensure adequate Sustainability Due Diligence is conducted by Business Units and Business Enablers, conduct in depth Sustainability investigations where required, and provide recommendations from a Sustainability perspective to the appropriate party for approval where required. (e) Support, supervise and enable Business Units and Business Enablers in their application of policies and ensure alignment and consistency of the Sustainability Standards throughout the Bank. In this coordinating role, the department actively liaises with the other departments within the Bank on Sustainability Issues, oversees Sustainability Governance and facilitates Sustainability Reporting internally and externally. (f) Develop and monitor Target-setting and KPI-setting methodologies. Engage Business Units and Business Enablers on bank-wide targets, divisional KPIs, define key metrics, track and thereafter report to governance of CIMB Thai and CIMB Group. (g) Conduct annual reviews of the policies to assess the need for any additions or changes.
CIMB Thai Management Committee	<ul style="list-style-type: none"> (a) Oversee and drive the Bank's Sustainability vision and strategies bank wide, in alignment with the overall CIMB Group Sustainability strategy (b) Oversee the Sustainability risk profile of the Bank's business activities and to ensure the implementation of appropriate frameworks, policies, methodologies, procedures and/or controls so as to mitigate Sustainability risks. (c) Review, recommend or approve (whichever is applicable) business activities or transactions with high Sustainability risk, ensuring that the Bank's activities meet regulatory guidelines, approved policies and procedures as well as risk appetite from a Sustainability risk perspective. (d) Review material Sustainability risks for the Bank and track management responses and actions in order to ensure active management of Sustainability risks.
Board of CIMB Thai	<ul style="list-style-type: none"> (a) Establish, in conjunction with management, the Sustainability strategy and framework in support of the Bank's vision, and oversee and monitor the effectiveness of overall Sustainability strategies, policies and commitments. (b) Review and approve appropriate policies for the Bank (c) Ensure and oversee the institutionalization and embedding of Sustainability as part of the Bank's business strategy and operations.

Role	Responsibility
Business Units and Business Enablers	<ul style="list-style-type: none"> (a) Business Units are responsible for integrating Sustainability considerations, risks and opportunities into business and risk management policies and processes and report on progress. Although implementation of the Sustainability strategies, policies and management of environmental and social risk are the responsibilities of all employees, Frontline units are the primary owners of risk. Frontline units are responsible for performing the appropriate due diligence on new and potential business relations to ensure that the business relations and proposed transactions are consistent with the Sustainability standards of the Bank. (b) Business Enablers, whilst also responsible for ensuring adherence to Sustainability policies, Perform a secondary role and must escalate to the Sustainability Team appropriately when they encounter Sustainability risks.
CIMB Group Sustainability Council	<ul style="list-style-type: none"> (a) To monitor the Sustainability risk profile of CIMB Group's group-wide business activities and to ensure the implementation of appropriate frameworks, policies, methodologies, procedures and/or controls so as to mitigate Sustainability risks (b) To review (via notification or otherwise), recommend or approve (whichever applicable) business activities or transactions with high Sustainability Risk, ensuring that CIMB Group and CIMB Thai's activities meet regulatory guidelines, approved policies and procedures as well as risk appetite from a Sustainability risk perspective. (c) To review material Sustainability risks for the Group and track on management responses and actions in order to ensure active management of Sustainability risks

Our Sphere of Sustainability

The combination of increasing pressures on business performance and the associated societal acceptance of any business operations has been described as the "social license to operate". This social license to operate reflects the evolving nature of the relationships between businesses, including financial institutions that provide financing and capital raising to other businesses, and their community and environmental stakeholders.

The shift in Sustainability approaches within businesses has been propelled by the realization that inadequate environmental practices can have a profound impact on social perception and reputation. This, in turn, has the potential to affect financial performance. As stakeholders, including customers, regulators, and employees, increasingly prioritize environmentally responsible practices, the Bank recognize that sustainable operations not only contribute to positive social and environmental outcomes but also safeguard and enhance their reputation in the eyes of key stakeholders.

To have holistic management on risks, opportunities, impacts and expectations related Sustainability, CIMB Thai has involved all parties in its sphere of Sustainability that covers all areas of its business operations.



Policies, procedures, commitments and targets are cascaded from the Board and Management Committee down to the working levels of the Business Units (BU) and Business Enablers (BE), and onwards to the relevant business relations and stakeholders. Likewise, any expectations, requirements, feedback and assessment from our stakeholders in terms of Sustainability will be communicated and conveyed via the frontliners and touchpoints within every BU and BE to the Bank's governance structure. The Sustainability Team and responsible persons from the BU and BE works together to take action, under with the guidance and instructions from the Board and Management Committee.

Implementing the Three Lines of Defense in Sustainability

In line with expectations of BOT and TBA standard practice on overall Sustainability and environmental risk management, the Bank has establish clear structure and scope of responsibility which cover three lines of defense:

1. The initial line of defense, represented by Business Units (including their credit analysts), bears the responsibility of conducting a preliminary assessment and management of environmental and social risks to ensure that business decisions adequately consider these factors. This involves, for instance, incorporating inquiries about environmental and social actions and impacts into procedures for accepting new clients and scrutinizing existing clients' risk profiles, particularly in industries deemed high-risk.

2. The second line of defense, encompassing units like the risk team and credit review, risk management within the Sustainability Team, had incorporated environmental risks into the comprehensive risk assessment of the Bank. It is essential to establish risk assessment frameworks that not only integrate environmental considerations but also balance decision-making authority. This involves, for instance, possessing the authority to challenge decisions made by the first line, ensuring alignment of the environmental risk assessment process with the organization's risk appetite, relevant regulations, and laws.
3. The internal audit units, constituting the third line of defense, must maintain independence in their audit of the risk management framework, internal control mechanisms, and associated monitoring processes. This independence is crucial to guarantee that the overall organizational practices effectively uphold environmental risk management in a comprehensive end-to-end manner.

Both the first and second lines of defense are embedded in the procedures laid within our Sustainability Policy and Sustainable Financing Policy, which are practiced in the business-as-usual operations. With regards to the third line of defense, the Corporate Assurance Team of the Bank has integrated Sustainability into the annual internal audit plan which is designed to cover all divisions.

Our Sustainability Policies and Commitments

CIMB Thai adheres to Group's Sustainability Philosophy where our view of our business goes beyond short-term profits. We continue to be a progressive financial institution, fulfilling not only the expectations of our stakeholders today, but safeguarding the needs of future generations.

Our philosophy on Sustainability is to enable the following:

- Proactively integrate economic, environmental and social considerations in our financing, investments, procurement, and in managing our people and operational impacts.
- Engage actively and openly with our Stakeholders regarding the management of Sustainability risk, and to identify opportunities for sustainable growth.
- Create net positive impact, adopting an inclusive approach to our business relations, and strive to positively influence their own Sustainability performance and commitment.
- Respect Human Rights and exercise a precautionary approach, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equity
- Recognize and be guided by internationally recognized principles from key organizations to promote responsible performance in a manner consistent with the size, scale and complexity of our business and risk profile.

Our policy commitments apply to all of the Bank's activities and business relationships. Policy commitments need to be read, agreed to, or regularly signed-off by employees, business partners, and other relevant parties, such as governance body members, whenever necessary or appropriate.

Policy commitments are effectively communicated through formal and informal meetings, newsletters, email announcements, corporate website, internal database, contractual agreements and through the control and effectiveness testing process. Potential barriers to the communication or dissemination of the policy commitments are removed by making them accessible and available in English and Thai languages.

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

1. THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS – We have prioritized seven SDGs which form the cornerstone of our Sustainability programs and initiatives. Our Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework guides our initiatives that lead to meeting the SDGs.



2. UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING – We were one of the banking groups that drafted the Principles for Responsible Banking (PRB), and are one of the founding signatories. Guided by the Principles, the Bank commits to harmonizing our fundamental strategy, decision-making processes, lending practices, and investments with the UN Sustainable Development Goals and global agreements like the Paris Climate Agreement (1.5°C Scenario). The Principles for Responsible Banking feature the Net-Zero Banking Alliance, a climate-centric initiative within this overarching global framework.
3. COLLECTIVE COMMITMENT TO CLIMATE ACTION – CIMB Group is a signatory to the Collective Commitment to Climate Action, and are committed to align our portfolios to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to well below 2°C, striving for 1.5°C. CCCA signatories agreed to set climate targets within three years of making the commitment, a year sooner than PRB signatories. Under the CCCA, the Group and CIMB Thai established several sector targets. The CCCA was retired in March 2023 after being superseded by the Net-Zero Banking Alliance (NZBA) which is now the most ambitious, global climate mitigation pledge for banks.

4. NET-ZERO BANKING ALLIANCE – Formed by industry leaders and convened by the United Nations, the Net Zero Banking Alliance (NZBA) comprises prominent global banks dedicated to funding ambitious climate initiatives, aiming to facilitate the transition of the real economy to net-zero greenhouse gas emissions by the year 2050. As part of this Race to Zero commitment, we align our financing and investment portfolios with Net Zero emissions by 2050. Combining near-term action with accountability, both the Group and the Bank is setting intermediate targets for 2030 or sooner, using robust, science-based guidelines.

Sustainability Policy (SP)

CIMB Thai fully rolled out our Sustainability Policy to guide our overarching Sustainability actions, embedded into all business decisions and processes that involve our business relations. The Bank’s Sustainability Policy outlines our approach to Sustainability including our Sustainability risk management.

The policy seeks to provide clarity and transparency around how Sustainability risk and opportunities are managed across the Bank, in consideration of risks arising from our business relationships and diverse stakeholder’s expectations:

- 1) Internal Operations: The Bank will aim to ensure that the management of its internal operations and employees is consistent with applicable Sustainability Policy requirements.
- 2) Business Activities and Relations: The Bank will not knowingly engage in business activities or with business relations that do not meet our policy requirements.
- 3) Net Positive Impact: We will always strive to create a net positive impact on our business relations and the community. We will adopt an inclusive approach to our business relations and strive to positively influence their Sustainability performance and commitment.
- 4) Opportunities for Sustainable Growth: The Bank will engage actively and openly with our stakeholders regarding proactive management of Sustainability risk and identification of opportunities for sustainable growth.
- 5) Integrating Economic, Environmental and Social Risk Assessments: The Bank will take a proactive approach to integrate economic, environmental and social risk assessments in central processes such as lending/financing, investments, procurement, and managing operational impacts.

In driving these Principles, we take the following approach:

- Our focus on environmental and social issues/risks must begin with addressing impacts from our own operations and how we manage our employees. The Bank will take appropriate measures to ensure that its internal operations and employees are managed in a manner that is in alignment with the spirit and intent of the Policy requirements.
- We will take appropriate measures to manage the Sustainability risk of our business activities to the extent possible, and will not knowingly engage in business activities or with business relations that are on our Exclusion List of activities. The Bank will take reasonable steps to assess the Sustainability risk of business relations. If the Bank concludes that the business relation is not committed to a level of Sustainability performance that meets policy requirements, or that the business relation is engaged in any Exclusion List activities, the Bank will not engage with the business relation.
- Upholding a Just Transition along our transformation in greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities, and leaving no one behind.

- Whilst we recognize that our business relations are fully responsible for their own actions and decisions, we will use our influence and relationships to steer them towards sustainable practices. We will strive to engage and equip them with knowledge and skills that may be required for championing and meeting Sustainability commitments. Our ultimate objective is to continue providing seamless access to finance across geographies where we operate, and the business landscape that we cover, as well as enhancing financial knowledge and supporting people and businesses to fulfil their aspirations and achieve meaningful growth.
- CIMB maintains a constructive and open exchange of ideas on Sustainability with a broad range of our stakeholders. The Bank is committed to having a transparent process and will demonstrate its engagement on Sustainability issues by actively discussing environmental and social matters with its stakeholders, in terms of both risks and opportunities.

The due diligence procedures covers all upstream and downstream stakeholders comprehensively. Except on the due diligence carried out with individuals who are nominated to be members of the Board, all due diligence procedures within the SP are directed to non-individual entities such as companies and non-commercial organizations.

The Sustainability Due Diligence Process begins with simple-to-use forms, used by frontliners and key roles within the division when onboarding upstream business relations and customers. These forms are a form of self-declaration by the stakeholder, or evaluation by the Bank's officer, with regards to whether the entity has caused, contributed to, or been directly-linked to any negative environmental or social impacts. The form also requires disclosure on whether the business relation is involved with any activities in the Bank's Exclusion List.

1 Company/Organization that the Bank has business relations with


Use with?

1. Investee companies
2. CSR Program partners or grantees
3. Vendor, Supplier and Outsourcing partner
4. Joint Venture or tie-up partners
5. Board Members
6. Any other type of business relationship the Bank may have in the future

Use when?

- New Business Relations
- Extension of Relationship with existing Business Relations

Which form to use?

SP - General BSDD Form 

2 Non-Individual Account Opening


Use with?

Non-Individual Clients (excluding Financing and Capital Raising Client)

Use when?

- Open new account
- When the customer, who already has a CIF, changes information in the original account, such as the name of the authorized person.

Which form to use?

SP - BSDD Form for Non-individual Customer account opening 

Sustainable Financing Policy (SFP)

The Sustainable Financing Policy provides guidance on relevant environmental and social risks and their related impacts to our clients, stakeholders, environment and ourselves. The SFP enables the Bank to make informed decisions according to our values and aspiration to provide responsible and sustainable financial services.

This policy is a key component of CIMB Group's Sustainability Risk Framework, and is implemented in CIMB Thai to integrate environmental and social considerations into the Bank's financing decisions at the client and transaction level, in order to manage environmental and social risks arising directly or indirectly from clients and activities. Aggregate risks at the overall sector and portfolio level are controlled via other components of the Group's Sustainability Risk Framework, such as via sector limits and scenario analysis for sensitive sectors.

The SFP has been developed considering the commitments, principles, and standards to which the Bank will be accountable to. Through the policy, we seek to identify, assess, and manage risks arising from financing customers and sectors that have the most impact on, and are most vulnerable to, environmental and social risks.

All new financing and existing uncommitted facilities are covered within the scope of the SFP. This includes annual renewal and reviews of existing uncommitted facilities, such as working capital loans/ financing and bank guarantees.

High Sustainability Risk Sector Guide

The Bank, in alignment with the Group, has pinpointed 148 sub-sectors across various industries as high Sustainability risk sectors. These sub-sectors undergo regular updates in accordance with global frameworks. By 2023, the existing High Sustainability Risk Sector Guide, encompassing palm oil, forestry, oil and gas, construction and infrastructure, coal, mining and quarrying, and manufacturing sectors, have been further updated. A methodical and inclusive approach is employed to establish risk mitigations and adaptation measures for these sectors, referencing global and local standards.

Exclusion List

CIMB Thai's Sustainability Exclusion List as stipulated in the Bank's Sustainability Policy includes activities that contravene laws and regulations, and where there is an imminent risk to life and wellbeing. Financing of activities on our Exclusion List is prohibited.

We will not engage with clients proven to be involved in illegal activities, bribery, illegal logging or, terrorism, or operating in breach of national labour laws. We will also not finance any new (or expansions of) coal-fired power plants and thermal coal mines.

Financing involving casinos and gaming, arms and munitions, and developments within World Heritage Sites are also on our Exclusion List, although there are very specific and limited Permitted Exemptions in place, subject to escalated approvals.

Environmental Management Policy (EMP)

The environment and natural resources are fundamental to the well-being of people. We are aware that climate change and global warming have wide-ranging impacts on all sectors and believes that businesses and financial institutions should play a significant role in mitigating climate change by working to lessen the negative environmental effects of its operations and encouraging the preservation of natural resources.

Aligning with the United Nations Sustainable Development Goals (UN SDGs) and the Paris Climate Agreement, the Bank takes critical accountability and responsibility to conduct its business through efficient utilization of energy and resources to reduce and prevent any negative environmental impact that may contribute to climate change.

CIMB Thai's Environmental Management Policy seeks to provide clarity and a holistic approach on the Bank's environmental management towards contributing to climate action, climate change adaptation, and sustainable development in a manner consistent with the CIMB Group's Sustainability aspirations and framework, and other internal / external expectations.

The objectives of the EMP are as follows:

1. Avoid or minimise our negative environmental impacts and ensure optimal environmental management and resource efficiency;
2. Raise awareness and ensure collective participation in enhancing CIMB Thai's environmental performance and in achieving the environmental targets and objectives;
3. Ensure compliance with national and/or international regulatory authority stipulations and guidelines.

In the EMP, setting targets is pivotal. The policy encompasses metrics and objectives, incorporating the established Net Zero 2030 emissions targets. Additionally, it extends to reducing energy, water, and waste intensity per employee. The aim is to ensure that these targets function not merely as restrictive measures on absolute reduction, which could contradict the growth of the organization, but as a means to enhance the efficiency and resilience of the Bank.

Human Rights Policy

Upholding Human Rights in the Bank is paramount as it aligns with ethical principles, fosters social responsibility, and contributes to Sustainable Development. By prioritizing Human Rights, the Bank ensures fair and equitable treatment for all Stakeholders, promoting a positive culture and avoiding any complicity in activities that may violate fundamental Human Rights.

CIMB Thai's approach to Human Rights is guided by the following principles:

- ▶ We respect and uphold Human Rights and seek to identify, prevent, mitigate adverse Human Rights impacts which may arise through our activities or business relations including clients or customers; suppliers, vendors and outsourcing partners; joint venture or other partners; strategic investments; employees; and Corporate Responsibility Program partners or grantees.
- ▶ We will take a proactive approach to integrating Human Rights considerations into our decision-making processes such as lending, investments, procurement, and operations, taking steps to avoid causing or contributing to Human Rights infringements.
- ▶ We will take a risk-based approach to assess actual and potential Human Rights impacts across the Bank, recognizing that it is important to focus on the Impacts of people and not just our business.
- ▶ We will take appropriate action to mitigate adverse Human Rights impacts in our own operations, and those we enable in our business relations, including providing for or cooperating in remediation in line with our responsibility.
- ▶ We will take a holistic approach to our policies and business decisions, in particularly with regard to safeguarding Human Rights in our Sustainability policies, where we strive for a just transition in our efforts to mitigate climate change.

- ▶ We will track the effectiveness of our actions.
- ▶ We will be transparent about our Human Rights impacts and communicate how we fulfil our responsibility to respect Human Rights.
- ▶ We will engage actively and openly with our business relations, including our employees, with the objective of achieving greater awareness and improvement of Human Rights practices.

We define Human Rights risk as: "Risk arising from the Bank's role as a financier, employer, purchaser, investor, service provider, operator, advisor, business partner, sponsor, or a corporate donor due to a breach of Human Rights, which are basic rights that allow individuals the freedom to lead a dignified life, free from fear or want, and free to express independent beliefs. These rights apply equally and universally in all countries. Human Rights risk may manifest in different forms of violations such as human trafficking, modern slavery, forced or debt bonded labour, child labour, poor working conditions, forced or involuntary displacement of indigenous communities, amongst others".

We are committed to upholding and complying with the following international Human Rights laws and standards including:

- ▶ The International Bill of Human Rights, including the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights
- ▶ UN Guiding Principles on Business and Human Rights, in particular, the recognition of the role of business enterprises as specialized organs of society performing specialized functions, to comply with all applicable laws and to respect Human Rights.
- ▶ International Labour Organization Declaration on Fundamental Principles and Rights at Work
- ▶ International Labour Organization Conventions ratified and in force in Thailand

The Human Rights Policy is aligned with both the Sustainability Policy (SP) and Sustainable Financing Policy (SFP), whereby the risk of Human Rights infringements and regulatory breaches are avoided and mitigated. Human Rights Due Diligence is conducted through various appropriate methods and channels, including the Sustainability Due Diligence procedures in the SP and SFP for external business relations, and via direct consultation and surveys for our employees.

When we discover that a Human Rights abuse has taken place, we will take appropriate steps to ascertain whether we have caused or contributed to the adverse Human Rights impact.

- ▶ When we have directly caused these impacts, we are responsible for resolving the issue and providing remedy.
- ▶ Where we have contributed to an adverse Human Rights impact, we will provide mechanisms through which grievances can be raised and strive to contribute to remediation, where necessary and appropriate, ensuring no penalty, dismissal or reprisal.
- ▶ Where we have not caused or contributed to an adverse impact, but are directly linked to it through our products, operations or services, we recognize that we are able to play a role in remediation, for example, by engaging with our clients about their own grievance mechanisms and remediation pathway

Whistle Blowing Policy and Mechanism

CIMB Thai's Whistle Blowing Policy sets out avenues for legitimate concerns to be objectively investigated and addressed. The Board of Directors has put in place channels to receive report on suspicious fraud/corruption incidents or behaviors, or any conduct which employees and stakeholders believe or suspect that may be involved with fraudulent/corruption acts in the future.

- Channels for Whistleblowing and Complaints

Any Employees or Stakeholders who find illegal conduct, fraud or action against the rules and procedures in place can report to the Chairman of the Board, the Audit Committee Chairman, or the President and CEO:

Address : CIMB Thai Bank Public Company Limited, No. 44, 21st Floor, Langsuan Road, Lumpini, Patumwan, Bangkok 10330, Thailand

Email : chairman@cimbthai.com, ac_chairman@cimbthai.com, ceo@cimbthai.com

Tel : 02 626 7000 or 02 638 8000

The Bank will carry out an investigation by maintaining confidentiality on the whistleblower's or the complainant's identity to prevent any negative impact or any form of retaliation. The Bank is to proceed in accordance with the steps and procedures in place, together with having a written record of the investigation results, which must be safely kept in confidentiality and only accessible by authorized persons.

- Complaints Lodging Channels

The following are generally accepted as improper and reportable conduct for whistleblowing, of which the list is not exhaustive:

- Any unlawful or illegal activities, whether criminal or breach in civil law
- Breach of policies and/or procedures;
- Fraud, theft, embezzlement or dishonesty
- Corruption/bribery
- Bullying and harassment
- Actions which can cause physical danger/harm to another person and/or can give rise to risk of damage to properties/assets
- Forgery or alteration of any documents belonging to the Company, Customers, another Financial Institution, or Agents of the Company
- Poor or unethical sales practices, including mis-selling
- Profiteering as a result of insider knowledge
- Gross mismanagement or dereliction of duties
- Conflict of interest
- Misuse of position or information
- Any other similar or related irregularities

In 2023 there were no incidences of critical concern which required communication to the Board.

The Bank is aware of reputation risk and importance of customer satisfaction. It has thus set up an independent centralized complaint management unit, i.e. Customer Experience Management (CX), which works closely with customer touchpoints such as CIMB Thai Care Centre and other units to efficiently govern handling of customers' complaints and queries. CIMB Group's Customer Complaint Handling Policy and Procedures have been used in CIMB Thai to set out the standard framework and mechanism for dealing with customers' complaints in accordance with local regulatory requirements and group-wide standards. This would ensure that all complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

Lastly, the Bank has also put in place robust processes to provide for the remediation of negative impacts or risks that it has caused or contributed to in its operations:

1. For operational risk events with an Impact of Critical or High, an escalation alert email must be sent by the Business Unit to the defined distribution list. The alert or escalation e-mail should be sent by the end of the following working day upon event detection. The Business Unit should also ensure that such events are escalated to the Head of Business Unit and to Operational Risk Management (ORM) the same day.

2. For non-regulatory events with a Critical or High Impact, Root Cause Analysis (RCA) Report must be completed by the Designated Compliance and Operational Risk Officer (DCORO) or their delegate within 4 weeks of the event being notified. Events with regulatory impact regardless of the impact category must be reported in accordance with the Bank's Compliance Procedure. In the event if the Business Unit has its own investigation report (e.g., Major Incident Review Report or Compliance Monitoring Review Report) it can opt to use this report. However, these reports should state the root cause of the event and submitted for ORM team's review and action.

Our Identification and Management of Material Topics

As CIMB Thai continues its journey to be a more responsible and sustainable Bank, it is expected to manage and thereafter report information about the most significant impacts of our activities and business relationships on the economy, environment, and people, including Impacts on their Human Rights.

In 2022, the Bank has established its "Stakeholder Engagement, Impact Assessment, and Materiality" (SIM) process to determine its Material Topics.

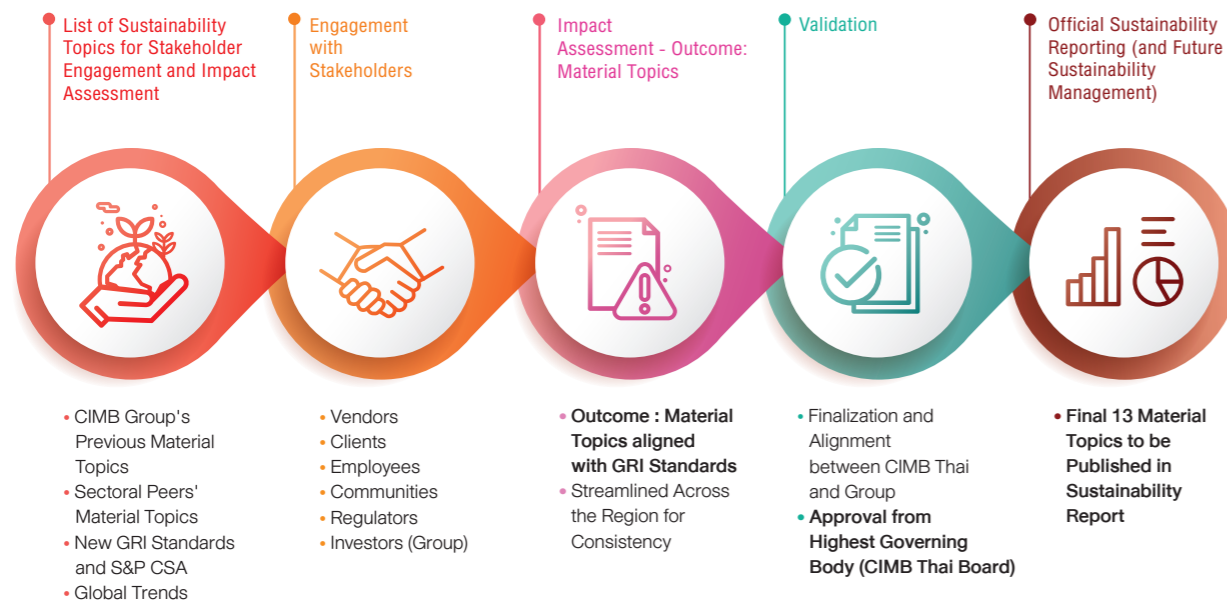
The process of determining Material Topics is informed by the Bank's identification and assessment of impacts in its business relations and business activities. The identification and assessment of impacts involves engaging with relevant stakeholders and it is conducted in line but sometimes independently of the Sustainability reporting process. Core elements include Stakeholders groups, Stakeholder interest and Sustainability impacts.

▶ Stakeholders are individuals or groups that have interests that are affected or could be affected by the Bank's activities. An interest is something of value to an individual or group, which can be affected by the activities of the Bank. Stakeholders can have more than one interest but not all interests are of equal importance. For instance, stakeholders have a vast array of social interest, but Human Rights have a particular status as an entitlement of all people under international law. The most acute impacts the company can have on people are those that negatively affect their Human Rights.

▶ Stakeholder interests can be negatively or positively affected by the Bank's business activities and business relations. Due diligence is process used to identify stakeholder interests that are or could be negatively affected in this regard.

- Sustainability impacts are identified in our business-as-usual due diligence processes, and our Annual Stakeholder Engagement and Impact Assessment Process which covers all economic, environmental and social aspects that are relevant to the Bank. Sustainability impact refers to the effect the Bank has or could have on the economy, environment, and people, including effects on their Human Rights, as a result of our activities or business relationships. The Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible. These impacts indicate the Bank's contribution, negative or positive, to sustainable development.

In accordance with the GRI Standards 2021, the Bank implements the following steps in determining its Material Topics broken down into five key processes:



In terms of establishing the base parameters for impact assessment, a list of Sustainability Topics have been pre-determined based on the Bank's Sustainability context as a financial institution in Thailand. This predetermined list of Sustainability topics are relevant to how the Bank causes, contributes to, or is directly linked to positive or negative Sustainability impacts in its operations and business relations. This list forms the basis of every Materiality process in the Bank, unless if there are major changes in the Bank's organizational structure or operational model:

1. Financial inclusion, access to financial services, and financial literacy
2. Sustainability-related financial products and services
3. Responsible financing and banking products
4. Responsible and sustainable supply chain
5. Corporate governance, ethics and compliance
6. Responsible tax management
7. Reducing materials and waste
8. Supporting industry innovation and digitalization
9. Climate change, including mitigation (e.g. greenhouse gas reduction) and adaptation (e.g. resilient infrastructure)
10. Safeguarding biodiversity (marine and land) and protecting the environment
11. Safeguarding water resources and preventing water pollution
12. Talent attraction, growth and retention (including training and capacity building)
13. Health and safety standards and practices

14. Promoting diversity, inclusion, and non-discrimination
15. Upholding Human Rights and fair labour practices
16. Responsible marketing and communications, and fair dealing
17. Cybersecurity, privacy and data governance
18. Customer experience
19. Organizational culture and values
20. Community engagement and support, and volunteerism
21. Economic performance and business resilience
22. Supporting national policies and initiatives on reducing poverty
23. Access to affordable and clean energy
24. Building sustainable cities and communities
25. Contributing to peace, justice and safeguarding strong institutions

Stakeholder surveys are designed to enable stakeholders to reflect on the significance of the Bank's impacts in the course of business. The significance of an actual impact is determined by the severity of the impact, whereby the severity of an actual or potential negative impact is determined by its scale, scope and irremediable character, in line with the GRI Standards and the OECD's Responsible Business Conduct:

1. Scale: How grave the impact is.
2. Scope: How widespread the impact is, for example, the number of individuals affected or the extent of environmental damage.
3. Irremediable Character: How hard it is to counteract or make good the resulting harm

Surveys are designed for stakeholders to rate the significance of each Sustainability topic based on the severity of the impact in the course of business with the Bank. The higher the rating, the more significant the positive or negative impact. Upon the completion of the surveys, results were then weighted across stakeholder groups according to criticality.

Impacts are thereafter determined based on the consolidated impacts ratings provided by all stakeholder groups, and are amalgamated based on the Stakeholder Weightages. The final outcome would be a list of Material topics for the Bank's to further manage these impacts and report it accordingly.

The Materiality process is undertaken every 2 years by the Bank in alignment with the Group, or whenever there is a major change in the Bank's organizational structure or operational model, in order to refresh and update on the latest Material Topics. In between every Materiality cycle, the Sustainability Team and governance, and oversight bodies in the Bank continues to manage the Material Topics and track the relevant outcomes.

In 2023, the Bank conducted Sustainability surveys across diverse stakeholder groups to assess its performance in managing the Material Topics identified in the previous year. These surveys, facilitated through the Bank's Sustainability Team, Business Units, and Business Enablers, provided respondents with a clear opportunity to evaluate the Bank's effectiveness in handling these Material Topics throughout the year.

The Sustainability surveys conducted in 2023 are considered an important step in managing the Bank's Material Topics. The insights gathered from these surveys serve as valuable input for strategic planning and decision-making processes. The Bank will leverage the feedback obtained to refine and enhance its Sustainability management. This includes refining goals, implementing targeted improvements, and aligning strategies with the evolving expectations of Stakeholders. The iterative nature of these surveys reflects the Bank's dedication to maintaining a proactive and adaptive approach to Sustainability management.

Adhering to its schedule, the Bank will commence the next SIM process in 2024 to update its Material Topics, aligning with any evolving shifts in Stakeholder groups, Stakeholder interests, and Sustainability impacts.

About CIMB Thai's Sustainability Report 2023

The CIMB Thai Sustainability Report 2023, the second Sustainability Report published by the Bank, provides an objective and holistic view of our Sustainability journey, and for us to reflect upon the challenges that we face. Doing this allows us to adapt our approach, strengthen our effort, drive continuous improvement, and promote transparency, so that we can thrive in the long term.

CIMB Thai Bank PCL. has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023, whereby the scope covers CIMB Thai Bank and its subsidiaries namely CIMB Thai Auto Company Limited and WorldLease Company Limited. The bank's annual Sustainability reporting is aligned with the same reporting period as covered in its annual financial reporting.

This Sustainability Report and its contents have been approved and reviewed by our highest governance body, i.e. the Board of Directors. For any questions or clarifications with regards to this Sustainability Report, the Sustainability Team can be contacted via email: Sustainability@cimbthai.com.

For the purposes of Sustainability Reporting, the GRI Standards 2021 is effective for reports or other materials published on or after 1 January 2023. The new GRI Universal Standards 2021 include:

- GRI 1: Foundation 2021
- GRI 2: General Disclosures 2021
- GRI 3: Material Topics 2021

Further, this Sustainability Report adheres to the GRI Standard's Reporting Principles, and also includes references and alignments to:

1. Securities and Exchange Commission's Annual Registration Statement (Form 56-1)
2. United Nations Sustainable Development Goals (UN SDGs) Reporting
3. United Nations Environment Program Finance Initiative Principles for Responsible Banking (UNEP FI PRB)
4. Task Force on Climate-related Financial Disclosure (TCFD) Recommendations
5. TBA Industry Handbook – Internalizing Environmental and Climate Change Aspects into Financial Institution Business for Banks

CIMB Thai's Sustainability Report is disclosed and published both in English and Thai language. In the event of any inconsistency between the English language version of this Sustainability Report and any other language translation, the English language version shall take precedence.

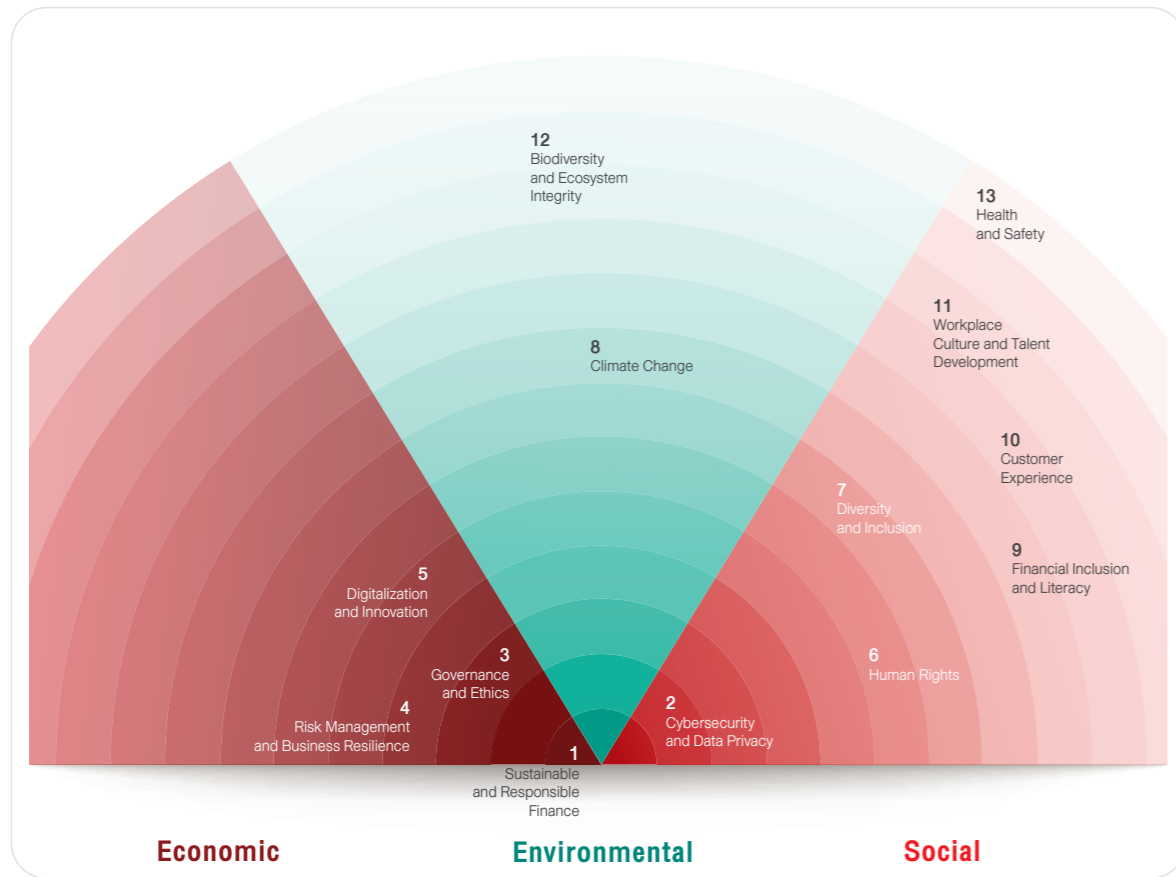
Our Material Topics 2022-2023

In 2022, CIMB Thai has performed our first Stakeholder Engagement, Impact Assessment and Materiality (SIM) process to establish our Material Topics.

In accordance with the pre-determined Sustainability topics that is established based on the Bank's Sustainability context, each topic in the surveys was assigned scores to determine the degree of significance from neutral to very significant impacts. Results from stakeholders' surveys were consolidated by also factoring weightages that accorded to each stakeholder group.

Ranking	Material Sustainability Topics 2022-2023	EES Areas
1	Sustainable and Responsible Finance	Economic
2	Cybersecurity and Data Privacy	Social
3	Governance & Ethics	Economic
4	Risk Management and Business Resilience	Economic
5	Digitalisation and Innovation	Economic
6	Human Rights	Social
7	Diversity and Inclusion	Social
8	Climate Change	Environmental
9	Financial Inclusion and Literacy	Social
10	Customer Experience	Social
11	Work-place Culture and Talent Development	Social
12	Biodiversity and Ecosystem Integrity	Environmental
13	Health and Safety	Social

Material Sustainability Topics



The Bank’s Material Topics have been reviewed and approved by the Board of CIMB Thai.

This report discloses Material Topics, as referenced in the GRI Content Index, utilizing the GRI Topic Standards. In addition to the disclosures in accordance to GRI Topic Standards, other crucial information is also presented to offer a more comprehensive and balanced perspective on the Bank’s Sustainability performance and accomplishments.

External Assurance

To strengthen the quality of the Bank’s reporting, key information published in this Sustainability Report have been independently assured by the third party assurance service provider KPMG Phoomchai Audit Co., Ltd. (KPMG) from Thailand.

The assurance process is performed in accordance with international standards:

- ISAE3000: International Standard Assurance Engagements 3000 for “Assurance Engagements other than Audits or Reviews of Historical Information”
- ISAE3410: International Standard Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements”

The KPMG Sustainability Assurance Methodology (KSAM) is used throughout the assurance process to ensure KPMG’s collective wisdom, industry knowledge and technical skills are incorporated into the assurance procedures. KSAM provides the relevant methodology and work papers to allow a globally consistent approach by KPMG to sustainability assurance and compliant with relevant standards.

Below are the details of the Bank’s external assurance performed for Sustainability Report 2023:

Level of Assurance:	Limited assurance (5% materiality)
Criteria:	GRI Standards
Data:	4 selected indicators below
Environment	
1) Total Energy Consumption (MWh)	• GRI 302-1 Energy consumption within the organization(2016)
2) Water use	• GRI 303-5 Water consumption (2018)
3) GHG Emissions (Scope 1) (tCO ₂ e) : Fuel Consumption only	• GRI 305-1 Direct (Scope 1) GHG emissions (2016)
4) GHG Emissions (Scope 2) (tCO ₂ e): Purchased Electricity	• GRI 305-2 Energy indirect (Scope 2) GHG emissions (2016)
Period of Data:	1 January 2023 –31 December 2023
Boundary of assurance:	CIMB Thai Bank Public Company Limited (CIMB Thai)
Assurance Statement:	A statement in English and Thai for CIMB’s Sustainability Report FY2023

Restatement of information

There are no restatements of information made from previous reporting periods.



“ Our Net Zero Journey
in being a Sustainable Bank ”

CIMB Thai has committed to achieving Net Zero operational greenhouse gas (GHG) Scope 1 and 2 emissions by 2030. It has also planned to achieve Net Zero GHG Scope 3 by 2050, whereby it has set interim climate targets for financed emissions. At the same time, the Bank is also stepping up commitments on Human Rights across its value chain.

Across our operations in Thailand, CIMB Thai's business activities and business relations contribute to various environmental impacts across our organization and operational boundaries, and to various social impacts that relate to our more than 3,000 employees. We are committed to continuously improving our business relationships, creating positive impacts in our social relationships, and minimizing our environmental footprint. We strive to be a Bank that "walks the talk" on Sustainability, an employer of choice, and an exemplary customer to our vendors in terms of being ethical, responsible and fair.

Key Highlights: Sustainable Action in 2023

1. Roll out of CIMB Thai's Sustainability Policy across 100% of Business Units and Business Enablers in CIMB Thai – now including Sustainability Due Diligence during account opening of non-individual customers.
2. The Bank implemented and operationalized our new and updated Human Rights Policy along with our existing Sustainability Policy and Procedures, for a more robust approach in upholding Human Rights in our operations.
3. The Bank successfully exceeded our annual emissions target of 26% from 2019 (base-year), by reducing our total Scope 1 and Scope 2 emissions by 31%. The Bank continues to meet its trajectory under the GHG Accounting and Management Program Charter which includes CIMB Thai's Net Zero Target to achieve net-zero operational Scope 1 and Scope 2 GHG emissions by the year 2030.
4. Project Helios in 2023, increased Rooftop Solar installations to three additional operational sides – namely Chiang Mai branch, Khon Kaen Branch and Disaster Recovery Site, Suksawat. CIMB Thai now has the most Solar installations within the Group, including the existing installation at the Bank's corporate headquarters.
5. CIMB Thai completed our inaugural purchase and redemption of 1000 Renewable Energy Certificate (REC) under the ecosystem of Electricity Generating Authority of Thailand (EGAT). This marks the first time the Bank has used this innovative solution to claim our consumption of 1000 MWh of renewable energy from the Thai grid, and hence effectively reducing our market-based Scope 2 emissions.
6. Roll out of Environmental Management Policy to anchor our commitments to reduce negative environmental impacts and improve positive environmental impacts by setting reduction targets and action plans on energy, emissions, water and waste.
7. Inaugural External Assurance on CIMB Thai's environmental metrics including Energy, Water, and Emissions (Scope 1 and Scope 2), increasing the Bank's credibility on Climate Action.

Our Material Topics in Sustainable Action

Ranking in Overall 13 Material Topics	Sustainability Topics	Performance Ratings in 2023 (5 being highest)
6	Human Rights	4.22
7	Diversity and inclusion	4.28
8	Climate change	3.83
12	Biodiversity and ecosystem integrity	3.98
13	Health and safety	3.98

The Bank has received favorable ratings for our human rights performance, owing to various factors closely linked with our dedication to responsible business practices and ethical conduct. Key elements contributing to these high ratings encompass the Bank's strong policies, which integrate tangible measures for business and human rights. These policies establish effective due diligence processes, ensuring a comprehensive approach to identifying and addressing potential impacts. Transparent communication and disclosures further enhance the Bank's standing, fostering openness and accountability. The Bank's commitment is evident in our proactive engagement with stakeholders, and it has solidified our positive reputation by implementing robust mitigation and remediation mechanisms.

Diversity and inclusion, which also relates to equal opportunity, has received relatively high performance ratings as well because of the employment policies and practices implemented by the Bank.

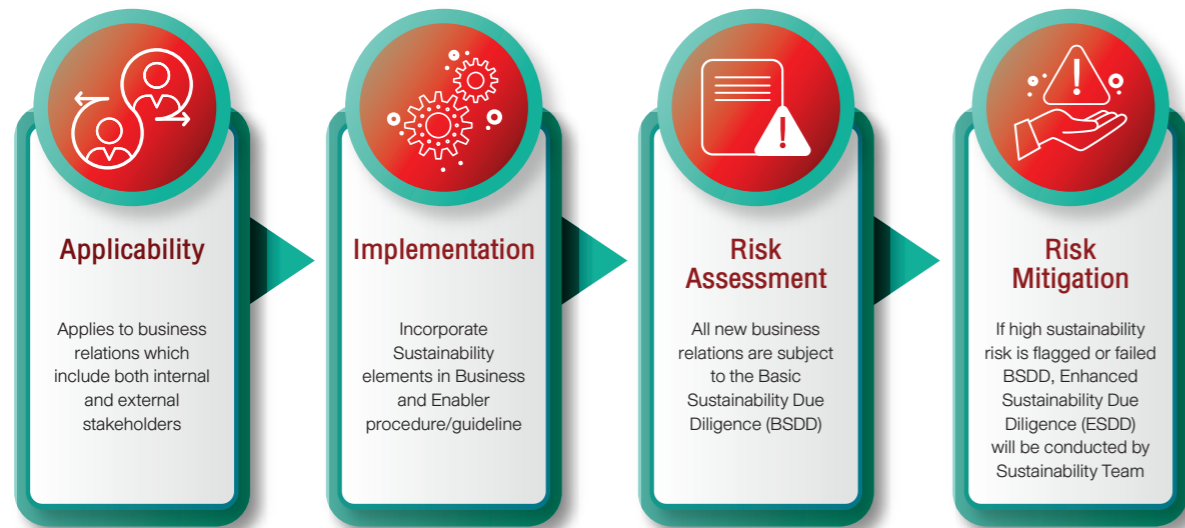
Implementation of Sustainability Policy

CIMB Thai recognizes that our business decisions have the potential to negatively and positively impact our surrounding communities and the environment. Therefore, timely identification and management of Sustainability Risk, with transparency and accountability, is critical for the Bank in building a culture of responsible banking and driving sustainable growth strategies.

The Sustainability Policy, as a core of our Sustainable Action, seeks to provide clarity and transparency around how Sustainability Risk is managed in a manner consistent with the Bank's risk framework, and other internal and external expectations.

In CIMB Thai, we define Sustainability Risk as: "Risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with:

1. A business relation and our operations, and/or
2. The Bank's own internal operations and employees.



This Policy applies to all Business Units including all products and services provided, Business Enablers and geographies across CIMB Thai, and all entities within the CIMB Thai, i.e. our subsidiaries. Business relations which fall under the scope of the Sustainability Policy include:

1. Clients or customers
2. Investee companies
3. Corporate Responsibility Program partners or grantees
4. Suppliers, vendors and outsourcing partners
5. Joint-venture or tie-up partners, whether or not there is any equity ownership
6. Members of the Boards of Directors of CIMBT entities

Business Units, Business Enablers, and our subsidiaries through their front line and risk-related roles must determine if a proposed relationship, product, service or operational activity presents high potential environmental or social risks. The aforesaid checks and processes include:

1. Cross-referencing our Exclusion List; understanding our business relations' business, industry, management and reputation; application of our policies; adherence to regulation; and consultation with Group Sustainability (or other subject matter experts, where necessary) and teams focused on stakeholder screening and onboarding; and
2. Assessment of a business relation's Sustainability performance, which evaluates the business relations' commitment, capacity and track record in managing environmental and social issues

In accordance to the Sustainability Policy, Sustainability due diligence must be conducted on all new business relations before subsequent approvals are sought. All Business Units and Business Enablers are strictly prohibited from directly engaging in, or knowingly engaging with business relations who are engaged in activities listed in our Exclusion List.

At CIMB Thai, the Sustainability due diligence process has two levels, namely the Basic Sustainability Due Diligence (BSDD) where business relations are first checked on whether there are any existing and unresolved environmental and social issues, and the Enhanced Sustainability Due Diligence where the business relation has failed the BSDD and the Sustainability Team conducts in-depth Sustainability checks to provide a final recommendation to proceed or otherwise.

In 2023, the Bank has carried out 132 BSDD on our vendors, partners and upstream business relations.

To enhance the robustness of our Sustainability Due Diligence process, non-individual customers who are onboarded at our branches are also required to undertake the BSDD. This is not seen as going against financial inclusion or a barrier to assess financial services; on the contrary, this is a protecting measure towards the Bank itself and all our valued customers by not associating with businesses or organizations that are within the Exclusion List or those who create negative impacts to the environment or to society.

In the first quarter of 2023, training sessions were conducted extensively with the front-liners of the Bank's branches to foster the understanding of Sustainability as a whole, the Bank's SP, the entire Sustainability due diligence process, and also how to communicate with customers effectively with regards to the Bank's commitments on Sustainability and our Sustainability due diligence process. Even though the Sustainability Team plans periodic trainings for the branch employees, a Frequently-Asked-Question (FAQ) document was developed to be an easy reference for existing and new employees.

It must be noted that the implementation of Sustainability due diligence with customers are on a voluntary and consultative basis. By engaging with our customers, the Bank continues to create better relationship by fostering mutual understanding while effectively managing not only financial risks but also Sustainability risks.

In 2023, the Bank has begun conducting BSDDs on our non-individual customers in all our branches.

The Bank conducts Control Effectiveness Testing (CET) on the Sustainability Policy every 6 months, conducted by the Sustainability Team along with the Designated Compliance & Operational Risk Officer (DCORO) of related Business Units and Business Enablers, to track the effectiveness of the actions, evaluate progress, and identify gaps for continuous improvements.

All applicable local regulations are taken into consideration in conjunction with the Sustainability Policy. The Bank abides with all prevailing and future regulations in our respective jurisdictions.

Operationalizing Human Rights Holistically

Human Rights are Rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Additionally, other UN instruments elaborate further on the rights of indigenous peoples, women, national or ethnic, religious and linguistic minorities, children, persons with disabilities, and migrant workers and their families. There are also standards of international humanitarian law that apply in situations of armed conflict, such as the International Committee of the Red Cross (ICRC) Geneva Conventions of 1949.

At CIMB Thai, we are committed to respecting and upholding Human Rights in all forms throughout our employment process, our business activities, our supply chain and our customer network. The Bank understands clearly that we cause Human Rights impacts in our management of employees and workers, contribute to Human Rights impacts via our financing, investments and capital-raising service to various business sectors, and are directly linked to Human Rights impacts in our supply chain.

With regard to Labour Rights, the Bank commits to:

1. Avoid causing or contributing to Labour Rights violations;
2. Respect the rights of our employees, including:
 - a. Freedom of representation;
 - b. Right to collective bargaining;

- c. A safe and healthy work environment;
 - d. Fair recruitment and other people practices;
 - e. Preventing modern slavery; and
 - f. Respecting regulations on minimum wage and maximum working hours.
3. Eliminate discrimination in the workplace, and promote diversity and inclusion

In CIMB Thai, the Bank has already established our Human Rights Policy and Procedure since 2012. However, to strengthen the effective management of Human Rights impacts and risks, the Sustainability Team has in 2022 begun undergoing a revamp and update of the existing Human Rights and Policy and Procedures to reflect and align with the latest international frameworks, local regulations, and CIMB Group's policies.

In 2023, the updated Human Rights Policy has been approved by the Board and implemented throughout CIMB Thai. It outlines the Bank's commitments, principles and approaches to Human Rights as well as provides guidance on identifying, assessing, and managing salient Human Rights risk which present the most severe potential negative impacts.

Through a risk-based approach, the Bank commits to continuous Human Rights due diligence to identify, prevent, and mitigate adverse Human Rights impacts identified across the Bank. Human Rights Due Diligence will be conducted through various appropriate methods and channels, in line with the Bank's Sustainability Policy and Sustainable Financing Policy, including:

1. **Employees**
We will conduct direct consultation with employees, focus groups and surveys as well as through representative organizations including employee unions.
2. **Customers**
We require non-individual clients to meet our High Sustainability Risk Sector Guide requirements which are continually updated in alignment with the latest developments in the sectors. For clients in certain high-risk sectors such as Palm Oil and Forestry, they are required to consult with affected communities and obtain Free, Prior and Informed Consent prior to major land use conversion projects affecting land rights and water resources. For clients in industries with large numbers of migrant and/or low wage workers, they are required to establish their own Human Rights policy including due diligence and grievance mechanisms.
3. **Suppliers, Vendors and Partners**
We will conduct Human Rights Due Diligence through our Sustainability Due Diligence and the acknowledgement of CIMB Thai's Vendor Code of Conduct as laid out in the Sustainability Policy. For partners including our Corporate Social Responsibility Program partners, strategic investees, and joint venture partners, we will conduct Human Rights Due Diligence through our Sustainability Due Diligence as laid out in the Sustainability Policy and Corporate Responsibility Policy.

Where we identify Human Rights risks within our own business activities, the Bank will seek to put in place mechanisms to avoid and remedy adverse Human Rights impacts. In an event that we are exposed to Human Rights risks through our customers and other business relations, we strive to use our leverage to influence them towards standards outlined in our policies.

In our other business relationships, as per our Sustainability Policy, within a practical timeframe, we seek to decouple ourselves from any business relation that repeatedly misses action plan targets without justifications, where negative Human Rights impacts and risks are considered to be too high.

The Bank will establish and/or participate in grievance mechanisms for Human Rights issues through both internal and external channels and shall be made accessible to our key business relations and other stakeholder groups which includes communities affected by Bank-financed operations. Furthermore, we recognize our responsibility to contribute to remediation including apologies, restitution, rehabilitation, financial or non-financial compensation and the prevention of harm.

In the event that Human Rights abuse has taken place, we will take appropriate steps to ascertain whether we have caused or contributed to the adverse Human Rights impact and take appropriate actions in line with our responsibility. We will conduct a half yearly process to identify, assess, remediate, and report Human Rights violations.

Because Human Rights is such an important material topic for CIMB Thai, we also extend our focus on the conduct of security personnel towards our employees, workers and those who enter our premises, and the potential risk for excessive use of force or other violations of Human Rights. Security personnel who attends to our security needs must also adhere to good security practices. Providing effective training in Human Rights therefore helps to make sure that security personnel understand when to use force in an appropriate way, and how to ensure respect for Human Rights.

We have outsourced services for security personnel at our premise, covering CIMB Thai corporate headquarters and branches as well as our subsidiaries, namely WorldLease Company Limited and CIMB Thai Auto Company Limited.

In this respect, the private security staff that provides security and protection services is mandated to have a license to be a licensed security guard granted by the Registrar in Thailand, which requires all personnel to complete the stipulated security training for not less than 40 hours to ensure all security staff is equipped with relevant qualifications and is not under any prohibitions under the Security Guard Business Act 2015 regulations. The Registrar in Bangkok is the Metropolitan Police Bureau commissioner while each provincial police chief is the registrar in other provinces.

Only security service companies and security personnel that complies with the regulations can be considered to provide security services to CIMB Thai and our subsidiaries to ensure the rights of our employees, workers and those who enter into our premise are respected and not infringed upon.

Diversity and Inclusion

Fostering diversity and inclusion is a crucial driver in shaping a Bank that is both sustainable and high-performing. Our unwavering commitment is to cultivate a workplace characterized by a diverse and inclusive workforce, grounded in principles of equality and fairness. In essence, our aim is to establish an environment where individuals feel embraced and are presented with equal, fair, and inclusive opportunities, irrespective of factors such as gender, age, background, beliefs, ethnicity, skills, and abilities. Our steadfast policy of non-discrimination underscores our dedication to ensuring that employees are chosen, developed, advanced, and rewarded based on merit, aligning with our commitment to providing equal opportunities for all within the Bank.

CIMB Thai has since 2022 adopted the Group-wide Employee Diversity and Inclusion Policy. The policy covers non-discrimination, which ensures that our employees are selected, developed, rewarded fairly and based on merit regardless of gender, age, race and background. CIMB Group and CIMB Thai both recognize and acknowledge that the diverse backgrounds and voices of our workforce represented collectively makes us stronger and better equipped to make a positive impact to our business and communities.

In 2023, CIMB Thai became the signatory of the Women's Empowerment Principles (WEP). The WEP are a set of Principles that guide businesses on how to advance gender equality and women's empowerment in the workplace, marketplace and community. The WEPs are established by UN Women and UN Global Compact, and are informed by international labour and Human Rights standards. These Principles are grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.

WEPs are a primary vehicle for corporate delivery on gender equality dimensions UN SDGs. By joining the WEPs community, the Bank signals commitment to this agenda at the highest levels of the Bank and to work collaboratively with our Stakeholders to foster business practices that empower women. These include equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance against sexual harassment in the workplace.

As a signatory of the WEP, the Bank embarks on continuous journey of six main stages:

1. Consider: Gathering internal support for signing the WEPS,
2. Sign: Collecting information required for a signature,
3. Activate: Showing the company commitment to gender equality on the company profile page and activating internal stakeholders with the help of industry-specific practices and recommendations,
4. Engage: Engaging external stakeholders through the value chain,
5. Sustain: Gathering data against the Transparency and Accountability Framework, and
6. Report: Reporting on eight key performance indicators on their WEPs company profile pages.

In 2023, CIMB Thai received the 2023 Organization Award for Supporting Employment of Persons with Disabilities, reinforcing our commitment to promoting equality and inclusion in society. The award, issued by the Department of Empowerment of Persons with Disabilities, was presented by the Permanent Secretary of Ministry of Social Development and Human Security.

CIMB Thai PWD Program	2020	2021	2022	2023
Employees with disabilities	3	2	2	2
Workers with disabilities (not directly employed)	28	26	22	22
Total	31	28	24	24

In 2023, the People with Disability support program included 2 permanent employees in CIMB Thai's operations, while the Bank supported the hiring of 22 persons through the Red Cross Society.

Additionally, we have embedded anti-harassment and anti-discrimination clauses into our Code of Ethics and Conduct policy in which our employees would need to strictly adhere to at all times. This is to create a safe working environment for all our employees and workers that come from all walks of life and different beliefs.

In CIMB Thai and our subsidiaries, our diversity and inclusion categories include gender, age and people with disabilities. The composition of these categories in 2023 are shown below. In CIMB Thai, the composition of female employees is significantly higher than that of males.

	Composition of employees in CIMB Thai and Subsidiaries	Composition in CIMB Thai's Management Committee	Composition of CIMB Thai Board Members
Gender			
Male	37%	71%	71%
Female	63%	29%	29%
Age Group			
<30	10%	0%	0%
30 -50	65%	36%	0%
> 50	26%	64%	100%
Employees with Disabilities			
	0.06%	0%	0%

	Total Remuneration Ratio (Basic Salary)		
Gender	CIMB Thai	CT Auto	WorldLease
Male	32.9%	54.9%	54.8%
Female	67.1%	45.1%	45.2%
Location			
Bangkok	92.3%	49.9%	40.1%
Others	7.7%	50.1%	59.9%

In terms of geographic location, the majority of our employment centers around Bangkok metropolitan area, while having our presence in other provinces of Thailand.

Geographical location	Composition of Employees
Bangkok	87%
Other Provinces	13%

The Bank has also begun to track the composition of gender in the contractor workers who are not directly employed. The composition as of 31 December 2023 is as the following

Composition of Contractor-worker who are not directly employed	
Gender	
Male	40%
Female	60%
Persons with Disabilities	3%

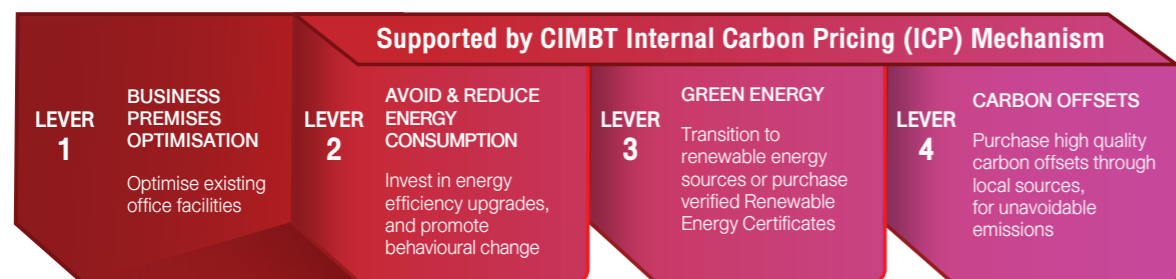
Operationalizing Climate Action

Climate Change was ranked at the 8th position in the list of the Bank’s material topics. This shows that the severity of Climate Change impacts is very significant as assessed by the Bank’s stakeholders.

In terms of national policies and regulations, Thailand instituted the Department of Climate Change and Environment in 2023 with the explicit goal of addressing the adverse impacts of climate change and meeting the nation’s climate commitments. The updated nationally determined contribution (NDC) for the year 2022 outlines a commitment to unconditionally reduce greenhouse gas (GHG) emissions by 30% by 2030. Additionally, there is a conditional target of achieving a 40% reduction below ‘business-as-usual’ levels, contingent upon support from other nations and the UNFCCC. Thailand’s overarching aim is to attain net-zero emissions by the year 2065. The country is directing efforts towards decreasing carbon emissions in the energy sector, the biggest contributor to greenhouse gas emissions.

In response to Climate Change, the Bank has announced our commitments towards mitigating climate change, including Net Zero operational greenhouse gas (“GHG”) scope 1 and 2 emissions by 2030 and Net Zero overall GHG emissions by 2050, in alignment with the Group.

A four-pronged strategy had been developed to reduce the Bank’s operational GHG emissions in the most effective, responsible and cost-optimized manner. This is illustrated in the graphic below, arranged according to decreasing priority.



Lever 1: Business Premises Optimization

From 2022 to 2023, the Bank has been undergoing strategic reviews on branch optimization to find the best balance in the reduction of business premises. Through the use of strategic analysis that is aligned the Bank’s business model and compliance with regulators, the optimization of branch resources will reduce our energy and emissions footprint, reduce premise-related costs, as well as redirect resources to more strategic locations.

Lever 2: Avoiding and Reducing Energy Consumption

The Bank has been conducting ongoing energy audits and consumption baselining throughout our business locations including our corporate headquarters and branches. The Procurement, Administration and Property Management (PAM) Department and our building management teams have adjusted the operation time and temperature of the air-condition systems of the buildings in order to save energy while ensuring a comfortable working environment for employees and workers. The Bank’s Technology and Data Department has also been working with the Sustainability Team to track the energy usage of our Data Centers, and how the consolidation of Data Centers can reduce our energy and emissions footprint.

In 2023, the Bank has replaced a total of 449 tubes of fluorescent lighting to LED lights in accordance with our building management plan of our corporate headquarters. At the same time, we have also begun replacing aged equipment to Energy Star or energy efficient labelled equipment.

Additionally, the Bank has begun replacing our existing company-owned internal combustion engine (ICE) vehicles with electric vehicles to reduce the usage of fossil-fuel and hence lowering our Scope 1 emissions. The Bank has purchased our very first EV in 2022, and has increased our EV fleet in 2023 by another three vehicles.

Lever 3: Green Energy

In 2022, we have completed the upgrade of the Rooftop Solar panels in the Bank. The 66 square meter panels were installed in the rooftop of CIMB Thai’s corporate headquarters in Bangkok, whereby the output is estimated to be 1,555 kWh per month with electricity cost savings of slightly more than THB 5,000 a month. Even though this is a very small contribution to the total energy mix, the Bank is taking one step at a time in implementing renewable energy throughout our operations. The Rooftop Solar provides live electricity to our Green Canteen, whereby live output data is displayed at a monitor at the entrance of the Green Canteen.

The Sustainability Team had in 2022 initiated “Project Helios” with the Procurement, Administration and Property Management Department of the Bank. This project involves a series of Rooftop Solar installations across multiple branches.

Under Project Helios, three more sites of the Bank have been installed with Rooftop Solar installations, while a fourth site – Thonglor Branch is under initiation process:

1. Chiang Mai Branch – 15.26 kWp
2. Khon Khaen Branch – 13.08 kWp
3. Disaster Recovery Site, Suksawat – 17.44 kWp

By 2023, CIMB Thai has the most Rooftop Solar installations compared to other entities within the CIMB Group. This marks the proactive approach of the Bank in driving climate mitigation by swiftly adopting off-grid renewable energy. Project Helios will span the next few years as the Bank plans to “green” all our branches.

The Bank has in 2023 implemented, for the first time, the reduction of market-based Scope 2 emissions by subscribing to RECs provided through the Energy Generating Authority of Thailand (EGAT) ecosystem. This exhibits the pioneering spirit of the Bank in terms of Sustainability because there are only a handful of financial institutions in this region that has actually implemented the redemption of RECs at present.

According to the definition of EGAT, “a renewable energy certificate, or REC, is a market-based instrument that represents the property rights to the environmental, social and other non-power attributes of renewable electricity generation. Each REC represents proof that 1 MWh of renewable energy has been produced and embodies the environmental benefits that amount of renewable energy generated. REC registries electronically issue RECs based on renewable energy generators’ output. A REC, and our associated attributes and benefits, can be sold together or separately from the underlying physical electricity associated with the renewable-energy generation. RECs are an effective and recognized way of reaching emission targets and improving Sustainability.”

For the accounting of 2023 carbon emissions, the Bank utilizes the redemption of 1000 RECs – equivalent to 1000 MWh of renewable energy generated, in order to reduce our market-based Scope 2 emissions. This means that the Bank could recognize that 1000 MWh out of the total energy consumed by the Bank from the electricity grid, are solar or wind generated from the generation source, and hence have zero emissions. This has been executed via a contract with Innopower Company Limited, a subsidiary of EGAT. As a result, there is a reduction of market-based Scope 2 emissions to meet the Bank’s 2023 target of 26% emissions reduction compared to 2019 (base-year).

Moving towards the Bank’s Net Zero 2030 commitment, the Bank has planned and pre-booked the redemption of 2300 and 3500 of RECs for the year 2024 and 2025 respectively in alignment with the Bank’s annual reduction targets.

The Bank is committed to taking every possible measure to decrease our emissions and achieve our targets for the year 2030.

Lever 4: Carbon Offsets

Our priority is to maximize our GHG reduction through Levers 1 to 3. However, not all emissions can be reduced through those levers. Therefore, we are closely monitoring developments in Thailand, and has considered purchasing carbon credits and carbon offsets to achieve Net Zero GHG Scope 1 and 2 emissions in our operations by 2030.

Initiating CIMB Thai Internal Carbon Pricing Mechanism

Internal Carbon Pricing (ICP) involves placing an internal monetary value on carbon emissions, as if the organization were subject to an external carbon price or tax. It is a mechanism for companies to internalize the cost of carbon in their financial planning and decision-making in order to meet their Net Zero commitments. The main objective is to stimulate emission reductions and promote the adoption of low-carbon practices within the organization.

Specifically for CIMB Thai, the primary purpose of implementing an Internal Carbon Pricing (ICP) mechanism is to establish an internal budget pool. This pool is earmarked for anticipated expenditures associated with investments in energy-efficient equipment, Rooftop Solar installations, and Renewable Energy Certificates (RECs). The Bank shall set an internal price per ton of carbon emissions that has exceeded the annual emissions cap.

CIMB Thai uses Shadow Pricing, which is a prediction of future costs used to make investment decisions whereby pricing is determined using the Marginal Abatement Cost Curve (MACC) internally. The MACC serves as a graphical depiction of the emissions abatement potential linked to various mitigation options and their respective marginal abatement cost. Marginal abatement cost refers to the current value of the net cost associated with reducing one ton of carbon dioxide equivalent (CO₂e) throughout the operational lifetime of the alternative.

The Bank has planned for several mitigation options, including:

1. Energy efficient equipment, such as LED lighting
2. Rooftop Solar installations
3. Renewable Energy Certificates (REC)
4. Carbon Offsets

In 2023, the Bank’s Sustainability Team and the Finance Department has established our internal accounting mechanism so that the pricing per ton of CO₂e exceeding the annual target can be budgeted annually into the Bank’s expenditure pool, whereby the accumulated amount can be utilized for capital and operational expenditure related to the mitigation options. As the ICP is another pioneering project, setting-up of the ICP mechanism has to first meet the relevant accounting standards because it affects the budgeting and financial reporting of the Bank.

By 2024, the annual internal carbon price for CIMB Thai will be established after the Sustainability Team has finalized technical calculations covering emissions abatement potential, net present value of mitigation options and total cost of incorporating the mitigation options, by leveraging on financial and technical data from projects implemented in 2023.

Environmental Management Policy (EMP)

Beyond the 4 levers towards meeting Net Zero targets in alignment with the Group, CIMB Thai has also established and rolled-out our own Environmental Management Policy that extends the management of environmental parameters from energy and emissions, to water and waste as well.

An overall approach to the management of environment impacts is the Bank’s Environmental Management Policy. The policy is implemented in stages in accordance with the complexity of the business operations and the level of readiness within CIMB Thai, and the regulatory and business landscape where the Bank operates in. This policy applies to all Business Units, Business Enablers and all Entities including subsidiaries.

The policy covers the main articles below:

1. Energy Management and Consumption: To maintain and achieve optimum energy consumption throughout the Bank and to minimize energy costs and wastage while taking into account environmental and economic objectives, the Bank commits to conserving energy, using energy more efficiently, and opting for renewable energy sources. The Bank shall implement and develop proper energy management system with energy conservation designated as part of our operations in line with pertinent national or international legislation, standards, and/or agreements and communicating the same to staff for their awareness and implementation thereof.
2. Water Management: In response to the increasingly critical water shortages and water pollution worldwide, the Bank commits to water stewardship, which includes continuously improving water efficiency at our offices, consistently reducing water withdrawals, and ensuring environmentally friendly waste water treatment. The Bank commits to identify, monitor, and control our water-related effects, and it prescribes efficient water management strategies based on the 3Rs principle (Reduce, Reuse, Recycle). It also encourages collaboration and knowledge sharing on water management excellence.

3. **Waste Management:** The Bank is aware of our responsibility to manage the waste, including e-waste, associated with our operations, which may have an impact on society and the environment and commits to implement environmentally sound waste management, and to prevent and reduce waste through reuse and recycling initiatives towards various Sustainability goals and targets. The Bank is committed to minimize unnecessary waste generation by improve resource efficiency in our operations and ensure sustainable waste disposal method whereby waste disposal methods can include composting, reuse, recycling, recovery, and municipal incineration and landfill (which can be used for waste-to-energy projects).
4. **Green House Gas Management:** The methodology relating to GHG emissions shall be based on the "GHG Protocol Corporate Accounting and Reporting Standard" (GHG Protocol Corporate Standard) and the "GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard" (GHG Protocol Corporate Value Chain Standard). To achieve the net-zero target, the Bank shall manage our own environmental footprints with a wide range of initiatives and climate mitigation programs to reduce our GHG emissions. The Bank shall also engage with our external stakeholders, such as suppliers and customers, to address issues relating to GHG emissions and the reduction of negative impacts in this area.

The Bank in practice establishes base-years and short- to long-term targets, creates action plans, and uses environmental KPIs to measure whether it meets the relevant targets. Relevant metrics, deliverables, and achievements with regards to environmental and climate-related matters are periodically reported and disclosed to the Bank's governance bodies and also publicly, in accordance with the relevant regulations, standards, and frameworks.

Roles and responsibilities are also set out in this policy, comprising those of the Sustainability Team, the Procurement, Administration and Property Management Department, Management Committee, Board of Directors, and all Business Units and Business Enablers.

The Environmental Management Policy is reviewed and updated at least once in every two (2) years or as and when there are changes made to the policy to reflect current practices arising from changes in applicable laws, regulations, guidelines or changes as requested by the Board.

In 2023, CIMB Thai had continued to track our environmental management data. Additionally, we have tracked data in accordance with the 56-1 Structured Data requirements set forth by the Stock Exchange of Thailand.

Standards, methodologies, assumptions, and/or calculation tools used include the GHG Protocol Corporate Accounting and Reporting Standard and emissions factors released by the government agencies of Thailand and other international references. Emissions factors include:

1. Petrol (Vehicles): 0.002410 tCO₂e/liter
2. Petrol (Generator Sets): 0.002363 tCO₂e/liter
3. Diesel (Vehicles): 0.002679 tCO₂e/litre
4. Diesel (Generator Sets): 0.002647 tCO₂e/liter
5. Refrigerant (R410A): 1.923500 tCO₂e/liter
6. Refrigerant (R22): 1.760000 tCO₂e/liter
7. Water: 0.000177 tCO₂e/m³
8. Purchased Electricity: 0.499 tCO₂/MWh

EMP Metrics	2019	2020	2021	2022	2023
1 Diesel Consumption (Liters)	30,522.74	29,633.69	14,818.50	16,899.26	21,103.82
2 Petrol Consumption (Liters)	356,976.49	265,002.12	170,991.41	146,943.07	139,996.27
3 Electricity Consumption (kWh)	10,982,052.86	10,493,375.74	9,696,587.63	9,306,061.21	8,917,013.38
4 Water Consumption (m ³)	96,059.88	79,758.84	61,460.65	54,912.13	67,092.40
5 Scope 1 GHG Emissions (tCO ₂ e)	941.89	519.71	492.03	418.52	503.55
6 Scope 2 GHG Emissions (tCO ₂ e)	5,458.08	5,215.21	4,819.20	4,618.93	3,943.63

In 2023, the increase in diesel consumption was due to increased usage from transportation and generator sets. The amount of water has increased from the previous year due to the normalization of working practices post-COVID 19, whereby most employees already return to work physically hence driving up the volume of water and waste. The Bank's data on water consumption does not cover 21 branches that operate in shopping malls whereby water is consumed outside the branch outlets, but at water facilities that are provided in the common amenities such as the washrooms and cleaning areas of the malls.

However, there is a decrease in petrol consumption due to the transition of the Bank to Electric Vehicles (EV). Currently the Bank utilizes four EVs in the corporate headquarters that has replaced older internal combustion engine (ICE) vehicles. Additionally, the increase in behavioral change, energy efficient equipment (including the increase of LED lighting) has driven down the energy usage.

Scope 1 and 2 emissions have both decreased because of the decrease in total fuel consumption, and due to the drop in electricity consumption and purchase of RECs. In the context of the Bank, the scope 1 emissions reported does not include those relating to emissions from septic tanks because they are insignificant and to the Bank's operations as a financial institution as compared to processing or manufacturing plants and hence not applicable in our reporting. Currently the Group's policies and principles do not account for septic tanks, but the Bank will begin setting processes in the future to manage its impact.

Energy Type	Consumption	Unit	Consumption Unit To kWh Conversion Factor*	Total Energy In kWh
Diesel	21,103.82	Liter	10.61	223,911.52
Petrol	139,996.27	Liter	9.52	1,332,764.50
Purchased Electricity	8,888,843.38	kWh		8,888,843.38
Self-Generated Electricity from Rooftop Solar Installation	28,170.00	kWh		28,170.00
Total Energy Consumption				10,473,689.40

* Source: Energy and Carbon Conversions 2022 Update, Conversion Factors by Carbon Trust (2022)

As of 31 December 2023, our total energy consumption within the Bank is 10,473,689.40 kWh. Compared with total energy consumption in 2022 of 10,862,491.13 kWh, there is 3.6% reduction in 2023.

As of 31 December 2023, the electricity intensity viz-a-viz the total area of our premises is 150.81 kWh/m².

Total Electricity Consumption (kWh)	Total Area (m ²)	Electricity Intensity (kWh/m ²)
8,917,013.39	59,126.96	150.81

As of 31 December 2023, the Bank's direct Scope 1 GHG emissions is 503.55 tCO₂e.

Scope 1	GHG Emissions (tCO ₂ e)	2019 (Base-year)	2023	% Reduction from Base-year
Petrol	tCO ₂ e	860.18	337.34	-60.78%
Diesel	tCO ₂ e	81.71	56.40	-30.98%
Refrigerant Recharge (R-410A and R22)	tCO ₂ e	-	109.81	-
Total	tCO ₂ e	941.89	503.55	-46.54%

As of 31 December 2023, the Bank's total market-based energy indirect Scope 2 GHG emissions is 3,943.63 tCO₂e.

Scope 2	GHG Emissions (tCO ₂ e)	2019 (Base-year)	2023	% Reduction from Base-year
Location Based Method (8,888.84 MWh)	tCO ₂ e	-	4,443.54	-
Market Based Method (7,888.84 MWh after redeeming 1000 MWh REC)	tCO ₂ e	5,458.08	3,943.63	28%

As of 31 December 2023, the Bank's energy direct Scope1 and indirect Scope 2 GHG emissions is 4,447.18 tCO₂e.

Emissions	GHG Emissions (tCO ₂ e)	2019 (Base-year)	2023	% Reduction from Base-year
Total Scope 1	tCO ₂ e	941.89	503.55	47%
Total Scope 2 (After Reduction from REC)	tCO ₂ e	5,458.08	3,943.63	28%
Total	tCO ₂ e	6,399.97	4,447.18	31%

In 2023, the Bank has reduced a total of 31% of Scope 1 and Scope 2 emissions, surpassing the Bank's annual target of 26%.

In 2023, the Bank continues to improve its management of waste generated within the organization. Within the past few years, data collection on waste generated only relates to the disposal of paper in the bank's operations. As the next phase of complying with the Environmental Management Policy of the Bank, we have also in 2023 included the measurements of plastic waste, food waste and general waste in addition to only paper waste. The accumulated non-hazardous waste generated by the Bank as of 2023 is 328,130.34 kg. There are no hazardous waste generated or disposed within the operations of the Bank.

Biodiversity and Ecosystem Integrity

Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. In addition, natural ecosystems provide clean water and air, and contribute to food security and human health. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development.

Biodiversity, as a material topic of CIMB Thai, is being managed as an outcome of the Environmental Management Policy. Key areas such as water consumption and waste management, impacts biodiversity and ecosystems where the Bank operates in. Even though the Bank as a financial institution does not have explicit direct impacts on biodiversity and ecosystem integrity, we ensure that the Bank does not contribute to or is directly linked to negative impacts through our supply chain and business relations.

In terms of our supply chain, our Sustainability Policy and our Vendor Code of Conduct ensures that our business relations undergo due diligence so that environmental impacts in this area can be identified. The Bank avoids associating with any business relations who create negative impacts on biodiversity and ecosystem integrity in the latter's business operations.

Further, all of our branches and operational sites operational site owned, leased, or managed, are not in or adjacent to any protected areas and areas of high biodiversity value outside protected areas. For future expansion of the Bank's premises, we ensure that we do not own, lease or manage sites that are in or adjacent to these protected areas and areas of high biodiversity value.

In 2023, there were no significant impacts of activities, products and services on biodiversity.

Occupational Health and Safety

In CIMB Thai, we comply with Thailand's Occupational Safety, Health and Environment Act 2011. Further, we have established the Occupational Safety, Health and Environment Working Team to promote workplace safety in order to prevent accidents, injuries, illness, and unsafe conditions related to the Bank's business operations. The Bank had established our Occupational Safety and Health, and Workplace Environment Policy as a practical policy for employees. This policy is compliant with the requirements of the Ministry of Labour in Thailand that establishes standards for occupational safety, health, and environment management. In addition, occupational safety, health, and environment management has been established for each of CIMB Thai's buildings and branches.

Occupational health and safety committees are established at the senior management and staff levels for efficiency and to prevent any arising risks. All employees were provided training and working guidelines, along with evaluation processes that are qualitative, quantitative, proactive, and reactive.

The Bank's employees and workers are required to follow Work Regulations established by our Human Resources Department as well as Administration & Property Management (APM) Policies. The locations where these policies apply include premises and buildings of CIMB Thai and premises of CIMB Thai are either owned, leased, or rented for the purpose of conducting the business of CIMB Thai. Our policies set the requirement in managing and adhering to administration and property management functions relating to renovation projects, property and premises, telecommunication facilities, fleet, mailing, office equipment, office supply, offsite box storage services, and workplace facilities management.

The Bank's processes and procedures are implemented to ensure all employees identify work-related hazards and assess risks on a routine and non-routine basis. Roles and responsibilities are spread across three levels:

1. Safety, Occupational Health, and Working Environment Committee
 - a. Consider and propose policies and procedures on how to create safety in workplaces, also prevent and reduce any incident that might occur causing any accidents, illness, disturbing events toward The Bank performance.
 - b. Report and propose guidelines for improvement according to the law to ensure and promote a safe workplace for all employees and workers (including contractors and third parties)
 - c. Consider rules and manuals to ensure workplace safety
 - d. Survey and evaluate the result of implementations on a monthly basis
 - e. Consider and plan for providing safety training to all levels of employees
 - f. Create systems and guidelines
 - g. Follow up on policies and procedures proposed to the Board of Directors
 - h. Create and present annual reporting on workplace safety by identifying causes, challenges, and solutions to the Board of Directors
 - i. Manage and control any safety issues escalated to the Committee
2. Safety, Occupational Health, and Working Environment Management Level
 - a. Manage and ensure workplace safety standard and procedures are rolled out in each Business Unit and Business Enablers
 - b. Propose workplace safety projects to the management
 - c. Promote, support, and follow up on all workplace safety projects
 - d. Manage and supervise improvements on issues relating to workplace safety
3. Safety, Occupational Health, and Working Environment Supervisor level
 - a. Manage and supervise all subordinates in Business Units and Business Enablers to strictly follow workplace safety guidelines and manuals
 - b. Provide training to all employees on workplace safety
 - c. Monitor all working equipment on a daily basis before commencing operations
 - d. Report all incidents relating to any accidents, illnesses, and any other related events
 - e. Investigate the causes of accidents, illness, and any other related events and thereafter report any solutions to the Bank immediately
 - f. Promote and support activities that contributes to workplace safety
 - g. Manage and supervise for any improvements relating to workplace safety issues
 - h. Employees and workers can inform their supervisor immediately at the occurrence of any safety related event. The supervisor in each Business Unit and Business Enabler communicates with PAM directly, whereby the PAM will identify the type of hazard, and send the appropriate contractor to solve the issue.

- i. At the occurrence of any safety-related incidents, records will be kept on a daily basis, along with the cause of incidents, solutions, and how each case is solved. These records will be presented in the monthly report to the committee. Each case will be evaluated for improvement, in order to better manage similar incidents that will potentially occur in the future.

These 3 levels are formally participated and represented by employees and workers, ensuring that feedback and concerns toward any hazards are recognized and improved. The Occupational Safety and Health Administration (OSHA) unit of the Bank will be in-charge of the identification of hazards, assessment of risks, application of hierarchy of controls, investigation of incidents, audits, decision-making about the use of contractors and outsourcing, and also provide training to all employees and workers.

Further, air quality check and carbon dioxide detection, monthly test of fire extinguishing system, and work environment inspections, are carried out on a monthly basis to comply with the Occupational Safety, Health, and Working Environment Policy.

In compliance with fire safety requirements stipulated in the Occupational Safety, Health and Environment Act 2011, the Bank maintains our fire protection and prevention plan available at the facility for inspection. The Bank also conducts firefighting and evacuation drill at least once a year.

The Bank has a designated emergency response team and a director. The emergency response team receives training in fire prevention, use of fire equipment, first aid and emergency medical rescue. In 2023, The Bank also has at least 40% of employees who have received annual basic firefighting from the local firefighting authority or competent training organization.

Additionally, CIMB Thai views the promotion of health and wellbeing very seriously which includes occupational and non-occupational aspects of employee health and wellbeing. The Bank provides group medical insurance to all employees, which covers Out-patient Department (OPD) and In-patient Department (IPD) treatments, and annual health checks beyond the Labour Act requirements. All employees are given the benefit of taking 30 days non-occupational health leave when any employee is experiencing major non-occupational health risks.

As of 31 December 2023, there were no incidents of fatalities as a result of work-related injury, high-consequence work-related injuries, or recordable work-related injuries in the 5,473,691 hours worked, for all employees.

As of 31 December 2023, there were no incidents of fatalities as a result of work-related injury, high-consequence work-related injuries, or recordable work-related injuries in the 265,185 hours worked, for all workers who are not employees but whose work and/or workplace is controlled by the Bank.

As of 31 December 2023, there were no cases of fatalities as a result of work-related ill health or recordable work-related ill health, for all employees. There were also no such cases for all workers who are not employees but whose work and/or workplace is controlled by the Bank.



“ Driving Sustainable Development through Sustainable Finance ”

CIMB Thai has strengthened its Sustainability commitment by aligning to CIMB Group’s sustainable finance target of RM 100 billion by 2024 under the Group’s Green, Social, Sustainable Impact Products and Services (“GSSIPS”) Framework. At the same time, CIMB Thai in alignment with the Group has set its first round of 2030 climate targets for four business sectors -thermal coal mining, cement, power and palm oil, in alignment with globally recognized 1.5°C climate scenarios.

Our overarching objective is to conscientiously generate profits while concurrently fostering positive impacts through our suite of products and services. Our unwavering commitment extends beyond merely managing the environmental and social ramifications stemming from our internal business operations; we are equally dedicated to examining and promoting responsible conduct within the operations of our customers and the ongoing transitions pathways within different industry sectors. Aligning with the UNEP FI Principles for Responsible Banking (PRB), the focus of our endeavors lies with our Business Units and our customers.

As a sustainable and responsible Bank, we acknowledge our profound accountability for the business activities we facilitate and support through our financial services. On one hand, we manage Sustainability risks that relate to whether our downstream activities cause, contribute to or are directly linked to negative environmental and social impacts. On the other hand, we proactively pursue opportunities for Sustainable Development in the private and public sectors through our Green, Social, Sustainable Impact Products and Services (GSSIPS) offerings. Further, the Bank's Sustainability Team along with the Business Units provided value-added advisory services to our customers to align with international sustainable finance standards and green taxonomies.

Key Highlights: Sustainable Business in 2023

1. CIMB Thai's first Sustainability-Linked Loan - Thailand's foremost integrated lifestyle real estate group has partnered with the Bank to formalize a Sustainability-Linked Loan amounting to THB 3,000 million, underscoring our shared dedication to conducting business in accordance with sustainable development principles.
2. CIMB Thai issued our inaugural Sustainability Bond Framework. The Framework defines use-of-proceeds applied towards financing and refinancing Green, Social, and Sustainability projects. The framework meets the criteria established in international Principles and local Taxonomy, as confirmed in Second Party Opinion (SPO) provider DNV Business Assurance Australia Pty Ltd.
3. The Bank has established our Sustainable Finance Framework that provides information to stakeholders including customers, investors, regulators, and others on how the Bank implements sustainable financing within the Group and provides insights into how we manage risk and maximize opportunities for sustainable finance in our business.
4. The Bank has instituted our internal Low-Income Threshold, set at THB 20,000 per month, as a screening criterion for financing or capital raising within the Social dimension of the Bank's GSSIPS Framework. Social financing is dedicated to individuals with a monthly income below this threshold, as well as to Financial Institutions and businesses whose use-of-proceeds are specifically intended to support this segment of the community in Thailand.
5. The Bank has provided a THB 1,500 million loan to one of Thailand's financial institution in the microcredit sector. The clients of this financial institution are self-employed microentrepreneurs who have poor, thin, or no credit history-but require financial support for economic activities

6. The Bank successfully completed our Scope 3 Financed Emission calculations in accordance with the GHG Protocol and Partnership for Carbon Accounting Financials (PCAF). As a pilot year, the Bank has covered Financed Emissions of full FY2022 portfolio covering the following asset classes:
 - a. Corporate Bonds and Listed Equity
 - b. Business Loans and Unlisted Equity
 - c. Commercial Real Estate
 - d. Mortgages
 - e. Motor Vehicle Loans
7. CIMB Thai successfully rolled out the BOT's Thailand Taxonomy Phase 1. The Thailand Taxonomy's requirements have been integrated into the Bank's Sustainable Finance Framework and Sustainable Bond Framework, to ensure all Green Loans and Green Bonds for the energy and transportation sector can be classified appropriately in according to the Taxonomy's Technical Screening Criteria (TSC).

Our Material Topics in Sustainable Business

Ranking in Overall 13 Material Topics	Sustainability Topics	Performance Ratings in 2023 (5 being highest)
1	Sustainable and Responsible Finance	3.88
2	Cybersecurity and data privacy	4.03
5	Digitalization and innovation	3.88
9	Financial inclusion and literacy	3.91
10	Customer experience	3.99

CIMB Thai's performance in our top material topic - Sustainable and Responsible Finance, scoring 3.88 out of 5, highlights the Bank's continual commitment in creating positive impacts as a financial institution. Bolstered by a dedicated internal Sustainability Team that actively advises Business Units, the Bank engages in tailored consultations with clients, ensuring a comprehensive and customized approach to Sustainability. The Bank has policies and procedures that includes diligent due diligence practices to mitigate any negative environmental or societal impacts arising from our financing and capital raising activities.

The Bank's well-structured GSSIPS Framework along with our commitments towards "Just Transition" and "No Deforestation, No Peat, and No Exploitation" (NDPE), provides clear guidance for integrating sustainability principles across the Bank's business offerings. Additionally, CIMB Thai actively collaborates with regulatory authorities such as the Bank of Thailand (BOT), demonstrating a proactive engagement strategy that extends to both internal and external stakeholders. There remains much room for improvement in terms of expanding the Bank's offerings in products and services to holistically support the sustainable finance needs of the market.

CIMB Thai Sustainable Financing Framework

In strengthening Sustainability as a key strategic theme of the Bank, CIMB Thai had in 2023 established our Sustainable Finance Framework. The Bank’s Sustainable Finance Framework provides information to stakeholders including customers, investors, regulators, and others on how CIMB Thai implements sustainable financing within the Bank and provides insights into how we manage risk and maximize opportunities for sustainable finance in our business.

In particular, it aims to provide details on how CIMB Thai encourages customers to improve Sustainability while managing the risks arising from our client relationships. This framework was developed to be in line with the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB).

CIMB Thai, as a member of the CIMB Group, is also part of the Net-Zero Banking Alliance (NZBA) within the Glasgow Financial Alliance for Net Zero. Committed to Sustainability, CIMB Thai aims to attain overall Net Zero GHG by 2050 encompassing scope 3 Financed Emissions, which can only be achieved by managing the Bank’s portfolio.

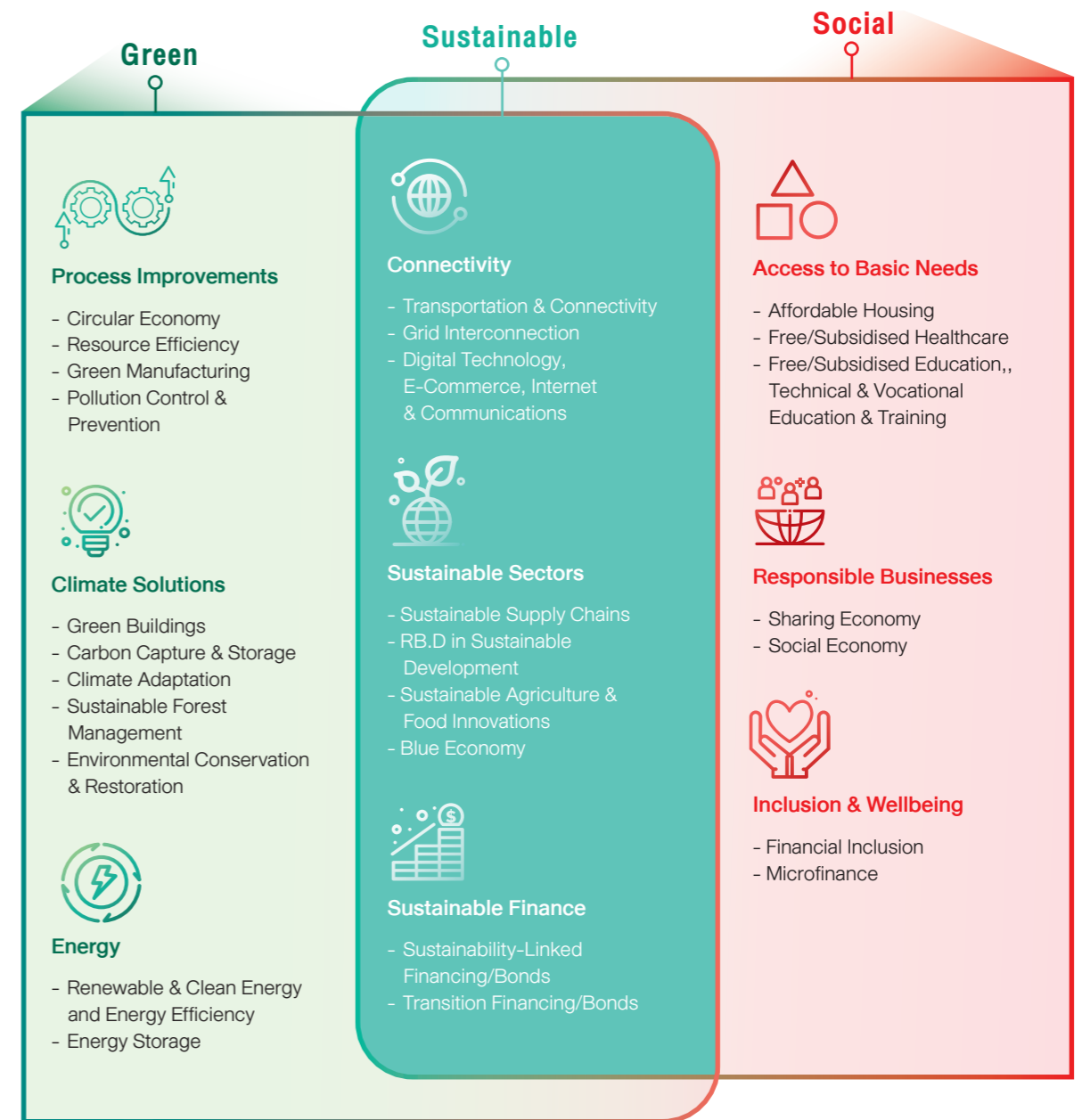
The Bank’s Sustainable Finance goals are aligned with Thailand’s Nationally Determined Contributions (NDCs) and the 1.5° scenario outlined in the Paris Climate Agreement, reflecting CIMB Thai’s dedication to addressing climate change on a global scale.

CIMB Thai’s Sustainable Finance objectives extend beyond climate action, encompassing a comprehensive alignment with seven priority United Nations Sustainable Development Goals (SDGs). These priorities reflect the Bank’s commitment to broader societal and environmental impacts:

1. SDG 8: Decent Work and Economic Growth
2. SDG 9: Industry, Innovation & Infrastructure
3. SDG 10: Reduced Inequalities
4. SDG 12: Responsible Consumption & Production
5. SDG 13: Climate Action
6. SDG 15: Life on Land
7. SDG 16: Peace, Justice & Strong Institutions

By addressing these SDGs, CIMB Thai aims to contribute meaningfully to social progress, economic development, environmental sustainability, and the overall well-being of communities. This holistic approach underscores the Bank’s commitment to sustainable and responsible banking.

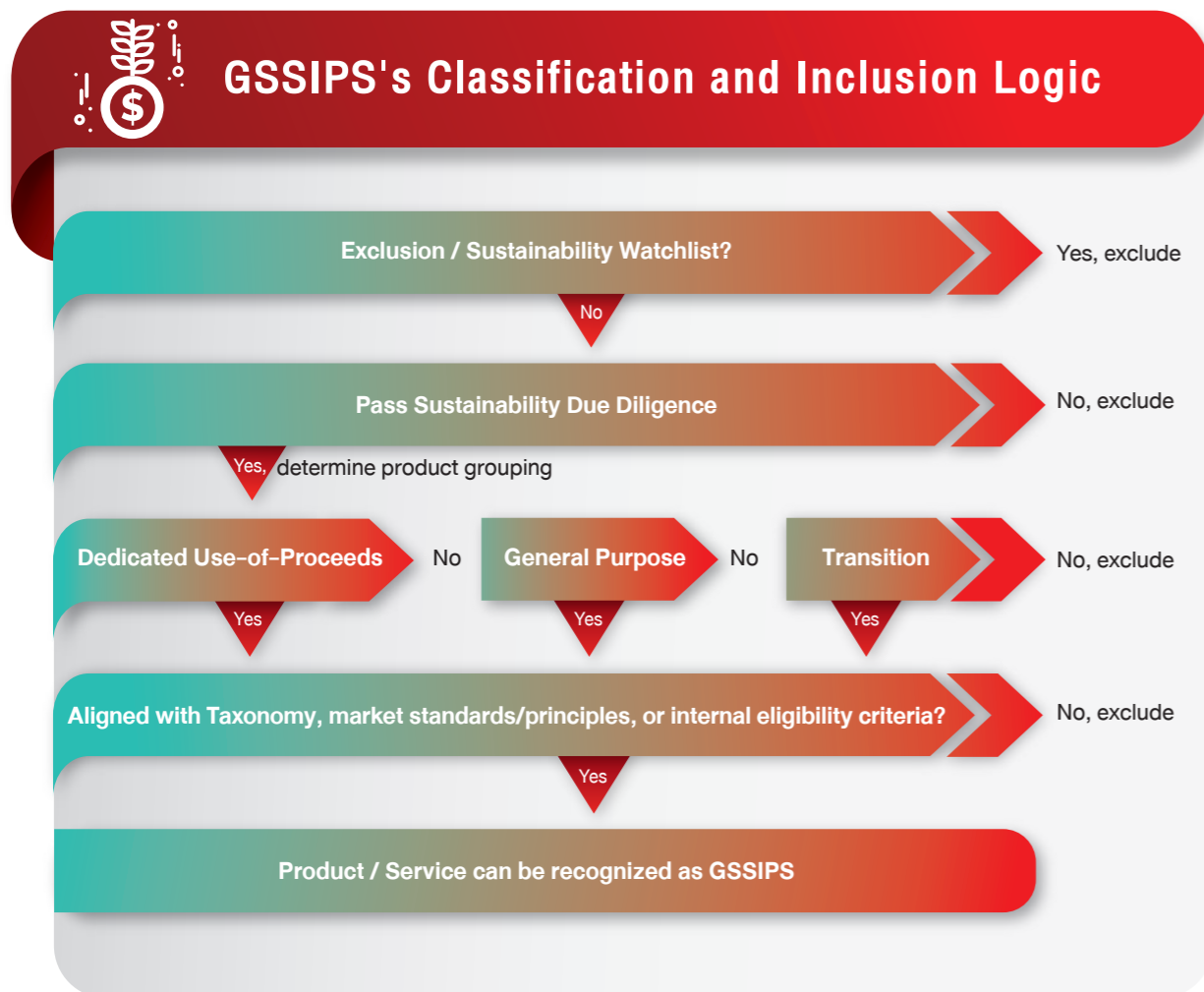
The Green, Social, Sustainable Impact Products and Services (GSSIPS) Framework and Guiding Principles guides the development of products and services that deliver positive impacts. On the other hand, our main governing policy is the Sustainable Financing Policy (SFP) to manage financing risks, and minimize harm that is caused by, contributed by, and indirectly linked-to the Bank.



CIMB Thai's Business Units and the Sustainability Team have been actively pursuing sustainable business opportunities in the space of lending, capital raising, advisory, and treasury and markets, among others. Beyond traditional green deals such as those for renewable energy, the Business Units hold active discussions with corporate customers from various industries to proactively identify opportunities and help customers transition to a low carbon and socially responsible business model.

Implementing CIMB Thai's GSSIPS Framework

The GSSIPS Framework provides a guide and an internal taxonomy for the Bank to deliver impactful sustainable finance. The Bank's GSSIPS related products and services conforms to global standards and principles. Frameworks and principles established by the International Capital Markets Association (ICMA), the Loan Markets Association (LMA) and Loan Syndications & Trading Association (LSTA) forms the foundation of how we design, promote and provide sustainable finance to our customers. In order to avoid green washing, the Bank has developed the GSSIPS tool in order to ensure that we recognize the deal that are qualified as "GSSIPS".



With GSSIPS as the core and foundation of CIMB Thai's Sustainable Finance, the Bank aligns strictly with internationally recognized principles and frameworks in order to meet maintain the quality of financing and investment. These are separated into dedicated use-of-proceeds financing and capital raising whereby funds cater specifically to activities that meet specific environmental or social objectives, and general financing or capital raising that incentivize customers when they meet specific Sustainability-related key performance indicators.

Green Loans and Green Bonds are financial instruments designed to fund environmentally sustainable projects. The principles governing their issuance focus on ensuring transparency, accountability, and a clear environmental impact. Here are the key components:

1. Use of Proceeds: Clearly define and disclose the eligible Green Projects that the loan or bond proceeds will finance. All designated eligible Green Projects should which contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.
2. Process for Project Evaluation and Selection: The environmental sustainability objectives of the eligible Green Projects, the process by which the issuer determines how the projects fit within the eligible Green Projects categories, and Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).
3. Management of Proceeds: Implement systems to track and manage the use of loan or bond proceeds, ensuring they are directed exclusively towards green projects. Establish mechanisms for reporting on the allocation of funds to enhance transparency.
4. Reporting: Develop regular and standardized reporting on the environmental impact of the financed projects. Encourage the disclosure of relevant key performance indicators (KPIs) to evaluate the success of the green initiatives.

GSSIPS Eligibility Guiding Principles include:

1. Recognition framework and classification logic benchmarked against market best practice. Where available, the most up-to-date industry guidelines, principles and any accompanying guidance documents are to be taken as a first point of reference.
2. No double counting. We only count a product's contribution to green, social, or sustainable impact once, even if it is included in multiple products. For example, where we accept funds such as Sustainable Term Investment Account-i, which are channeled towards SME financing given out by the Bank, we only count the achievement once, at the point of financing.
3. Priority towards direct end impact. We prioritize measuring our achievements based on the direct end positive impact whenever possible.
4. Regular review of recognition framework, classification logic. We regularly review our approach to classifying GSSIPS to ensure alignment with the latest market standards. This is necessary because there are currently no standardized regulations for sustainable finance reporting, and there is an increasing risk of greenwashing due to rapid market developments.

Financing Climate Action: Implementing the new Thailand Taxonomy

A taxonomy, or "green taxonomy", is a classification system of economic activities deemed as environmentally-sustainable.

Establishing a dedicated green finance taxonomy is crucial for enhancing the effectiveness of the sustainable finance sector, recognizing the pivotal role of both private and public finance in addressing climate challenges. This taxonomy provides a standardized framework for classifying economic activities, enabling stakeholders to access investment information and facilitate green financing mobilization. It aids market participants, regulators, and policymakers in comprehending risk management, fostering investments aligned with robust Sustainability goals. The transparency achieved through taxonomies not only guides financial market priorities but also provides governments with a strategic tool to direct capital flows toward measurable environmental, social, and governance (ESG) benefits and net-zero emission targets.

The Thailand Taxonomy is crafted based on the country's policy, priorities, and environmental context. The chosen objectives significantly influence the taxonomy's sectoral composition, ensuring that each activity contributes to achieving at least one defined objective. This strategic approach tailors the taxonomy to the specific needs and goals of the country, reflecting our unique policy landscape and environmental challenges.

Key points of the guiding principles for the Thailand Taxonomy:

1. **Science-Based:** The taxonomy relies on scientific findings and recommendations, ensuring a foundation rooted in credible and science-based research.
2. **Paris Agreement Targets:** Aligned with the Paris Agreement, the taxonomy aims to achieve the agreement's targets, particularly limiting global warming to 2°C and ideally 1.5°C compared to pre-industrial levels.
3. **Technologically Neutral:** The taxonomy adopts a technologically neutral stance, allowing for the use of any technology that advances the country or activity toward our mitigation target and aligns with established green or amber criteria.
4. **Regularly Revised:** The taxonomy is a dynamic framework subject to regular updates, reflecting advancements in climate science and technology. This ensures our continued relevance and effectiveness in addressing evolving environmental.

The Bank of Thailand released the Thailand Taxonomy Phase I on 30 June 2023 which focuses on the economic activities relating to the energy and transportation sectors, which contribute to the highest proportion of carbon emissions.

CIMB Thai's Sustainability Team has actively contributed to the development and implementation of the Thailand Taxonomy. As a member of the working team, they participated in various technical meetings with the BOT and TBA until our launch in June 2023. Following the Taxonomy's introduction, the team conducted training sessions for various departments, including Corporate Banking, Investment Banking, and Treasury and Markets.

In tandem with training efforts, CIMB Thai's commitment extends to enhancing their Green, Social, Sustainable Impact Products and Services (GSSIPS) tool to seamlessly incorporate Taxonomy requirements. The updated tool now includes a comprehensive questionnaire and checklist covering Taxonomy specifications, thresholds, Do No Significant Harm criteria, and Minimum Social Safeguards. This integration ensures a thorough evaluation of economic activities, classifying them as either "Green" or "Transition," aligning with the specifications of the Thailand Taxonomy. This proactive approach underscores CIMB Thai's dedication to integrating Sustainability principles into their operational processes and aligning with national environmental standards.

Moving towards Financial Inclusion: Low-Income Threshold for Social Products and Services

CIMB Thai has instituted a monthly income threshold of THB 20,000 for individuals, to determine whether products and services provided to meet Social objectives can be qualified as GSSIPS. This criterion acts as a guide to target a specific demographic requiring financial assistance. The decision to establish this threshold stems from the absence of an official low-income benchmark in Thailand.

To establish the low-income threshold in Thailand, the Bank took the approach of weighing between household and individual income. Various indicators including GDP per capita in Thailand, National Statistical Office Average income per household, and the B40 grouping set by the Department of Housing Development were used.

1. **GDP per capita in Thailand (2022):** According to the Thai Economic Performance in Q1 of 2023 and the Outlook for 2023 Report released by the Office of the National Economic and Social Development Council (NESDC), GDP per capita in Thailand for 2022 is THB 248,677.20 which converts to THB 20,723.10 per month.
2. **NSO average income per household (2021):** According to the National Statistical Office (NSO) data from the 2021 Household Socio-Economic Survey, the average income per household in Thailand is THB 27,352 per month. Setting the low-income threshold at THB 20,000 accommodates households with incomes significantly below the national average, effectively targeting those in need of support.
3. **B40 (Bottom 40%) set by Department of Housing Development, National Housing Authority (2021):** The Bottom 40 of monthly income per household, as defined by the Department of Housing Development, National Housing Authority for the year 2021, is THB 19,400, rounded up to THB 20,000.

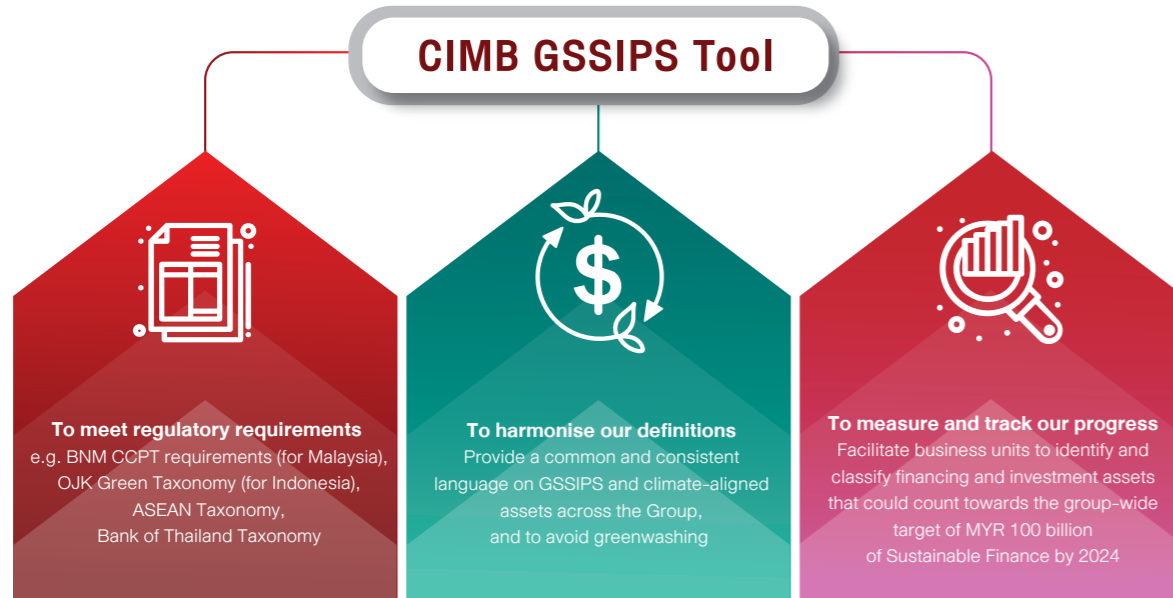
After a comprehensive analysis of data from these sources, the Sustainability Team has concluded that setting the official low-income threshold for individuals at THB 20,000 monthly, is appropriate and sufficient for identifying individuals to be included into financial inclusion programs and Social financing within the GSSIPS Framework of the Bank. This official threshold has been approved by the Management Committee and been acknowledged by the Board of Directors.

GSSIPS Tool

CIMB Thai is committed to actively avoiding any greenwashing in our business activities and in the provision of financial products and services to our customers. In this regard, the Bank aligns with the CIMB Group in the development and implementation of our internal tool for sustainable finance – the GSSIPS Tool.

The GSSIPS tool is designed to provide a common and consistent language on financing and investment assets that are considered in line with various central banks in countries that the Group operates in, and CIMB Group's own GSSIPS Framework. Meant for Group-wide application, the GSSIPS Tool is a living document that is regularly reviewed and expanded to cater to multiple taxonomies such as the Bank Negara Malaysia Climate Change and Principle-based Taxonomy (BNM CCPT), the Indonesian Green Taxonomy by Otoritas Jasa Keuangan, the ASEAN Taxonomy and, and the Thailand Taxonomy of the Bank of Thailand.

With the GSSIPS tool, frontliners in the Business Units could enter all the parameters relating the loan, bond or other financial products and services, and thereafter clearly demonstrate through the built-in eligibility logics whether the said deal under evaluation could be classified as a GSSIPS deal.



In 2022, the Sustainability Team had rolled out the GSSIPS Tool with our Business Units. The CIMB Thai GSSIPS Tool comprises GSSIPS Eligibility Criteria that are based on the Thai sector codes of assets and activities. The GSSIPS Tool includes assessments such as whether the facility is for green, social, Sustainability, Sustainability-linked or transition financing, the total revenue of the customer in the GSSIPS focus areas, and whether the use of proceeds of the facility is for any GSSIPS focus area.

In 2023, upon the launching of the BOT Thai Taxonomy, the Bank's GSSIPS tool was updated to reflect the criteria dictated in the Taxonomy. Since the Thai Taxonomy was at Phase 1 covering only Energy and Transportation sectors, updates to the GSSIPS Tool was only implemented on these two sectors with regards to Green Projects.

Nevertheless, since the Thai Taxonomy operates on strict science-based technical screening criteria rather than on a principles-based approach, a CIMB Thai Taxonomy tool has been under development concurrently. With references to technical screening criteria along with Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS), a clear "green", "amber", and "red" classification can be determined.

CIMB Thai's GSSIPS Achievements in 2023

As of 31 December 2023, CIMB Thai has achieved the following results in terms of Sustainable Finance aligned with the Bank's GSSIPS Framework:

1. Corporate Banking: Approved Green Loan and Sustainability-Linked Loan for a total of THB 3,050,000,000
2. Financial Institution: Approved Social Loan to social-financing company for a total of THB 1,500,000,000
3. Debt Capital Market under Investment Banking: Issuance of Green Bond at a total amount THB 2,159,830,000 as Joint Lead Arranger
4. Treasury and Markets: Sales and investment in ESG products at a total amount THB 27,784,317,778.54
5. Consumer Banking: 2 wheeler and 4 wheeler financing to low-income group, i.e. those below CIMB Thai's Low-income Threshold, at a total amount THB 6,808,749,450
6. Consumer Banking: Inclusive Home Loan for LGBTQ+ at a total amount THB 113,140,789

7. Consumer Banking: ESG Theme Fund at a total amount THB 3,186,858,245
8. CIMB Thai facilitated the sale of the Thailand ESG (TESG) funds through our branches and the CIMBT application, with a total transaction amounting to THB 6,322,000, comprising of THB 5,890,000 through branches and THB 432,000 through CIMBT mobile application.

CIMB Thai had provided corporate customers with 2 Green Loans in 2022, and one in 2023. These loans are dedicated to supporting wind farm and solar projects, reflecting the increasing demand for funding to drive the transition towards decarbonizing the economy. We foresee numerous opportunities for similar Green and Sustainability Loans in the coming years, and has plans to step up the provision of Green Loans in accordance with the Thailand Taxonomy.

In 2023, the Bank approved a THB 1,500,000,000 medium-term loan for a non-Bank financial service provider specializing in microfinancing for low-income individuals. This loan aims to promote financial inclusivity by offering reasonable interest rates to a customer base often underserved by traditional financial institutions.

The Bank issued its inaugural Sustainability-Linked Loan (SLL) in 2023. The THB 3,000,000 SLL was signed with one of Thailand's leading integrated lifestyle real estate group. The customer will use the loan to support its operations for environmental sustainability, in line with Sustainability Performance Targets (SPTs) aiming to conduct a sustainable operations by reducing greenhouse-gas emissions and adhering to the standards outlined in the MSCI ESG Rating,

In 2023, the Bank's Debt Capital Market participated in the issuance of Green Bonds for our Investment Banking customer as a joint underwriter. The Green Bond issuances totaling the amount of THB 9,866 million (total underwritten amount combined with other Lead Arrangers) is in accordance with the ICMA's Green Bond Principles, whereby the use of proceeds include:

- ▶ Wind Power Project
- ▶ Solar Power Project
- ▶ Electric Vehicle
- ▶ Battery Locomotive and Powercar
- ▶ Electric Charging Stations
- ▶ Hire-Purchase E-Bus
- ▶ Lithium-Ion Battery
- ▶ Energy Storage System (ESS)

The New CIMB Group RM100 billion Target.

As the CIMB Group continues to position the Group as a formidable force in sustainable finance, it has continued to set ambitious targets. These targets are collectively met by all entities within the Group including CIMB Thai, by consolidating eligible GSSIPS deals into the Group's GSSIPS performance.

- In 2021, the Group committed to mobilizing RM 30 billion towards sustainable finance by 2024.
- In 2022, the Group strengthened our Sustainability commitment by doubling our sustainable finance target to RM 60 billion by 2024 as the Group has already mobilised our earlier announced target of RM 30 billion two years ahead of plan.

- In 2023, the Group again strengthened our Sustainability commitment by raising our sustainable finance target to RM 100 billion (THB 770 billion) by 2024 having already achieved our increased RM 60 billion target announced in 2022 ahead of plan.

In 2023, CIMB Thai had taken another leap forward in contributing to the Group-wide Sustainable Finance Target. 2023 contributions to RM 100 billion (THB 770 billion) target include:

- ▶ Corporate Banking THB 3,050.00 million equivalent to RM 408.2 million – Green and Sustainability-linked
- ▶ Investment Banking THB 2,159.83 million equivalent to RM 289.1 million – Green
- ▶ Financial Institutions THB 1,500.00 million equivalent to RM 200.8 million – Social
- ▶ Consumer Banking THB 8,358.59 million equivalent to RM 1,118.77 million – Social and Sustainability

Accumulated contribution to RM 100 billion Target, since 2021:

- ▶ Corporate Banking RM 783.4 million – Green and Sustainability-linked
- ▶ Investment Banking RM 1,013.3 million – Green and Sustainability-linked
- ▶ Financial Institutions RM 200.8 million – Social
- ▶ Consumer Banking RM 1,895.99 million – Social and Sustainability

Sustainable and Responsible Banking

As part of being a sustainable and responsible Bank, CIMB Thai recognizes the Bank's accountability for the activities that we enable through our financial services, and the influential role that we can play in requiring or encouraging our customers to limit their adverse environmental and social impacts.

CIMB Thai's Sustainable Financing Policy (SFP) lays out our commitment and approach when identifying, assessing, managing and mitigating risks arising from financing and capital raising activities of our non-individual customers. This is especially vital in sectors that are most exposed to environmental and social risks, and those with activities that have significant potential adverse impacts on the environment and society. The SFP takes a risk-based approach to evaluate our customers' Sustainability risks arising from the nature of their business activities, geographical location, and supply chain. These risks could result in impacts to our customers or their stakeholders, which in turn contributes to the risks of financial impacts on the Bank.

The SFP has been continually updated and improved on its usability. The SFP has been rolled out throughout all the Business Units, whereby this policy applies to:

1. Non-individual borrowing customers with any type of loan/ financing (such as but not limited to term loans, working capital loans, syndicated loans, merger or acquisition financing, leveraged financing, etc.); and
2. Customers who engage with CIMB Thai for capital raising through IPOs and bond issuances, including where CIMB Thai serves as principal adviser, lead arranger, lead manager, bookrunner, primary subscriber, or provides financing or underwriting for secondary issuances.

The SFP sets minimum expectations on customers' Sustainability performance and risk management. The Bank also encourages customers to make Sustainability Commitments beyond the minimum expectations to improve their Sustainability performance.

This policy sets out the Bank's approach and minimum requirements for managing Sustainability Risk as defined in the Sustainability Policy, in our financing and capital raising and is to be read in conjunction with:

1. CIMB Thai's Sustainability Policy
2. CIMB Thai's High Sustainability Risk Sector Guide (which includes CIMB Thai's High Sustainability Risk Sector List)

The Bank will not conduct business with customers or potential customers who are engaged in activities that are listed in our Exclusion List as listed in the Sustainability Policy, which includes activities listed under Prohibited Credits, unless they are classified as Not Permissible Credit or Permitted Exemptions.

In addition to the Exclusion List, CIMB Thai's Sustainability Team maintains a Watchlist of companies, comprising of customers or potential customers who have been identified to have unacceptable Sustainability Risk levels, or who have been "Watchlisted" as a result of repeatedly not complying with their committed Sustainability Action Plans and Conditions attached to their previous or existing facility.

This policy details a holistic approach to due diligence and risk assessment in relation to Sustainability when it comes to onboarding new customers or renewing any facilities. It has become the responsibility of all parties involved in the credit and deal approval process to identify and assess high potential Sustainability risks in the customers, to the best of their ability. Checks and processes include but are not limited to:

1. Understanding our customers' business, industry, management and reputation, and their adherence to laws and regulations, while carrying out the necessary consultation with Sustainability subject matter experts and teams focused on customer screening and on-boarding.
2. Assessment of the customers' Sustainability performance and risks, by evaluating the customer's commitment, capacity and track record in managing environmental and social issues, guided by considerations including:
 - a. Use of proceeds: Whether the financing or capital raising will enable activities that result in significant environmental or social risk, including climate change.
 - b. Physical and transition risk arising from climate change: Business activities that may be impacted by climate change leading to business disruption and/or negative financial impacts in the future.
3. Assessment of reputational risk: Headline Sustainability issues and controversies highlighted in national and/or international media, with regard to alleged issues such as illegality of operations, imminent risk to life and other major controversies.

These checks and processes are encapsulated in the SFP's Sustainability Due Diligence procedures which comprises two levels, consistent with the Bank's Sustainability Policy. The Sustainability Due Diligence process is required to be completed prior to final credit approval for new or existing clients seeking new or additional financing facilities including renewal of uncommitted facilities, and prior to final credit approval for review of committed financing facilities.

The first level of assessment is done through Basic Sustainability Due Diligence performed by the frontlines of our Business Units, i.e. the Relationship Managers (RM) and Credit Analysts (CA) that manages our non-individual customers. An Enhanced Sustainability Due Diligence would be performed by the Sustainability Team if there are any issues raised in the Basic Sustainability Due Diligence process.

The purpose of the Enhanced Sustainability Due Diligence process is to ensure that there is a robust check on environmental and social issues and to flag material issues that could be a risk to both the customer and the Bank. At the same time, a controversy check is performed to ensure that material environmental and social issues which had surfaced within the last 3 years are identified for further deliberation. At the end of the process, the Sustainability Team will provide our recommendation as to whether to proceed with this customer at that current point in time, based on the outcome of the various checks and deliberations.

The recently updated SFP was approved by the Board and rolled out to Business Units in 2023. Significant enhancements include:

1. Upholding “Just Transition”:

The Bank considers negative financial impact while upholding “Just Transition” into Sustainability risk assessment for financing consideration.

“Just Transition” refers to the transformation of the economy towards Sustainability in a manner that is equitable and inclusive for all stakeholders, ensuring the creation of quality job opportunities and preventing any groups from being marginalized. This approach aims to optimize the social and economic benefits of climate action while prudently addressing and mitigating challenges. This involves fostering effective social dialogue among all affected groups and upholding fundamental labor principles and rights, ensuring a balanced and fair transition to a greener economy that leaves no one behind.

2. Managing Human Rights Risks

The Bank evaluates clients’ Human Rights risk in the Sustainability risk assessment for financing. This is to ensure that the Bank supports companies with adequate safeguards to uphold and respect fundamental Human Rights. Human Rights risks encompass violations such as human trafficking, modern slavery, forced or debt-bonded labor, child labor, poor working conditions, and forced or involuntary displacement of communities.

3. Identifying and Managing Trigger Events:

CIMB Thai incorporates trigger events into the Sustainable Financing Procedure, capturing environmental and social risks occurring between annual due diligence cycles. Trigger events include material adverse incidents or events related to environmental and social risks raised by regulators, news and media, Non-Governmental Organizations, and recognized sustainability information providers.

As a part of the Bank’s lines of defense, the frontliners, Sustainability Team and Risk Team remains vigilant to capture and report these trigger events. In the case any trigger event is reported by the frontliners or Risk Teams, or raised by the Sustainability Team itself, the Enhanced Sustainability Due Diligence process will be launched by the Sustainability Team without waiting for the renewal cycle of the customer.

4. Updating Sustainability Due Diligence in the SFP

In 2023, the updated Basic Sustainability Due Diligence (BSDD) form now includes questions related to Human Rights, particularly whether clients have reached the low-wage worker and migrant threshold (20% of total workforces). If affirmative, the client must demonstrate the presence of a Human Rights Policy, Human Rights Due Diligence, and a grievance mechanism to determine whether the client has tools to mitigate the Human Rights.

The Bank has consolidated the High Sustainability Risk Sector Guide requirements into a unified BSDD form, enabling the capture of all clients listed under High Sustainability Risk Sector List. This increases the ease of monitoring the onboarding and renewal of companies in the High Sustainability Risk Sectors List, and prevent any inadvertent oversight.

In 2023, the Enhanced Sustainability Due Diligence (ESDD) process has also been updated to assess environmental and social risks more comprehensively. Risk scoring of “low”, “medium” and “high” are rated internally by the Sustainability Team on 24 items covering areas below, based on public disclosures:

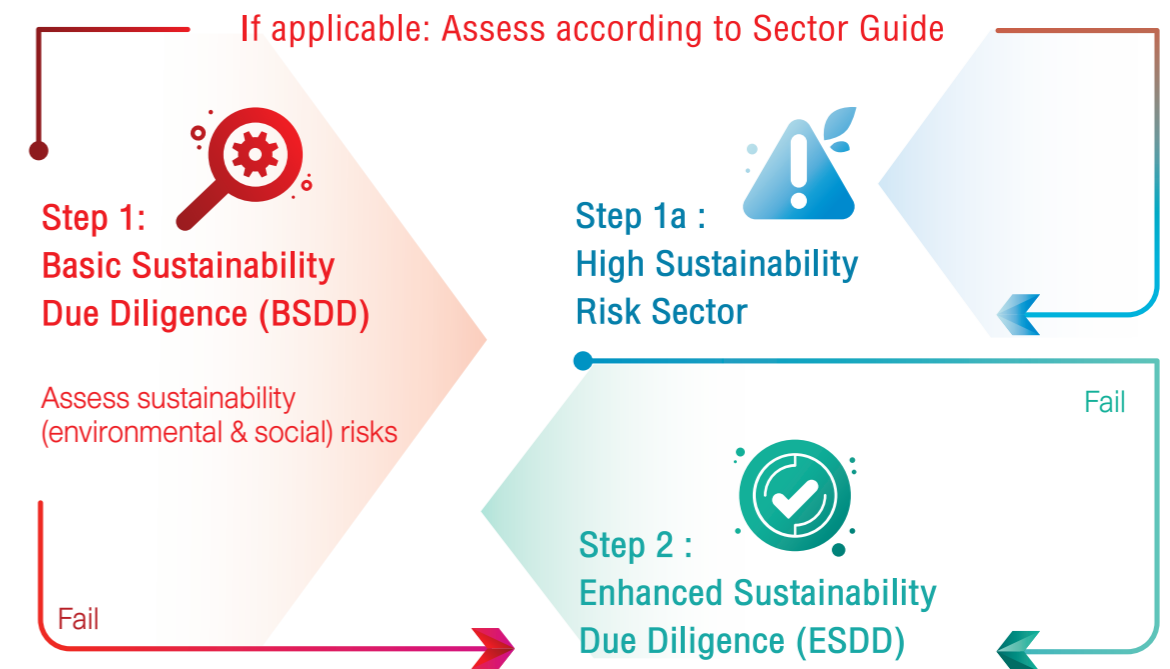
1. Environmental – Climate Change, Natural Capital, Resource Security, Healthy Ecosystems, Biodiversity, and Habitat Health

2. Social – Labour, Public and Local Communities
3. Governance – Overall Governance of the Company

Upon full completion of the ESDD process, the Sustainability Team informs the Business Unit on the recommendation to proceed, not to proceed, or proceed with action plans. Action Plans in the context of ESDD means that the customer would have to commit to remedial or corrective measures on their negative impacts, whereby the customer would have to provide updates on their actions periodically. This is to ensure that both the Bank and the customer does not “turn a blind eye” to any negative impacts. For cases that are beyond remediation or if the scale and scope of the negative impacts is deemed to be too severe, the Sustainability Team will inform the Business Unit that this customer is “not recommended”. The heart of the due diligence process is to ultimately mitigate and avoid risks from onboarding adverse

In the absence of any transparent ESG disclosure by the customer, whether directly to CIMB Thai or publicly, the specific area will be marked as “medium” to “high” risk. However, this assessment would not influence the customer’s credit consideration, but would be a reference for the BU and Sustainability Team to continue engaging the customer on enhancing ESG best practices as we continue the business relationship.

Steps Involved



In addition to the Basic and Enhanced Due Diligence processes, the Bank has also implemented our High Sustainability Risk Sector Guidance for seven sectors, comprising: Palm Oil, Forestry, Oil & Gas, Construction & Infrastructure, Coal, Mining & Quarrying, and Manufacturing.

When evaluating whether any customers fall into these 7 sectors, the Bank cross-checks the customer’s business activity with the Bank’s internal sector codes that are aligned with Bank of Thailand’s International Standard of Industrial Classification (ISIC) codes. Customers who fall into the list of High Risk Sectors are required to undergo further assessment based on the sector guidance. Different sectors require different approaches to mitigate its ESG risks, therefore Bank’s High Sustainability Risk Sector Guide does not use a “one-size-fits-all” approach but instead list out prohibitions, expectations and encouragements of best practices based on the respective sector.

- ▶ **Prohibitions** – The Bank will not proceed further with any customer or potential customer who engages in activities listed in this section. For example, CIMB Thai prohibits any forms of asset-level or general corporate financing including project financing and capital raising that are specified as being for greenfield thermal coal mines and/ or greenfield coal-fired power plant projects, as well as expansions and Mountain Top Removal (MTR) mining, in any locations.
- ▶ **Expectations** – Customers that have met all the following requirements under this category are deemed to have satisfied CIMB Thai's expectations in terms of environmental and social practices. For example, customers in the manufacturing sector are expected to have an Occupational Health and Safety (OHS) Management Plan covering key risks, mitigation and monitoring process.
- ▶ **Encouragement** – Highlights best practices among practitioners in the industry. CIMB Thai's position is that we will encourage clients to adopt these industry-leading practices.

The Basic Sustainability Due Diligence, Enhanced Sustainability Due Diligence, and High Sustainability Risk Sector Guidance procedures proves CIMB Thai one of the leading banks in Thailand when it comes to sustainable and responsible finance when it comes to making sure the Bank does not cause, contribute to or is directly linked with negative impacts when doing business with our customers. This in turn significantly reduces and mitigates our own Sustainability risks, and enables us to build a more resilient financing portfolio.

Being a Bank that commits to sustainable and responsible finance, CIMB Thai takes “greenwashing” very seriously, both within the Bank and in the businesses of our customers. The Sustainability Team of CIMB Thai refers to the proposed definition of the International Capital Markets Association (ICMA):

“For financial regulatory purposes, greenwashing is a misrepresentation of the Sustainability characteristics of a financial product and/or of the sustainable commitments and/or achievements of an issuer that is either intentional or due to gross negligence.”

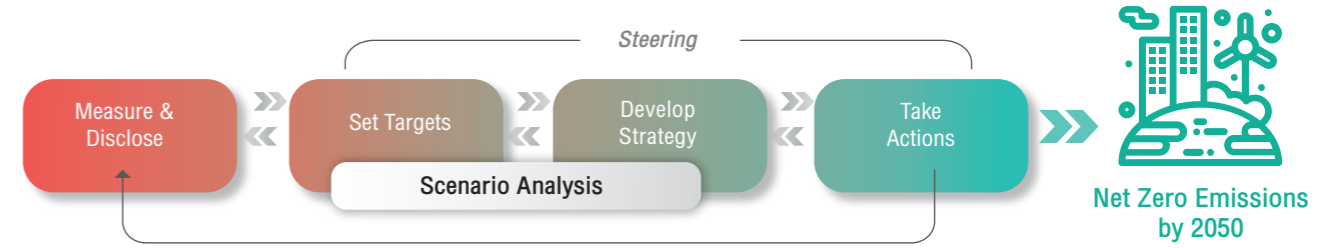
In 2023, we focused on imparting a thorough understanding of greenwashing and the associated risks of unethical marketing practices. We have conducted comprehensive Greenwashing training for our Corporate Communication and Consumer Marketing teams to ensure that the Bank's communication is accurate and free from exaggeration, based on the principles below:

1. **Avoid over-claiming in advertisements or statements:** We emphasize the importance of refraining from making exaggerated or overstated claims in our communications.
2. **Rely on robust and verified data:** It is imperative that any statements made by the Bank are backed by reliable and verified data to maintain credibility.
3. **Include all material information:** We stress the need to ensure that any claims made do not omit material information, providing a complete and accurate representation.
4. **Established procedure for review:** A structured procedure has been put in place to identify the reviewer and a governance structure to finalize any statements before their official launch.

By adhering to these principles, CIMB Thai seeks to uphold the integrity of our communications, ensuring that our commitment to Sustainability is accurately represented without any potential for misrepresentation or greenwashing.

Net Zero Banking

The finance sector plays a pivotal role in realizing a net-zero future. According to the CDP Financial Services Disclosure Report 2020, portfolio emissions exceed direct emissions by over 700 times, underscoring the significant impact of financing activities. The risks of inaction are substantial. Urgent steps are required for financial institutions to decarbonize their portfolios. This includes disclosing the impact of financing activities, establishing science-based targets, and ensuring alignment of all financing activities with the Paris Agreement.

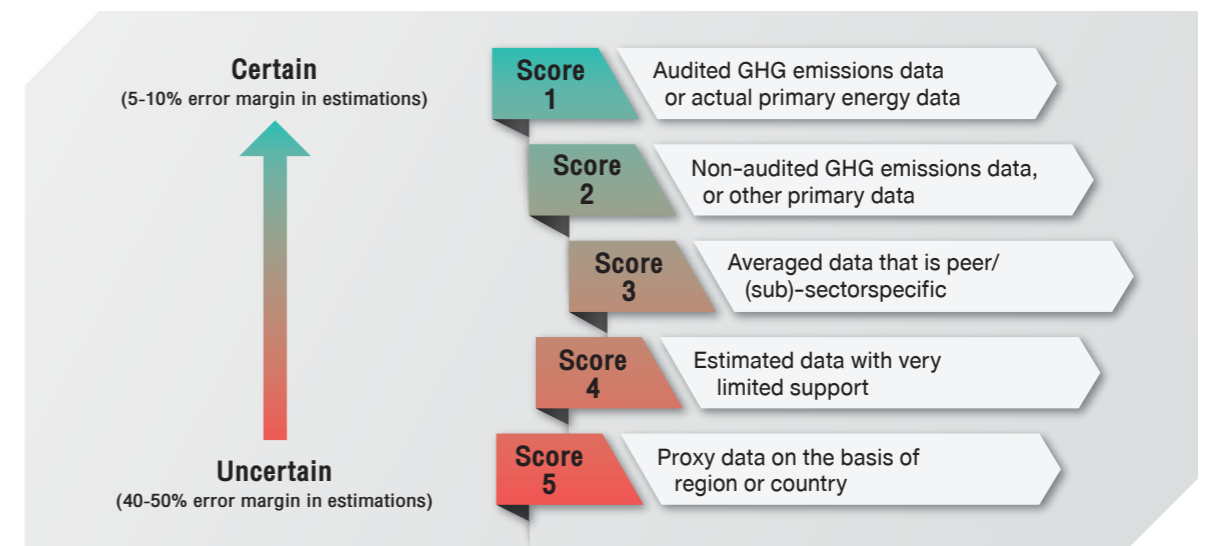


Financial institutions face a fundamental challenge in obtaining reliable data concerning the emissions of companies they finance. The complexity arises from intricate fund structures, inconsistent data formats, and companies lacking measurements. These obstacles often lead companies to prioritize the more manageable scope 1 and scope 2 emissions, leaving scope 3 emissions unaddressed. Such an approach may impede progress towards net zero and expose firms to risks if new emissions disclosure regulations are introduced. In the absence of specific company data, firms often resort to proxy data derived from industry averages based on partner companies' revenue numbers. While this provides an initial understanding of emissions exposure and helps target problematic areas, it remains a workaround for the absence of precise company-level information.

In 2023, in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF), CIMB Thai for the first time completed its calculation and tabulation of its Financed Emissions for FY2022 as a part of managing its Scope 3 Emissions.

$$\text{Financed emissions} = \sum_i \text{Attribution factor}_i \times \text{Emissions}_i \text{ (with } i = \text{borrower or investee)}$$

The total financed emissions covered full book of the asset classes of the Bank in FY 2022, including corporate bonds and listed equity, business loans and unlisted equity, commercial real estate, mortgages, and motor vehicle loans. As much as possible, the Sustainability Team took sufficient efforts to improve the data quality of the calculations.



Due to the large amount of data relating to the attribution factor and emission factor of every single customer in the various asset classes, the Sustainability Team engaged the support of the Risk Teams from both CIMB Thai and the Group for this maiden task. The results of FY2022 Financed Emissions, calculated in 2023 are the following (tCO₂e):

Absolute Financed Emission (Scope 1 and Scope 2 of All Sectors)

PCAF Asset Class	Attributed Scope 1 and Scope 2 Emissions (tCO ₂ e)	Weighted Data Quality Score
Corporate Bonds and Listed Equity	215,367.53	4.35
Business Loans and Unlisted Equity	1,525,037.25	4.70
Commercial Real Estate	21,099.72	4.01
Mortgages	184,949.06	4.00
Motor Vehicle Loans	375,617.27	2.61
Total Financed Emission	2,322,070.83	

Absolute Financed Emission (Scope 3 of Oil & Gas Sector, as required by PCAF)

PCAF Asset Class	Attributed Scope 3 Emissions (tCO ₂ e)	Weighted Data Quality Score
Corporate Bonds and Listed Equity	35,247.67	1.66
Business Loans and Unlisted Equity	882,871.44	2.35
Total Financed Emission	918,119.11	

The Financed Emissions calculations for FY2023 shall be disclosed in the Bank's TCFD Report, as the data required for the tabulation of attribution factor and emissions of the customers will only be available when the customers publish their Annual Report or Sustainability Report for FY2023.

Managing our Financed Emission is the beginning of our road to Net Zero Banking. While we continue in this endeavor, other initiatives have been taking place simultaneously. This include our efforts on managing our portfolio by setting decarbonization and transition targets in various sectors towards 2030.

As we establish our 2030 Targets, we are actively addressing climate risks within our portfolio while positioning ourselves as financiers of activities crucial to the future Net Zero economy. Importantly, our strategies to attain these targets unequivocally express our commitment to collaboratively engage with both existing and new clients. Our aim is to collaboratively devise, facilitate, and expedite their transition plans toward achieving Net Zero. By supporting the success of our clients and their stakeholders, we are concurrently safeguarding our own success.

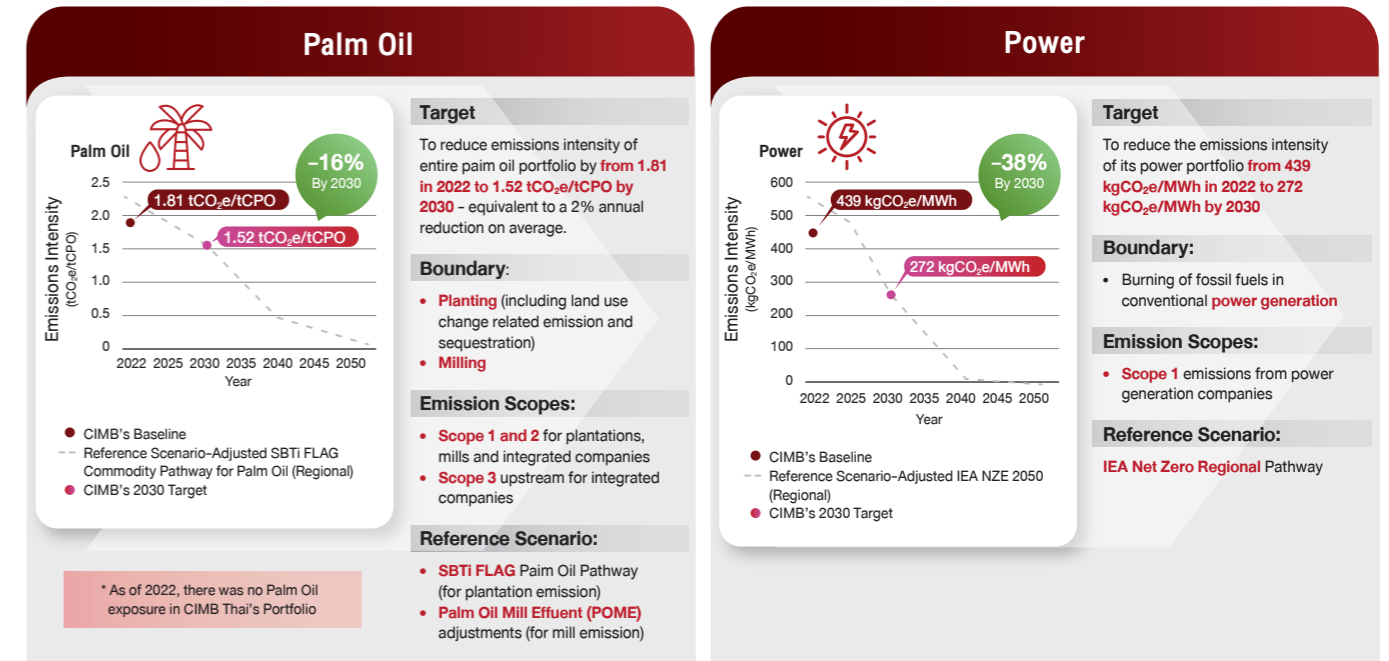
CIMB Group as a whole has set 2030 emissions reduction targets for four priority sectors: Palm Oil, Power, Cement and Coal. Our targets are aligned to a Net Zero by 2050 trajectory, and we will continue to set periodic goals in the longer term to achieve a Net Zero by 2050 outcome. This is a firm demonstration of our desire to put our financing to work in the pursuit of Net Zero across all material sectors in our portfolio, and to meet our commitments and responsibility as a signatory to the NZBA. CIMB Thai as a part of the Group, has adopted these sector targets and have in 2023 begun to align our portfolio with the exit or decarbonization pathways.

In 2022, CIMB Thai in alignment with CIMB Group has set its first-round of 2030 climate targets for two high-emission sectors - thermal coal mining and cement.

Thermal Coal Mining Sector: 50% reduction in exposure measured in MYR outstanding amount value index (starting from 100% in 2021)

Cement Sector: 36% reduction in Group-wide physical-based emission intensity measured in tCO₂e/t of cement produced (from 0.72 tCO₂e/t in 2021)

In 2023, the Bank in alignment with the Group set its second-round of 2030 climate targets for the Power and Palm Oil sectors.



Our sector decarbonization and transition targets have equipped us with a concrete ambition for 2030, and the strategies required to take us there in four sectors that are key pillars of the ASEAN economy. Achieving our 2030 Targets will align us on the path towards Net Zero by 2050.

(For more information, please refer to CIMB Group's Whitepaper "Our Path to Net Zero: Charting a Course to Decarbonisation")

Cybersecurity and Data Privacy

Cybersecurity and data privacy are ranked as significant material topics because the Bank is responsible for safeguarding the Bank's and customers' data. As digital banking becomes the dominant way banks deliver their services, we need to ensure robust processes are in place to detect and respond to cyberattacks.

Our people, processes and technology are benchmarked against the best in the industry, where we adhere to the best security standards in the financial services as well as the local regulatory policy and procedural compliances in our jurisdiction.

In Thailand, the Cybersecurity Act had come into force in 2019. The legislation aims to combat cyber threats and equip law enforcement personnel with the ability to protect digital infrastructure in Thailand. Cyber threats are categorized into three tiers: non-critical threats, critical threats, and crisis-level treats. Organizations that use or provide computer systems for key areas including financial services and services targeted towards the public have to:

- Conform to Code of Conduct and cybersecurity standards as prescribed by law;
- Conduct thorough risk assessment; and
- Notify instances of cyber threats to stakeholders
- For organizations that deal with information infrastructure, investigate the affected data, check the systems that have been threatened, and mitigate the risks involved, when a cyber-threat occurs

The Bank aligns with the Group's management of Technology and Cybersecurity Risk:



From June 2022, Thailand's new Personal Data Protection Act 2019 (PDPA) governing data protection came into full effect after a 2-year delay caused by the COVID-19 pandemic. The law is the first of our kind to be introduced in the country, which sets forth requirements on how data is processed, stored, received and disclosed. Applicability of the law applies to all data users, controllers and processors, including both public and private entities across the country.

CIMB Thai has aligned all of our internal processes to meet the new regulation across all key business lines. The Bank has also appointed a Data Protection Officer (DPO) to ensure that all personal data managed, processed and received are in compliance with the PDPA regulation and serves as a focal point for PDPA issues with authorities and data subjects i.e. our customers. Additionally, to enable our employees at all levels of the organization to be aware of the PDPA law plus our principles and impacts, we have extensively engaged all level of staff through as internal communications programmes across the year.

The type of data breach can be categorised according to the following:-

- "Confidentiality breach" - where there is an unauthorised or accidental disclosure of, or access to, personal data.
- "Integrity breach" - where there is an unauthorised or accidental alteration of personal data.
- "Availability breach" - where there is an accidental or unauthorised loss of access to, or destruction of, personal data. It should also be noted that, depending on the circumstances, a breach can concern confidentiality, integrity and availability of personal data at the same time, as well as any combination of these.

Personal Data Breach according to Thailand Personal Data Protection Act B.E.2562 (2019) means a breach of security measures which leads to the loss, access, use, change, alteration or disclosure of personal data without authorization or that is unlawful, regardless of whether it may be caused by intentional acts, willful acts, negligent acts, unauthorized or unlawful acts, computer crimes, cyber threats, mistakes, accidents or any other reasons.

In 2023, there were 5 cases of customer complaints that were related to data or privacy breaches. The Bank had taken appropriate measures and actions to address the complaints, and has successfully closed all complaints with the respective customers:

- ▶ 4 complaints were caused by inaccurate contact information as a result of human-errors, not resulting in significant impacts to customers or the provision of products or services.
- ▶ Upon investigation of the remaining 1 complaint, there were no actual personal data breach that occurred.

Total No. of Customer Complaints Related to Data Breaches in 2023	Total No. of Data Breaches in 2023
5	0

In summary, no significant personal data breaches have occurred, referring to unauthorized access to a customer's personal data resulting in severe damages to both the customer and the Bank, with substantial impacts.

CIMB Thai continues to put significant emphasis on safeguarding cybersecurity and data privacy throughout our business activities and our dealings with our vendors and other stakeholders. We commit to building a robust technology and data environment that actively prevents losses of customer data and breaches of customer privacy.

Digitalisation and Innovation

CIMB Thai continued to thrive towards our vision of becoming a digital-led Bank with ASEAN reach.

We recognize that the importance of digitization and innovation is growing not only for customers, but also for all businesses and stakeholders around us. Thus, we have embedded digital-driving forces in key strategic themes as part of our Forward23+ strategy.

Digitalization in our strategy include:

- Diversifying deposit and CASA growth by focusing on lower cost deposits & driving digital acquisition
- Scaling-up consumer digital banking & leverage partnerships to drive customer acquisition
- Scaling-up secondary bond business via digital channels such as CIMB TH application.

In 2023, the Bank recorded growth of 53% in transaction through CIMB TH application which includes 51% growth in Fund Transfer, 87% growth in Bill Payment, 49% growth in Bond investment, and etc.

Initiatives and enhancements on digitization and innovation in 2023 include:

- Online Brokerage Insurance
- Unsecured Loan self-application
- Enhanced Security - payment biometrics, capture screen and record video prevention, and accessibility and remote blocking

- Upgrade higher security for minimum app version to support both Android & iOS versions
- Biometric ETB onboarding
- Enhance passcode complexity
- Enhance validation of duplicate emails
- Risk Awareness Test required by BOT
- Responsible Lending guidelines required by BOT
- CRS declaration for deposit account opening and mutual fund transaction
- Home loan tax certification enhancement

Digitalization in banking has considerable indirect economic effects. It aids businesses and households in transitioning to a digital economy, effectively managing environmental impacts. This involves a substantial decrease in the use of paper and stationary materials in physical transactions, concurrently lessening the demand for energy and other resources needed to operate physical facilities. On the social front, digitalization allows for broader access to financial services through mobile devices, contributing to economic growth driven by heightened commercial transactions. Additionally, digital access to financial services is particularly beneficial for communities with physical disabilities.

Financial Inclusion and Literacy

In the Financial Access Survey of Thai Household 2020 conducted by the Bank of Thailand, the Central Bank defined financial access, whereby:

1. Access refers to households who use at least one financial service, and those who have access to a financial service but choose not to use any financial service
2. No access refers to households who have demand for a financial service but are not able to use any financial service.

Here the Bank of Thailand listed out the access to 4 basic financial services, namely deposits and savings service, loan service, money transfer service, and payments.

When managing financial inclusion and literacy in CIMB Thai, the Bank’s financial products and services had provided access to the 4 basic financial services as listed out by the Bank of Thailand. The Bank continues to engage with our Central Bank in order to meet expectations of our stakeholders and regulators, so that the Bank continues to provide financial access in a more holistic fashion in accordance with our business strategies.

In terms of deposits and savings services for individuals, the Bank provides Chill D Savings by CIMB Thai, Speed D Plus Savings by CIMB Thai, CIMB Thai e-Savings, Speed Savings, Extra Savings, and Basic Banking Account. CIMB Thai provides businesses with current deposit, cash management savings, corporate super savings, fixed deposit and foreign currency deposit. Retail customers can just open a current deposit account with a low minimum deposit of THB 25,000. The Bank’s PHEMKHA SABAI-JAI Fixed Deposit Account requires minimum monthly fixed deposit amount of only THB 1,000.

For loan services, the Bank provides for individuals with Personal Cash, Extra Cash and Cash Link loans. For housing related and multi-purpose needs, customers can access Home Loan 4U and refinancing facilities, as well as the Bank’s Mortgage Power, and property loans.

To access to money transfer services, the market is provided with the Bank’s remittances services through SpeedSend and CIMB Thai International Money Transfer.

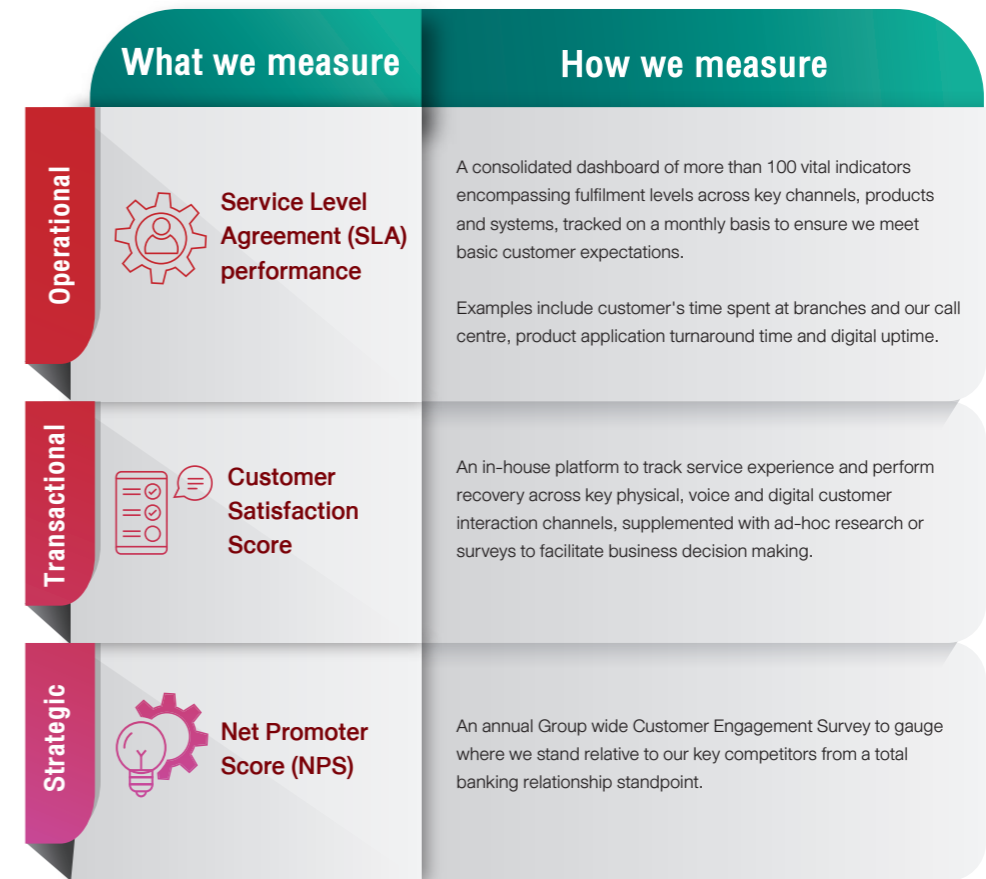
Finally for payments, the CIMB TH application provides access to financial and payments transactions. The application supports transfer of money when customers purchase goods and services, or for payment of bills. Payments can be done through scanning QR codes as well. Additionally, CIMB Thai PromptPay is a form of fund receipt and transfer service that makes payment and fund receipt and transfer easier with no more need to recall account number, by using national ID card or mobile number.

Financial literacy is driven digitally through CIMB Thai’s corporate website that is easily accessed by individuals and businesses. The “Financial Guru” sections in our corporate website enables our communities to access information such as advise on reducing household bills and tips to pay off loans. Other information include setting up emergency funds, saving strategies for potential first home owners, and managing investments via smartphone with CIMB Thai’s digital banking features for investors.

Our actions in financial inclusion and literacy are aligned with our commitments to contribute to significant positive community impacts. Our development programmes are aligned with the GRI Standards whereby our plans are actions that minimize, mitigate, or compensate for adverse social and/or economic impacts such as inaccessibility to basic financial services. With that the Bank also identifies opportunities or actions to enhance positive impacts of the community by providing best in class financial services through our branches and digitally.

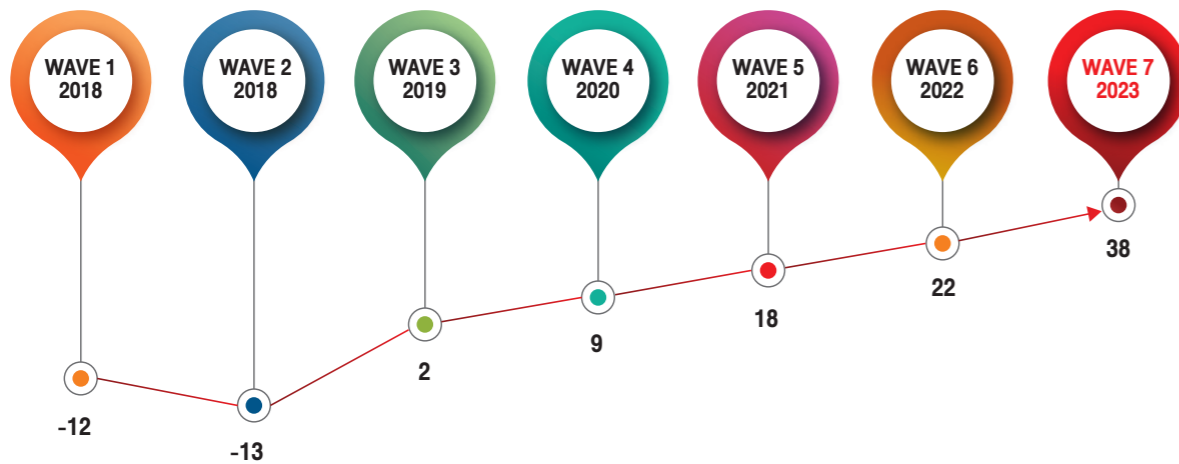
Customer Experience

The Bank, in alignment with the Group, measures key metrics to improve our Customer Experience throughout our customer facing operations: 100% of operations that impact customer groups and communities.



To measure our impacts on our customer communities in Thailand and how we fair in our projects and initiatives in our business operations and financial offerings, the Bank uses the Net Promoter Score (NPS) as a reference and anchor metric. NPS is a performance metric widely used to measure customer loyalty and satisfaction by quantifying how likely a customer is to recommend the Bank to a friend or colleague. The higher the positive scoring of the NPS the better the performance.

Sources	Wave1 2018	Wave2 2018	Wave3 2019	Wave4 2020	Wave5 2021	Wave6 2022	Wave 7 2023
NPS Score (CIMB Customers in Consumer Banking)	-12	-13	+2	+9	+18	+22	+38



CIMB Thai aims to advance our customers in our effort to advocate customers with sustainable banking practices. We place our customers at the heart of everything we do and we are committed in providing the highest standard of customer experience. Hence the Bank has developed and implemented our Treating Customers Fairly (TCF) Commitments.



Treat Them Fairly

We are committed to ensuring that our customers are confident that they are dealing with the Bank where the fair treatment is central to organization's culture.



Practice Needs-Based Selling

We are committed to ensuring that our products, services and their terms and conditions are designed and marketed to meet the customers' needs. Also, we are committed to safeguard customers' personal information and assets maintaining with the Bank and ensure that they are not misused.



Provide Transparent and Suitable Advice

We are committed to ensuring that our customers receive clear, relevant and timely information. This is to ensure that CIMB Thai's customers can make informed decisions that best suit to their knowledge and financial capability without disturb their privacy and they can conveniently compare details of each products and services.



Flexible Service

We are committed to ensuring that our customers do not face issue even at the post-sales. This shall include changing of the product or service, switching the provider, submitting claim or making a complaint.



Give Customers Peace of Mind

We are committed to ensuring that our customers are informed on their rights and obligations in using the products or services from CIMB Thai This is also included receiving of other information that enhancing customers understanding and knowledge of using financial product or service from the Bank.

Further, the Bank has set up our Customer Experience Management (CX) to work closely with customer touchpoints and other units to efficiently handle clients' complaints and queries.

The Bank's Customer Complaint Handling Policy and Procedures have been established to set out the standard framework and mechanism for dealing with customers' complaints in accordance with local regulatory requirements and aligned with the CIMB Group standards. CX acts as the independent centralised complaint management unit to ensure that all customers' complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

The prompt and constructive responses given to customers would in turn build customers' trust and loyalty in the Bank. In addition, customers' confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the customers.

CX provides customer knowledge based on surveys and feedback gathered from various customer touchpoints. This is to drive improvements in all angles of customer experience and uplifting customer engagement. The knowledge and improvement initiatives are prepared and proposed by CX to CIMB Thai's Customer Experience Committee, Management Committee, Board Risk and Compliance Committee-Compliance Reporting, and other relevant committees on a regular basis.

As per relevant regulatory requirements, i.e. Market Conduct prescribed by the Bank of Thailand, and Fair Dealing prescribed by the Office of the Securities and Exchange Commission, the Bank is required to disclose the following information for customers to contact regulators for filing of their complaints:

1. Financial Consumer Protection Centre (FCC), Bank of Thailand
Hotline: 1213
Email: fcc@bot.or.th
2. Office of the Securities and Exchange Commission (SEC)
Hotline: 1207
Email: complaint@sec.or.th

Additionally, CIMB Thai aligns with the Group to reinforce our stance on zero tolerance for mis-selling. We strengthened our mis-selling identification and handling framework to make it easier for frontliners and investigation teams to manage mis-selling cases by including:

- Comprehensive root cause analysis to help us to zoom into process, people and system gaps and identify remedial and preventive actions.
- Safeguards to ensure that when allegations of mis-selling do arise, all parties, including sales staff, are treated fairly.
- Encouraging staff to self-identify potential mis-selling cases, resulting in early corrective action and service recovery.

As of 31 December 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of the Bank's products and services including those resulting in a fine or penalty, those resulting in a warning, or non-compliance with voluntary codes.

Managing the Legalities Relating to Sustainability

The legalities in banking encompass a wide range of laws and regulations designed to ensure the proper functioning, stability, and accountability of the Bank. At CIMB Thai, the Legal and Compliance Teams ensure that all areas in the Bank's operations, including regulatory compliances, banking and securities laws, contract laws, consumer protection laws, anti-money laundering laws, anti-corruption laws, and litigation and dispute resolution. Additionally, ESG considerations are also embedded in the legal operations of the Bank.

In 2023, the Bank integrated ESG components into its General Terms and Conditions. These include the terminologies below:

- ▶ "ESG Claim" – Any claim, proceeding, investigation or any similar actions by any governmental and/or regulatory authority and/or any person or body in respect of ESG.
- ▶ "ESG Due Diligence" – Any assessment to identify ESG risks and impacts appropriate to the scale and risk profile of the business/operation, and related mitigation policies, mechanisms, and plans.
- ▶ "ESG Law" – Any applicable law, rules, regulations, guidelines, directives or guidance in any jurisdiction in which the Borrower or any of the Borrower Group conduct business which relates to issues concerning ESG including but not limited to, (i) International conventions including Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal, Convention on International Trade in Endangered Species of Wild Fauna and Flora, and Convention

on Biological Diversity (ii) Adverse impacts on UNESCO World Heritage Sites, key Biodiversity Areas, as well as those defined by the National Protected Areas Systems; (iii) Illegal forest encroachment, unlawful use of natural resources, pollution, or adverse impacts to the environment and ecosystems, including endangered and protected species of flora and fauna; (iv) Climate change mitigation and adaptation; (v) Occupational, public, health and safety; (vi) Labour laws, human rights, labour rights including modern slavery, and communities' rights; and (vii) Social security and responsibility including compliance with International Labour Organization core conventions, International Bill of Human Rights Conventions, and applicable IFC Performance Standards.

- ▶ "ESG Permits" – Any authorisation and the filing of any notification, report or assessment required under any ESG Law for the operation of the business of the Borrower or any of the Borrower Group conducted on or from the properties owned or used by the Borrower or any of the Borrower Group (if any).

Borrowers are requested to provide financial or other information relating to the Borrower, its subsidiaries and the security party as the Bank may require from time to time or required for ESG Due Diligence.

Borrowers and their subsidiaries are expected to, obtain, renew, maintain and ensure compliance with the terms and conditions or requirements of all relevant ESG Permits and implement necessary policies and procedures for monitoring the compliance with relevant ESG Permits and ESG Laws.

In 2023, the Legal Team of the Bank has also established its inaugural standard agreement for Sustainability-Linked Loans. The standard agreement is designed based on LMA, LSTA and APLMA's Sustainability-Linked Loan Principles (SLLP) 2023. The role of the Sustainability Coordinator or Sustainability Structuring Agent of the Lender as per the SLLP has been embedded in the SLL agreement. The Head of Sustainability in CIMB Thai, effectively assumes the role of Sustainability Coordinator or Sustainability Structuring Agent of the Bank.

Having a structured SLL standard agreement enables Borrowers to reduce their contractual negotiation time, and are able to have sufficient clarity on structuring the Sustainability Performance Targets, loan characteristics, reporting mechanisms, operational commitments, and roles and responsibilities.

Improving our Ratings

In 2023, Moody's Investors Service (Singapore) changed outlook for CIMB Thai to positive from stable. Moody's has affirmed the Baa2 long-term local and foreign currency deposit ratings CIMB Thai. Moody's has also affirmed CIMB Thai's Baa1 long-term local and foreign currency Counterparty Risk Ratings, Baa1(cr) long-term Counterparty Risk Assessments (CR Assessments), P-2 short-term local and foreign currency deposit ratings, P-2 short-term local and foreign currency Counterparty Risk Ratings, P-2(cr) short term CR Assessments, and Baa2 Adjusted Baseline Credit Assessment (BCA). In addition, Moody's has affirmed CIMB Thai's Baa2 long-term local and foreign currency issuer ratings and P-2 short-term local and foreign currency issuer ratings. At the same time, Moody's has upgraded CIMB Thai's BCA to Ba1 from Ba2.

In terms of ESG, Moody's stated that, "CIMB Thai has taken significant steps to de-risk its loan portfolio, leading to improvements in its financial strategy and risk management that are key considerations under Moody's Environmental, Social and Governance (ESG) framework."

"Moody's has therefore changed CIMB Thai's governance issuer profile score to G-2 (neutral-to-low risk) from G-3 (moderately negative), driven by the change of its financial strategy and risk management category score to 2 (neutral-to-low) from 3 (moderately negative). The Bank's ESG credit impact score remains neutral-to-low (CIS-2), reflecting the limited impact of environmental and social risks to date."



“ Embedding Sustainability
within Governance and
Risk Management ”

The Bank has oversight on positive and negative economic, environmental, and social impacts by having the appropriate management approach and performing the necessary due diligence processes with our internal and external stakeholders. At the same time, the Bank ensures business resilience by managing transition and physical risks relating to climate change.

Governance and Risk

CIMB Thai aligns itself with the Corporate Governance Code 2017 issued by the Securities and Exchange Commission (SEC) of Thailand, whereby corporate governance, “involves relationship and other arrangements to ensure that intended outcomes of the company are defined and achieved”. In this regard, good corporate governance includes building investor confidence and trust, ensuring business integrity, and creating long-term business value.

Key Highlights: Governance and Risk in 2023

1. The Bank achieved a CG score of “Excellent” or 5-star level in the Corporate Governance Report of Thai Listed Companies (CGR) issued by the Thai Institute of Directors for 4 consecutive years, with outstanding Score of 101% (with Bonus Score) in Role of Stakeholders and Sustainable Business Development.
2. The Bank enhanced its governance of Human Rights by establishing its Human Rights Policy in alignment international Human Rights laws and standards, including UNGP Business and Human Rights, ILO, and OECD RBC. Human Rights has been embedded in the Bank’s Sustainability-related policies and procedures.
3. The Bank has established our process for Sustainability Watchlist, in accordance with Sustainable Financing Policy and Procedures, to strengthen our management on Sustainability risks relating to our customers.
4. CIMB Thai conducted its inaugural Net Zero Portfolio Strategy (Sectoral Target-setting) and Climate Risk Management and Scenario Analysis studies in anticipation in alignment with the Group’s CCCA and NZBA commitment.

Our Material Topics in Governance and Risk

Ranking in Overall 13 Material Topics	Sustainability Topics	Performance Ratings in 2023 (5 being highest)
3	Governance & Ethics	4.13
4	Risk Management and Business Resilience	4.00

In the context of a regional banking group with robust controls, policies, procedures, guidelines, and an ethical culture, receiving high rankings for Governance and Ethics from stakeholders is a positive outcome. This reflects the effectiveness of the organization’s efforts in fostering a strong governance framework and ethical practices. Additionally, the Bank’s overall risk management including risk culture, risk governance structure, risk appetite and tolerance setting, risk monitoring and reporting, risk management strategies, internal controls, crisis management and business continuity planning, along with technology and data analytics, has enabled the Bank to improve its business resilience.

CIMB Thai’s Achievement in Thailand’s CGR 2023

Corporate Governance Report of Thai Listed Companies (CGR) is an annual corporate governance survey operated by Thailand Institute of Directors (IOD) with the support of the Stock Exchange of Thailand and Securities and Exchange Commission since 2001.

The criteria and methods used in the CGR aligns with the principles of the Organization for Economic Cooperation and Development (OECD), Stock Exchange of Thailand, Securities and Exchange Commission, and assessment criteria of ASEAN Corporate Governance Scorecard.

In 2023, the Institute of Directors (IOD) has introduced new assessment criteria for corporate governance assessment in alignment with international standards. The assessment criteria were reduced from 5 categories to 4 categories, while the weightage was adjusted to be consistent with the criteria for each category. In addition, the scoring methodology has also been adjusted to include normal scoring, bonus points, and penalties.

The 2023 CGR is structured into four categories as outlined below:

1. Rights of Shareholders and Equitable Treatment of Shareholders: An enhancement has been made regarding the rights of shareholders and the commitment to treat shareholders equally. A significant addition includes the incorporation of a hybrid Annual General Meeting (AGM) to adapt to the current situation and align with the duties of the board. This adjustment aims to ensure proper care and non-discrimination towards shareholders.
2. Role of Stakeholders and Sustainable Business Development: Emphasis on sustainable business operations, from the formulation of policies and objectives, identification of material topics, and the management of environmental and social aspects covering greenhouse gas management and human rights.
3. Disclosure and Transparency: Refining the assessment criteria to ensure clarity, simplicity, and an emphasis on promoting the disclosure of key ESG information.
4. Responsibilities of the Board: Enhancing the assessment criteria to emphasize the performance of the Board of Directors (CG in Substance) and elevating governance standards.

In 2023, the Bank achieved an outstanding 99% in Corporate Governance (“CG”) scoring, earning an Excellent (5-Star) rating for four consecutive years. This marks a substantial improvement from 93% in the previous year and surpasses the banking industry average of 88% in 2023.

The Bank excelled with an impressive 101% score in Category 2: Role of Stakeholders and Sustainable Business Development, a significant increase from 91% last year, this stems from our robust Sustainability management encompassing the ESG spectrum, alongside active and transparent stakeholder engagement.

Additionally, we have noteworthy improvement in Category 3: Disclosure and Transparency, with a score of 98%, up from 96% in the previous year. This increase is attributed to enhanced disclosure practices related to the Bank's ESG aspects, encompassing ESG goals, performance outcomes, and indicators, which signified the Bank's commitment to transparent and open communication practices.

These achievements underscore the Bank's commitment to excellent corporate governance and demonstrates its commitment to operating the company sustainably in accordance with ESG principles.

Governance and Ethics

CIMB Thai adheres to business ethics and a Codes of Conduct that are fundamental to establishing and promoting corporate governance to a higher standard. This forms a solid foundation for sustainable business growth and the achievement of business goals.

In ensuring compliance with corporate governance standards, the Bank revised, approved, and implemented its Corporate Governance Policy since November 2022. The Corporate Governance Policy aligns with the Corporate Governance Code for Listed Companies 2017 (CG Code 2017), including expectations of the Corporate Governance Report of Thai Listed Companies (CGR) 2023.

Our Corporate Governance is structured based on eight principles:

1. Accountability
2. Responsibility
3. Equitable treatment
4. Transparency
5. Code of Ethics and Conduct
6. Creation of long-term value added with a purpose-driven approach as a sustainable organization
7. Good corporate citizenship
8. Corporate resilience

Governance of use of inside information

The Bank has oversight of the use of inside information in accordance with the good corporate governance principles.

The Board has established policy and procedures governing the use of inside information, whereby directors, executives and staff of the Bank, as well as their spouses and underage children shall refrain from using any inside information which is of material aspect and has impact on the Bank's securities price that are not yet disclosed to public for buying, selling, transfer or receipt of transfer of the Bank's securities during a 1-month period before disclosure of such information to the public.

Moreover, directors and senior executives from the rank of senior executive vice president upward, or the equivalent, and executives/supervisors of accounting or finance work unit including persons having relationship with the foregoing, who have a combined shareholding exceeding 30 percent of the total voting rights and representing the largest shareholding proportion in such juristic person, and wish to buy, sell, transfer, or receive transfer of securities and derivatives with the Bank's securities as the underlying asset, are duty-bound to report their securities and derivatives holdings as well as any change in such securities and derivatives holdings to the SEC within three business days from the transaction dates thereof.

Policies on Anti-Corruption and Giving and Acceptance of Gifts and Entertainment

CIMB Thai is committed to conducting our business free from any form of bribery or corruption. We adopt a zero-tolerance approach to any acts of bribery or corruption perpetrated by employees, suppliers and business partners. In line with Thailand's Private Sector Collective Action against Corruption (CAC), "Bribery refers to the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.)."

The Bank has participated in and been certified for the first renewal of membership of the CAC to underline our ongoing commitment to fight all forms of corruption. We have mapped out sound practice guidelines and procedures to counter corruption with the anti-corruption policy and procedures established to be strictly adopted by directors, executives and staff of the Bank and the companies in our financial business group. We have also reviewed the relevant practices, oversight structure, risk management system, internal control and audit system to safeguard against any internal fraud. In addition, the Bank has established a "tone from the top" to ensure zero-tolerance for all forms of bribery and corruption, with clear consequences for breaches, including disciplinary action at all levels.

The Bank has put in place our Anti-Bribery and Corruption Policy. This policy is applicable to all levels of the Bank's directors, advisors and workers, from contract-based routine workers, either under fixed term or temporary contract, to advisors, trainees, those sent to work somewhere else for temporary or those working abroad, temporary employees, representatives, supporters or any other relevant persons. Compliance with this policy is regarded an employment conditions for all employees.

Employees and associated persons who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are protected from any reprisals or retaliation. Reprisals on whistleblowing include dismissal, demotion, suspension, harassment, disciplinary action, threats, termination of the contractual relationship or other unfavourable treatment connected with raising a concern. Any employee who has faced any form of reprisals shall raise the matter to the Bank's Compliance Department.

The Bank abides by anti-corruption laws applicable in Thailand, and in any jurisdictions in which it has business operations. In case of any conflict of interest or any discrepancies that contradict the Bank's policies or any relevant laws and regulations, the stricter rules and regulations is complied with.

To increase additional controls, the Bank implemented our Policy and Procedure on Giving and Acceptance of Gifts and Entertainment. This Policy aims to serve as a guideline for executives and staff of the Bank and our subsidiaries, which also covers their immediate family members, comprising their spouse, parents, siblings, children and the respective spouses. The Bank will cooperate and support external agencies in preventing and suppressing fraudulent acts, by encouraging its employees' involvement in monitoring and examining frauds and developing an examination system and mechanism to ensure the control and check and balance that are proper, clear and efficient.

All stakeholders have also been requested to refrain from giving gifts to the Bank's executives and staff members. At the same time, Bank employees are prohibited from offering gifts unless approved by the CEO or a relevant Management Committee (MC) member. This aims to prevent and reduce circumstances where corruption risk may be incurred and to ensure that the Bank operates business in accordance with corporate governance principles, and with integrity, transparency and avoidance of conflicts of interests, which are the core principles of business operations for sustainable growth of the Bank.

The Anti-Bribery and Corruption Policy is publicly available on CIMB Thai's website and regularly communicated to all directors, executives, and employees via various communication channels. In addition, for greater internal awareness and competence around relevant anti-bribery and corruption laws, all staff and executive are required to attend an annual internal refresher course and pass the test to comprehend the purpose of anti-bribery and corruption, conflict of interest and Chinese Wall, and personal account dealing. For new employees, they must take a compulsory e-learning course and pass the assessment. All staff must sign on the "Acknowledgement and Compliance Form" to assure that they have read, understood the policy and procedures, and will put the same into practice.

Financial support or contributions given to organizations or individuals must follow the Group's corporate social responsibility framework/guidelines, including the making of a gift to charity or public organizations. Due diligence must be conducted for all sponsorships and donations to ensure that they are not in exchange for an inappropriate advantage or benefit, are not used to facilitate and conceal acts of bribery, and will not result in any conflict of interest.

CIMB Thai provides an avenue for all employees, business associates and associated persons, members of the public, or any stakeholders to disclose any bribery, corruption, or other forms of improper conduct within CIMB Thai. The Bank has set up channels for whistleblowing to receive reports on suspicious fraud/corruption incidents or behaviours, or any conduct which employees and stakeholders believe or suspect may be involved with fraudulent/ corruption acts in the future.

In 2023, The Bank has conducted a risk assessment on all of our operations, covering regulatory landscape, regulatory requirement, internal control lapses (Management Self-Identified Issue reported by business units), any exceptions found (Loss Event Data reported by business units) and customer complaints. No material risk regarding bribery and corruption were identified through the risk assessment. In addition, no allegations of corruption or bribery or complaints against the Bank have been raised by the Bank of Thailand, the Anti-Money Laundering Office, the Office of the National Anticorruption Commission, and the Securities and Exchange Commission.



Communication on the Anti-Corruption Policy in 2023

Type of employment	Number (Persons)	Percentage
Board Members	7	100
Total Board Members	7	100
Management Committee (MC)	14	0.5
Permanent/Regular Employee	2,468	86.2
Temporary Worker	17	0.6
Contractor	361	12.7
Total CIMB Thai Employee	2,468	100
CIMB Thai Auto	701	72.4
WorldLease	267	27.6
Total Subsidiary Employee	968	100
Business partner	331	48.0
Supplier	359	52.0
Total Business Partner and Supplier	690	100

As of 31 December 2023, there were no confirmed incidents in which employees were dismissed or disciplined for corruption, no confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption, and no public legal cases regarding corruption brought against the Bank or our employees.

Governance on Responsible Marketing and Labelling

CIMB Thai is committed to providing clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. The Bank's market conduct policy was established in accordance with Bank of Thailand regulations and in accordance with CIMB Group's policy of treating customers fairly in order to inculcate market conduct principles into CIMB Thai's corporate culture.

As a commercial bank regulated by the Bank of Thailand and other laws in Thailand, The Bank complies with all requirements by establishing procedures for product and service information and labeling, including all content that might produce environmental and social impacts. All products and services provided by the Bank is covered by and assessed for compliance with regulatory procedures by the Business Units, the legal division, and compliance division.

The Bank's Market Conduct Policy underlines the 5 core principles to guide business units on the activities to be considered and prioritized. The purpose of these principles is to guide employees on how to achieve fair treatment of customers and the desired outcomes for customers. These principles are to be communicated and practiced by all employees at all times and to ensure that customer will be served and treated fairly.

Principle	Outcome for Customers
Treated Fairly	Customers can be confident that they are dealing with an organization where fair treatment of customers is central to CIMB Thai's culture. CIMB Thai must have monetary services and products that customer can reach at an appropriate price.
Needs Based Selling	Products and services marketed are designed to meet the needs of customers fairly. Customers' personal information and assets are safeguarded and to be treated appropriately.
Transparency & Suitable Advice	Customers can receive clear, relevant and timely advice to make suitable and informed decision without disturb their privacy. And allow customer to have adequate information to compare with other financial service provider's product before, during and after sale. When customers receive advice, the advice is suitable and takes into account of their circumstances.
Flexibility	Customers do not face post-sale barriers imposed by CIMB Thai to change product, switch provider, submit a claim or make a complaint/remuneration.
Peace of Mind	Customers understand their rights and duties regarding the use of financial services. CIMB Thai is important in helping to foster customer financial knowledge suitably.

The Bank developed and implemented products that are suitable to customer's needs, financial ability, and understandability based on each customer target group and ensure an utmost benefit of customers. The products should be suitable to salesperson ability, system, and ability to control and oversee of fairly sale quality so that customer will receive fairly product both in price and in condition.

We also designed the sales process that would allow us to provide services to customers without disturbing their privacy. Customer should be entitled to receive complete and accurate information and such information shall not be exaggerated. The information must be adequate for customers to make decision with true understanding in products. In addition, the products offering must fit customers' needs, financial literacy and understandability of products.

As of 31 December 2023, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, non-compliance with regulations resulting in a fine or penalty, non-compliance with regulations resulting in a warning, non-compliance with voluntary codes

As of 31 December 2023, there we no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, including incidents of non-compliance with regulations resulting in a fine or penalty, non-compliance with regulations resulting in a warning, or non-compliance with voluntary codes.

Risk Management and Business Resilience

A robust and effective risk management system is critical for the Bank to achieve continued profitability and sustainable growth in shareholder value amidst today's globalised and inter-linked financial and economic environment.

The Board recognises that sound risk management is an integral part of the Bank's business, operations, and decision-making process, and is critical in ensuring the Bank's success and sustainable growth.

Generally, the objective of our risk management activities are to:

1. Identify the various risk exposures and capital requirements;
2. Ensure risk-taking activities are consistent with risk policies and the aggregated risk positions are within the risk appetite as approved by the board of directors; and

3. Create shareholder value through a sound risk management framework.

The emphasis on a strong risk management culture is the foundation of the control mechanisms within the Bank's Enterprise-Wide Risk Management (EWRM) framework. The framework consists of an on-going process of identifying and assessing, measuring, managing and controlling, as well as monitoring and reporting material risks affecting the achievement of the Bank's strategic business objectives.

To further enhance the cultivation of risk management culture, the Bank employs the three lines of defence model in implementing the EWRM framework, providing risk management accountability across the Bank. The Board has also established the Board Risk and Compliance Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the EWRM framework.

Key components of the EWRM framework are presented below:



With regards to the risk management governance and oversight, the Board has appointed the Board Risk and Compliance Committee (BRCC), to ensure independent and greater risk governance and accountability for all types of risks and compliance.

In addition, the Board has appointed the Risk Management Committee (RMC), reporting to the BRCC, to oversee various risk areas and any related matters, such as credit risk, operational risk, reputation risk, capital risk (to comply with Basel regulatory requirements)etc. The RMC is composed of members with relevant and seasoned experience and expertise. Its key responsibilities are to review and recommend to the BRCC and the Board risk management policies and frameworks as well as to establish a corresponding governance structure which would ensure that not only risks are managed efficiently and effectively, but also decisions are made in a transparent manner. Moreover, the Asset Quality Committee (AQC) has been appointed by the BRCC with responsibilities to review and/or recommend for approval the account plan for troubled debt or debt with signs of deterioration to the Board/relevant committee (where necessary) and to approve and concur proposals and provision of such account with problems or potential problems from non-retail business units.

The Risk Management Division acts as a catalyst for the development and maintenance of sound risk management policies, strategies and procedures within the Bank. It provides functional support to the BRCC, the RMC, the Credit Committee, and Risk Management sub committees, and assists the management in managing risks inherent to the Bank and our businesses. Risk Management Division is independent from other business units involved in risk taking transactions or activities. In addition, Special Assets Management has been established under Risk Management Division to take charge of managing credit quality concerned assets as well as providing advice to early manage customers with signs of credit quality deterioration.

Areas under the Bank's Risk Management includes:

1. Credit Risk Management
2. Market Risk Management
3. Liquidity Risk Management
4. Operational Risk Management
5. Management of Interest Rate Risk in Banking Book

Sustainability and Climate-related Risk Management

As a financial institution, we recognize that our business operations play a major role in the capital flow of business operations in the community. In accordance with the CIMB Group's Enterprise-Wide Risk Framework, the Bank has incorporated Sustainability considerations into our risk assessment and strategies with the goal of managing financial and non-financial risks, such as climate-related physical risks (e.g. flood, wildfire, and etc.), transition risks (e.g. changes in regulatory requirements, government policies, technologies, and customer preference), and human rights risks, in order to ensure that our business operations have a long-term, net-positive impact on our current and prospective stakeholders.

The scope of Sustainability risk includes:

Environmental Risk	Social Risk	Economic / Ethical Risk
Climate Risk: Transition and Physical Risk	Human Rights Risk	Employee Conduct Risk
Energy, Water, Waste and Emissions Management Risk	Employee Health & Safety Risk	Sustainable Financing Risk
Biodiversity Risk	Employee Wellbeing Risk	Financial Inclusion Risk
	Employee Diversity and Inclusion Risk	Sustainable Procurement Risk
	Corporate Social Responsibility Risk	Treating Customer Fairly Risk

As the world moves towards the middle of the century, climate risks marked by frequent severe weather events and record-breaking temperatures, are intensifying. Regulatory pressures and market changes are increasing transition risks, leading to a demand for greater transparency from investors. Simultaneously, opportunities in sustainable finance are on the rise, fueled by a growing demand for environmentally responsible investment options.

As a financial services provider, we are exposed to climate-related physical and transition risks. These could materially impact our performance and longer-term resilience in the form of credit risk, liquidity risk, market risk and reputational risk, among others. Our physical ability to operate could also be impacted, and the safety of our employees put at risk. To combat and adapt to climate change, it is appropriate and responsible to factor climate-related risk considerations into our business decisions.

CIMB Thai aligns our climate-related risks to the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations. The Task Force on Climate-related Financial Disclosures was established by the Financial Stability Board to help identify the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. To have a complete view of CIMB Thai's climate-related disclosures, please refer to the CIMB Thai TCFD Report 2023.

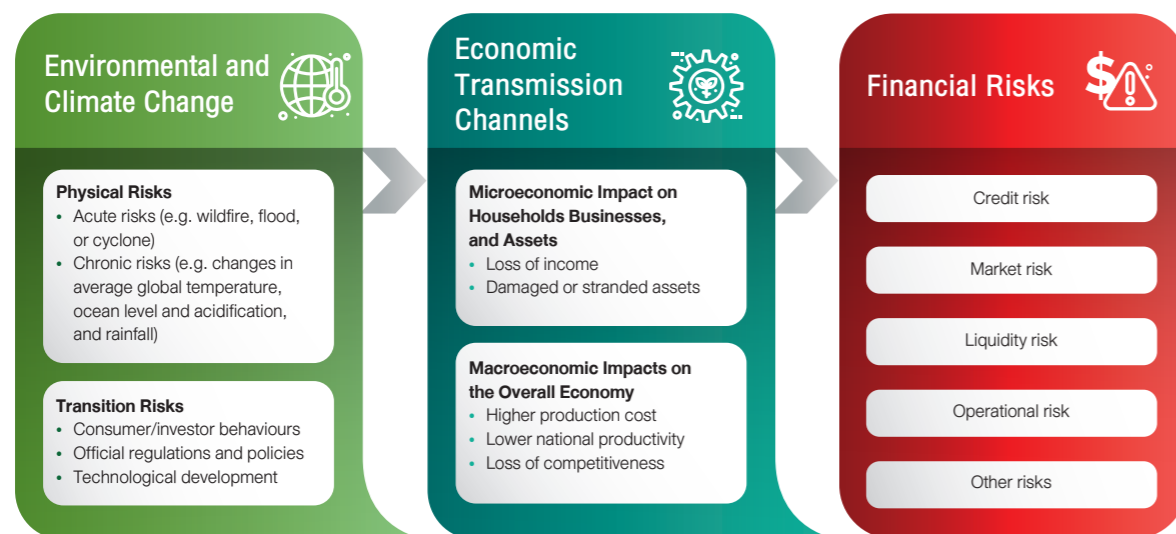


Risk Category	Risk Drivers	Example of Potential Transmission Channels
Transition Risks: arising in the process of adjustment towards a low-carbon economy	Policy and Regulatory Changes, such as national net zero policies, carbon taxes, and climate laws	Lower corporate profitability (e.g. due to increase in production costs, reduced agricultural yields) and increased litigation
	Technology Shifts, such as new low-carbon or carbon-capture technologies and compliance costs	Corporate devaluation or premature asset write-downs (e.g. closure of coal-fired power plants due to lower cost of renewable energy)
	Investor Expectations, such as portfolio-level goals and increasing standards to avoid greenwashing claims	Rising public scrutiny on corporates' unsustainable behaviors and potential drastic loss of customers, impacting profitability
Physical Risks: arising in the event of increased severity and frequency of climate change induced events	Consumer Preferences, such as a moving away from high risk products towards greener and more sustainable alternatives	- Reduced, residential and commercial property values in high risk areas such as those in floodplains, and increase in prices of property in higher elevations - Lower household wealth and higher inflation (e.g. rising living costs due to carbon cost pass-through)
	Acute Drivers, such as heatwaves, wildfires, extreme rainfall and flooding, and droughts	Operational disruptions resulting in income loss (e.g. supply chain disruption, damaged machineries due to floods, heat stress and related deaths at workplaces)
	Chronic Drivers, such as sea level rises, sustained hot temperature, reduced rainfall, shifting seasons, and longer-term shifts in climate patterns	Higher government spending to adapt to climate change or lower revenue due to lower tax contributions from corporates

CIMB Thai in alignment with the Group maintains a Risk Hotspots and Emerging Risks Report that is updated periodically to our governance bodies. Here, we have identified Transition Risks to include:

1. Policy and regulatory changes, e.g. GHG emission reduction policies including carbon taxation, outright bans on carbon-intensive activities that will create credit & reputational risks to CIMB Thai and CIMB Group whereby companies financed caused environmental breaches such as pollution.
2. Stakeholder demands, e.g. investors will scrutinize more on our financing activities such as to the carbon intensive sectors, customers may shun away from brands that are perceived to be associated with contributing to the climate crisis.
3. Technology shifts, e.g. with the demand for new low carbon technologies surging, there could be a technology risk in terms of sudden rush of capital expenditure on these technologies whereby some may be unproven or not effective. Besides, with the development of renewable energy expecting to grow rapidly, sectors such as coal and fossil fuel will likely be turned into stranded assets.

In 2023, the BOT published its “Policy Statement of the Bank of Thailand: Internalizing Environmental and Climate Change Aspects into Financial Institution Business” (Standard Practice). The BOT has aligned its Standard Practice with the TCFD Recommendations, and requested financial institutions to apply this policy statement in accordance with their organizational structure, size, business complexity, and materiality of environmental risks on their businesses to achieve tangible results.



The Standard Practice provides guidelines for financial institutions on managing its risks:

1. Credit Risk: Financial institutions should understand and assess the impact of environmental risks on their credit risk exposure by establishing policies and tools in identifying, assessing, monitoring, controlling, and reporting the impact of environmental risks throughout the credit cycle.
2. Market Risk: Financial institutions should understand and assess the impact of environmental risks on the financial instruments in their portfolios by evaluating potential losses and volatilities as well as having in place a process to control the risks and adjust their investment strategies and portfolio allocation in line with the risks.

3. Liquidity Risk: Financial institutions should understand and assess the impact of environmental risks on their net cash outflows. For example, the need for credit and deposit withdrawals may increase from clients who are impacted from environmental issues. This should be integrated as one of the factors for considering liquidity buffer.
4. Operational Risk: Financial institutions should understand and assess the impact of environmental risks on their ability to carry out normal business operations, particularly for critical business functions and integrate them as one of the factors when considering the business continuity plans.
5. Other risks such as Strategic Risk and Reputational Risk: Financial institutions should evaluate other risks that may occur from impacts of environmental risks and integrate them as part of the processes to set organizational strategies and risk management.

In view of these risks, the BOT expects financial institutions to implement environmental and climate risk management in the following ways:

1. Integrate environmental and climate risks as part of the organizational risk culture and risk management process with regards to the Three Lines of Defense model and set up policies, mechanisms, and data capability to support effective risk management.
2. Identifying and assessing environmental and climate risk both at the transaction and portfolio levels.
3. Control and mitigate environmental and climate risks to acceptable level both at transaction and portfolio levels.
4. Monitor environmental and climate risks both at the transaction and portfolio levels and be able to consistently report to the Board of Directors and senior management in a timely manner.

The BOT will require financial institutions to consistently assess and evaluate environmental and climate risks and their financial impacts through forward-looking methods, incorporating both quantitative and qualitative analyses. This involves considering environmental and climate factors in scenario analysis and stress testing, utilizing the outcomes to inform business strategy, risk management, internal capital adequacy assessments, and financial performance reporting. The frequency of these assessments should align with the materiality of risks associated with clients, counterparties, sectors, types of transactions, or portfolios. When conducting scenario analysis and stress testing, it is crucial to:

- ▶ Assess the potential impact of both physical and transition risk.
- ▶ Evaluate the evolution of environmental and climate risks in different climate scenarios.
- ▶ Understand how environmental and climate risks may manifest in the short-, medium- and long-term, depending on the specific scenarios being considered.

In 2023, the BOT through the TBA developed the “Industry Handbook: Internalizing Environmental and Climate Change Aspects into Financial Institution Business for Banks” (Industry Handbook). The Industry Handbook provides details of 58 industry practices to meet the expectations set forth in the Standard Practice. Representatives from the Sustainability Team of CIMB Thai participated in the development of the Industry Handbook as members of the TBA Working Group.

Our Current Approaches

CIMB Thai and the Group aim to be at the forefront of driving a just transition in the markets we serve. Through close collaboration with international and local working groups, including the Group’s role as a signatory to the Net Zero Banking Alliance (NZBA), we actively exchange experiences and embrace best practices and tools.

By aiming for Net Zero by 2050 in key sectors like Palm Oil, Power, Coal, and Cement, we are charting a course toward achieving Net Zero financed emissions in these sectors by the target year. Additionally, we are presently formulating targets for other carbon-intensive segments of our portfolio, such as Oil & Gas and Real Estate. These targets are slated for public release in 2024.

CIMB Group, as an ASEAN banking group based in Malaysia, adheres to the policies and guidelines set forth by the Bank Negara Malaysia (BNM). As part of CIMB Group, all CIMB regional entities including Indonesia, Singapore, Thailand, and Cambodia, aligns with the Group's compliance to BNM while meeting the local requirements set by its respective central Bank or monetary authority. Some of the BNM policies extend to the Group's overseas subsidiaries and branches.

BNM introduced regulatory and supervisory initiatives aimed at enhancing the climate resilience of the financial sector:

1. Climate Risk Management and Scenario Analysis (CRMSA) Policy Document

BNM issued a comprehensive policy document outlining the principles and requirements for climate risk management and scenario analysis. This initiative is designed to empower financial institutions in strengthening the sector's resilience against climate-related risks. Moreover, it serves as a crucial tool to facilitate a just and orderly transition to a low-carbon economy.

This policy applied to financial institutions (excluding financial holding companies) at both the entity level (the global operations of the financial institutions, including overseas branches) and consolidated level (includes all financial and non-financial subsidiaries).

Financial institutions are also mandated to make annual climate-related disclosures in alignment with TCFD Recommendations. These disclosures, along with annual financial reports, are required for financial years commencing on or after 1 January 2024.

2. 2024 Climate Risk Stress Testing (CRST) Exercise Discussion Paper:

BNM released a discussion paper outlining a framework for a climate risk stress testing exercise which will take place in 2024. It outlines the key features of the exercise, including participation, scenario narratives and specifications, modelling horizon, and assumptions for balance sheet growth as well as high-level overview of the timeline of the exercise, including the critical milestones and submission requirements. It aims to assess Malaysian financial institutions' resilience to physical and transition risks posed by various climate scenarios.

The objectives of the exercise are for the financial sector include quantifying exposures and potential losses, enhancing modeling capabilities for climate-related risks, providing insights to strengthen stress testing practices, initiating strategic discussions among boards and senior management, identifying possible responses and systemic risks, pinpointing current gaps and challenges, and expediting data collection for climate-related risk management.

This stress test results will not be used to directly set the financial institution's capital requirements but will contribute to ongoing supervisory reviews ensuring financial institutions maintain comprehensive risk management practices.

For the 2024 CRST, the BNM proposed the utilization of three climate scenarios provided by the Network for Greening the Financial System (NGFS) to capture the impacts from diverse combinations of transition and physical risks up to 2050. Climate scenarios include:

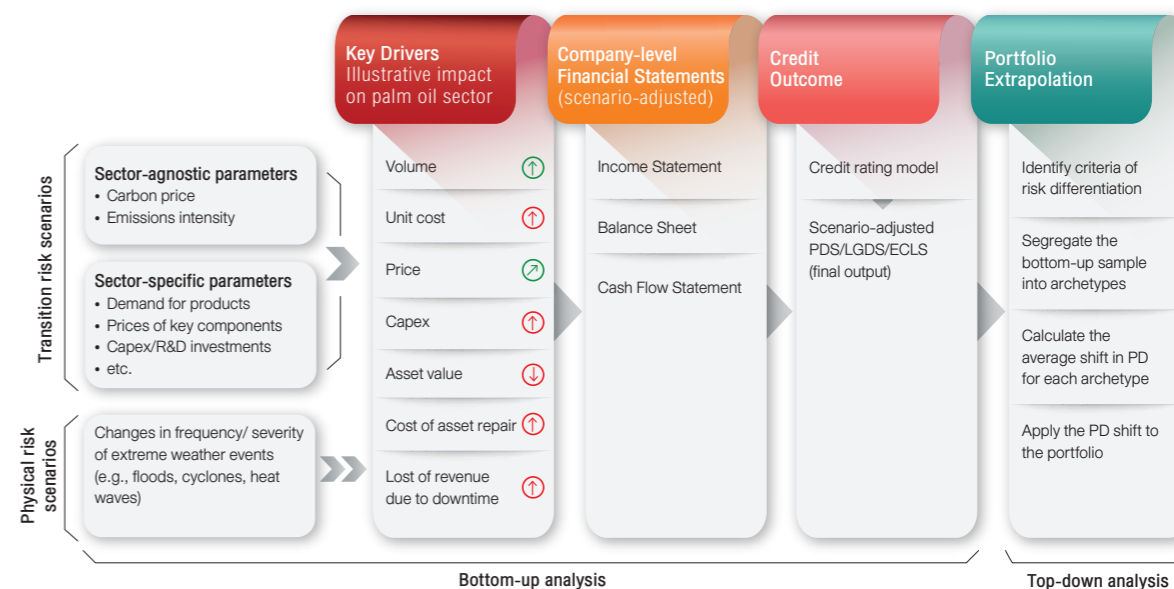
1. Current Policies scenario
2. Nationally Determined Contributions (NDCs) scenario
3. Delayed Transition scenario

In 2023, CIMB Group piloted a Climate Scenario Analysis (CSA) on the Group-wide non-retail financing portfolio, which extended to CIMB Thai. This involved the development of quantitative models for key portfolio segments, aimed at illustrating potential implications of policy changes, technological advancements, and changes in consumer behaviour outlined in established climate scenarios, particularly those from the Network of Greening the Financial System (NGFS).

The parameters selected for this pilot assessment were guided by Bank Negara Malaysia's (BNM) 2024 Climate Stress Testing (CRST) Discussion Paper, focusing on understanding the climate-related materiality for credit risk, without immediate capitalization for the time being.


For the Bank's non-retail corporate portfolio, we utilize a bottom-up approach, utilizing company-specific data like financials and emissions information. This enables an assessment of potential credit rating impacts across key sectors, including Power, Oil and Gas, Real Estate, Agriculture, Transportation, Manufacturing, and Metals & Mining. Our models are driven by deterministic NGFS scenarios, indicating the required pace of policy actions for specific temperature outcomes. These three scenarios, categorized as "orderly", "disorderly", and "hot house world", project diverse climate policy dynamics and potential sector implications.

Our analysis incorporates a thorough examination at the company level, assessing how core financial drivers in each sector impact company performance and eventual credit rating shifts within the projected timeframe. We selected sample companies from our portfolio based on exposure materiality, data accessibility, and sector representation. To extend this assessment across our non-retail financing portfolio, we conducted an additional top-down analysis, extrapolating information from the company-level bottom-up analysis.



The models and insights gained from this pilot study serve as a foundational base for CIMB Thai to integrate with any forthcoming local regulatory guidance, ensuring that our climate-related risk assessment methods and stress testing approaches align closely with Thailand's evolving regulations. This alignment will enhance CIMB Thai's capacity to manage climate-related risks in the local financial landscape while promoting sustainable finance and meeting regulatory standards effectively.

In 2023, BOT has begun developing a framework for climate scenario analysis and stress testing. The Bank has continued to engage with BOT and has been preparing for the impending climate scenario analysis and stress testing exercise by 2024.

A woman with her hair in a ponytail, wearing a black sleeveless dress, stands in the foreground looking up at several modern skyscrapers. The buildings have glass facades and some are under construction with visible scaffolding. The sky is blue with light clouds. The image is framed with colorful geometric shapes in shades of red, teal, and yellow.

**“Joining Forces
for the Greater Good”**

Stakeholders are at the heart of the Bank's drive for Sustainability. Engaging with stakeholders helps the Bank identify and manage its negative and positive impacts, while increasing awareness and competencies collectively in the journey to achieving our Sustainability aspirations.

Stakeholder Engagement and Advocacy

CIMB Thai is dedicated to allocating time and resources for engaging both internal and external stakeholders. This commitment aims to identify our Economic, Environmental, and Social (EES) impacts, enhance collective awareness on Sustainability issues, and garner support for meaningful actions toward sustainable development. Our comprehensive training and engagement agenda encompass employees and other stakeholder groups, fostering an ecosystem that aligns with our Sustainability aspirations and developmental goals.

Employees at all levels are provided with opportunities to engage or volunteer in our Corporate Social Responsibility (CSR) initiatives, directing profits to contribute to sustainable long-term positive impacts in the surrounding community. Effective external and internal initiatives empower the Bank to not only “do good” through external offerings but also to “be good” by internalizing Sustainability into our DNA. The realization of sustainable development goals hinges on collaborative efforts from all stakeholders acting together towards concrete outcomes.

Key Highlights: Stakeholder Engagement and Advocacy in 2023

1. In 2023, CIMB Thai conducted its Stakeholder Surveys to measure the Bank’s performance on its 13 Material Topics. There were 2,108 participants in the Surveys to rate the Bank’s Sustainability performance and impacts.
2. A total of 14,263.50 training hours were recorded for a series of Sustainability training programs mandated for our targeted employees from Assistant Manager levels and above, comprising 2,447 employees. This translates to an average of 5.83 hours per employee in this employment range.
3. A total of 41,695.12 volunteering hours were recorded for a series of Corporate Social Responsibility initiatives participated by our employees, which translates to averagely 11 hours each employee. This marks a 57% increase from 2022.
4. More than 170 participants attended the Bank’s inaugural The Cooler Earth Sustainability Summit held in the United Nations Conference Center in Bangkok. Additionally, 683 attendees participated online.

Our Material Topics in Stakeholder Engagement and Advocacy

Ranking in Overall 13 Material Topics	Sustainability Topics	Performance Ratings in 2023 (5 being highest)
11	Work-place Culture and Talent Development	4.13

Stakeholder Engagements in 2023

CIMB Thai conducts regular stakeholder engagements in our business-as-usual scenario. As a responsible and sustainable Bank, the Board, Management Committee and Management Sub-Committees engage with various stakeholder groups in order to manage, improve and deliver overall outcomes in relation to our business operations and wider contributions in relation to corporate citizenship.

Our regular stakeholder engagements include:

Key Stakeholders	Engagement Channels	Key Expectations and Concerns	CIMB Thai's Actions
Shareholders	<ul style="list-style-type: none"> Annual General Meeting and Extraordinary General Meeting Press Release Annual Reporting CIMB Thai website 	Business transparency, corporate governance, returns on investment	<ul style="list-style-type: none"> Developed robust internal controls and efficient risk management Transparent information disclosure through various official channels
Customers	<ul style="list-style-type: none"> Omni channel approach through digital banking, call centers, and physical branches Social media engagement via Facebook, LinkedIn, Twitter, and Instagram Customer surveys Relationship managers (RMs) and financial advisors CIMB Thai and CIMB Group’s annual The Cooler Earth Sustainability Summit 	Good quality and variety of products and services, Post and after sales service	<ul style="list-style-type: none"> Continuous development of products and services to include variety and personalization to customer needs Provided after-sales services and enhanced customer journeys in various channels - branch and digital Enabling voice of customers (VoC) to be heard through quarterly surveys and service feedback mechanisms Avoidance of misselling and misconduct from sales representatives by ensuring strict code of conduct and sales SOPs are in place

Key Stakeholders	Engagement Channels	Key Expectations and Concerns	CIMB Thai's Actions
Employees	<ul style="list-style-type: none"> CEO Townhalls Departmental Townhalls led by senior management Employee satisfaction surveys e.g. Organizational Health Index (OHI) New joiner orientation Compulsory Sustainability related- training and multiple upskilling opportunities for employees CIMB Thai and CIMB Group's annual The Cooler Earth Sustainability Summit Internal communication channels including emails, newsletters etc. 	Fair compensation, competency building, work environment, career progression	<ul style="list-style-type: none"> Fair compensation and remuneration provided to all employees and reviewed annually Development and training programmes put in place to upskill employees in various areas Frequent engagements with top management to allow feedback and pain points from the ground to be heard.
Business Relations	<ul style="list-style-type: none"> Virtual and face-to-face engagements to communicate policy updates, implementation of procedures, and alignment to deliver outcomes etc. Vendor trainings and briefings 	Fair and transparent procurement and business practices	<ul style="list-style-type: none"> Responsible and sustainable business practices in accordance with CIMB Thai's policies. Constant engagements with the Bank's 159 active vendors, and other business partners.
Regulators	<ul style="list-style-type: none"> Quarterly and annual meetings to meet compliance and other regulatory requirements, such as with the central Bank – Bank of Thailand (BOT) Participate in events and forums organized by regulators for bilateral engagements on latest policies, guidelines, taxonomies etc. Collaborate actively with supervisory agencies through CIMB Thai's Compliance unit 	Banking compliances and the financial institution developments	<ul style="list-style-type: none"> Updates on key progress and strategic initiatives provided on a periodical basis through engagements set up by the Bank's compliance Active participation at regulator and policy maker meetings, events and forums to ensure key concerns are understood and translated into implementations in the Bank

Key Stakeholders	Engagement Channels	Key Expectations and Concerns	CIMB Thai's Actions
Communities	<ul style="list-style-type: none"> Environmental and social initiatives and CSR events throughout the year Connecting with community partners and government agencies mandated to drive economic, environmental and social outcomes Press release - online and physical Engagements with academic institutions to support talent growth and development 	Community and Corporate Social Responsibility objectives	<ul style="list-style-type: none"> CSR Team of the Corporate Communication Department and Sustainability Team along with other Business Units and Business Enables initiate and contribute to various programs. Connected with non-governmental and non-profit organizations such as World Wildlife Foundation (WWF) to raise funds to contribute to environmental and social projects. Engagements with university partners to provide graduates job and internship opportunities with CIMB Thai irrespective of their academic majors or backgrounds.

Sustainability Engagements with Governance and Regulatory Stakeholders

In relation to Sustainability matters, the Sustainability Team of the Bank has engaged with major decision-making and governance bodies such as the Bank's Management Committee and Board of Directors, and the Bank of Thailand (BOT) as our central Bank:

- In 2023, six Sustainability agendas were submitted to the Board of CIMB Thai, five Sustainability agendas to the Board Risk and Compliance Committee, to seek approval and acknowledgement of various Sustainability matters if the Bank, including those relating to policies and targets.
- Four agendas were submitted to the Management Committee, and 2 to the Risk Management Committee, to seek for approval and acknowledgement of Sustainability matters of the Bank.
- The Sustainability Team participated in three Working Group meetings on Thailand Taxonomy Phase 1, and five Working Group meetings of Transition Plans, organized by the Bank of Thailand. This included a special presentation session of CIMB Thai's Head of Sustainability to the Transition Plan Working Group of the BOT and TBA on the Bank's coal and cement sector targets and the methodologies of portfolio target setting in accordance with NZBA.
- One major update to the Bank of Thailand's officials and audit team for 2023 plans and accomplishments of the Bank.

5. For the first time, BOT and BNM organized a four-party learning session on Sustainability, Climate Risk Management and Scenario Analysis and Climate Stress Test. Representatives from BNM were invited by the BOT for a central Bank to central Bank engagement session physically in Bangkok. During the session, members of CIMB Group presented on the experiences on the topic with the CIMB Thai team providing additional feedback.
6. The Sustainability Team participated in BOT and TBA's 2023 initiatives namely developing the Industry Handbook on Internalizing Environmental and Climate Change Aspects Into Financial Institution Business For Banks, and setting ESG Key Performance Indicators for the Thai Financial Industry.

Engagement with External Stakeholders

In 2023, the Personnel Management Association of Thailand (PMAT) organized the conference “The Next Chapter of ESG – Start with How” which was attended by more than 400 employees from Thai banks and other organizations. The Bank’s Head of Sustainability was invited to conduct the session on “ESG in Action: Competency Development” in Thai. He presented on how Banks and organizations could build Sustainability-related competencies within the organization through various concepts, principles and approaches.

The Wholesale Banking group of CIMB Thai organized a major customer event “Thriving Towards 2024 and Beyond”. The conference, attended by more than 200 participants, was held in The Athenee Hotel. Key persons in the Bank were speakers in the conference:

- ▶ Dr. Amonthep Chawla, Head of Research, CIMB Thai – The Economic Outlook in 2023 under the New Government
- ▶ Mr. Kasem Prunratanamala, Head of Research, CGS-CIMB Securities – Capital Market Trends under the New Government
- ▶ Mr Jason Lee, Head of Sustainability, CIMB Thai – Transition Strategies towards a Sustainable Future
- ▶ Mr. Pao Chatakanonta, Head of Treasury and Markets, CIMB Thai – Investment Opportunities in a Turbulent Economy



At the end of the year, the Platform for Research, Application and Insight to Sustainable Enterprise (PRAISE) organized by the non-governmental organization Follow Father Footstep Foundation of Thailand, invited the Bank’s Head of Sustainability to speak on Sustainable Finance for Businesses. Other speakers of the Sustainability forum included representatives from the UN Resident Coordinator’s Office in Thailand, Price Waterhouse Coopers, Puey Ungphakorn Institute for Economic Research (BOT), as well as academics and researchers from Thai universities.

The Cooler Earth Sustainability Summit 2023

CIMB Group and its member banks hosted the fifth installment of its annual flagship event, The Cooler Earth Sustainability Summit from 11 to 21 September 2023, themed Sustainability in Action: Opportunities for a Better Tomorrow. In order to enable capacity-building among a wider audience from the ASEAN region, the hybrid Summit was broadcast virtually and was free to access to all.



The Summit featured a Ministerial Address by YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade & Industry, Malaysia along with a keynote by Pulitzer Prize-winning author Jared Diamond, Professor of Geography and of Environmental Health Sciences at UCLA, and a call to action by Sir Robert Swan, one of the world’s most prominent explorers.

One of the unique segments planned included a Government Linked Investment Companies (“GLIC”) CEO leaders panel session featuring Dato’ Amirul Feisal Wan Zahir, Managing Director of Khazanah Nasional Berhad, Ahmad Zulqarnain Onn, President & Group Chief Executive of Permodalan Nasional Berhad, and Datuk Seri Amir Hamzah Azizan, Chief Executive Officer of Employees Provident Fund, who spoke on “Unlocking Insights: A Personal Perspective from GLIC Leaders”. These distinguished leaders offered insights into their ESG portfolio aspirations, the imminent transition towards a low-carbon economy, and their personal reflection on the values and apprehensions driving their commitment to Sustainability leadership.

Continuing from the Summit in Kuala Lumpur, CIMB Thai Bank officially hosted its inaugural summit in Bangkok, collaborating with the International Labour Organization (ILO) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

Themed ‘Transitioning Business for a Better World,’ the hybrid event at the United Nations Conference Centre aimed to foster commitment and collective efforts towards a transitioning businesses towards a decarbonized economy while promoting the values of a Just Transition. CIMB Thai Bank emphasized Sustainability as a core business strategy – announcing that the Bank would align with the Group’s sustainable finance target of RM 100 billion by 2024.

The Bank’s summit was graced Thailand’s notable figures in Sustainability – from the UN, regulators and market operators, to business scholars, and business representatives, sharing their ideas to integrate Sustainability commitments, actions and targets into the business ecosystem.

- Ms. Gita Sabharwal, United Nations Resident Coordinator in Thailand
- Ms. Luanne Sieh, Group Chief Sustainability Officer, CIMB Group
- Prof. Rupa Chanda, Director of Trade, Investment and Innovation Division, UN ESCAP
- Mr. Julien Magnat, Skills and Employability Specialist, ILO
- Mr. Pornphrom Vikitsreth, Advisor to Governor of Bangkok
- Dr. Nattawut Pimpa, Assistant Dean for Sustainability at the College of Management, Mahidol University (CMMU)
- Ms. Premjit Somrattanachai , Bank of Thailand
- Ms. Pimpan Diskul na Ayudhya, Stock Exchange of Thailand
- Ms. Jarunee Khongswasdi, Siamese Heritage Trust Manager, the Siam Society Under Royal Patronage
- Dr. Randall Shannon, Head of CLSG, Associate Professor in Marketing, College of Management, Mahidol University
- Mr. Somjettana Pasakanon, Director, Sustainability Development, CP Group
- Dr. Sarayuth Saengchan, Managing Director, Health Products & Sustainability Group, Mitr Phol Sugar

The Bank highlighted Sustainability as a continuous journey whereby the summit was organized as a carbon-neutral event, whereby carbon credits were purchased to compensate for 34 tons of carbon emissions. The Thailand Greenhouse-gas Organization (TGO) provided the ecosystem and certification for the event to be Carbon Neutral. This was the first time the Bank organized a large scale Carbon Neutral event.



Work Place Culture and Talent Development

Refreshed Core Values - EPICC

In January 2022, in tandem with CIMB Group, CIMB Thai launched a refreshed set of core values called EPICC. Each letter in EPICC depicts a core theme which the organization values deeply and is illustrated the table below:

E	P	I	C	C
Enabling Talent	Passion	Integrity and Accountability	Collaboration	Customer-Centricity
Invest and develop our people	Always go the extra mile	Think like owners and act responsibly	Go beyond to ensure collective success	Be customer-obsessed
Embrace diversity	Strive our best on what matters most	Own mistakes but share success	Work together and back each other up	Treat customers fairly

EPICC is a set of desired behaviors that guide the Bank’s employees in their work and help them to achieve the organization’s goals. It is the soul of the Bank and reflects the Bank’s commitment to fostering sustainable core values that promote collaboration and cooperation.

To further internalize EPICC values in 2023, the Bank has initiated various activities, classes, and coaching sessions for everyone. Begin with the leaders, they are encouraged to exemplify the desired behaviors and to create an impact on others in the team.

The Bank has also implemented a communication cascade from the top, which promotes a growth mindset, encourages the sharing of positive culture, and supports feedback culture through the Bank’s unique EPICC Cascade Workshops. Collaboration is a key aspect of EPICC and is essential for breaking away from the traditional Bank culture stigma and perceptions. The Bank also arranges the EPICC Engagement Series to promote our values in various ways.

Continuing through to 2023, various activities and communication channels were explored to cascade and embed these values within our employees and across the organization, starting from the selection of EPICC champions or captains to drive change through workshops and employees engagement events.

In 2023, CIMB Thai was awarded the Gold – Excellence Workplace Culture Award by the HR Excellence Awards (Singapore). The Gold - Excellence in Workplace Culture award stands as a testament to the collective efforts of executives and employees alike. The Bank has cultivated an organizational culture that fosters continuous learning, develops employee potential, and nurtures a positive work environment. This culture encourages employee commitment to the organization, embraces diversity for effective collaboration, and places significance on the welfare and well-being of every team member.

Talent Development Policy and Management

As an organization that values 'Enabling Talent' as a core value, CIMB Thai is committed to consistently develop and upskill the capabilities of our people at all levels with a focus on intensive career development, training and succession planning. In order to boost their knowledge, skillsets and competencies to remain competitive in this ever-changing society, our learning roadmap is developed through a thorough selection and identification of required skillsets for each job or role to support each individual's career advancement and aspirations across the organization.

In 2023, The Bank continued to equip employees with future skills focusing on digital, data, emerging soft skills and Sustainability capabilities in accordance with rapid changes of the business environment and strategic directions of the Bank. CIMB Thai not only encourages employees to continuously pick up new skills but to also proactively participate in mentoring, coaching and peer-to-peer learning via various programs such as employees scholarship programs, classroom training and other learning modules on mobile (e-learning).

The Bank also mandates all employees to complete mandatory learning modules such as Anti-Money Laundering, PDPA, Business Continuity Management and IT Security to name a few, as a foundation to enhance their understanding of the Bank's operations, business and impact to our stakeholders such as our customers. These mandatory learning modules are re-assessed and readjusted as per the needs, requirements and changes to our business and working environment.

In 2023, CIMB Thai was awarded the Silver - Excellence Learning and Development and Bronze - Excellence Talent Management by the HR Excellence Awards (Singapore). This affirms the bank's commitment to investing in and prioritizing the development of its employees' potential. Emphasizing learning from practical experiences, the approach enhances employee efficiency and fosters innovation and technological proficiency. This strategic focus on skill enhancement positions the workforce to adapt to future challenges, ensuring the bank's continued growth and sustainability.

Key Learning & Development Activities in 2023

In 2023, CIMB Thai Bank dedicated itself to developing the capabilities of its workforce through the introduction of a comprehensive training program focusing on Sustainability in all dimensions. The goal was to enhance the organization's Environmental, Social, and Governance (ESG) development and foster positive changes in individual Sustainability development. The training program was designed for the targeted 2,447 employees (Assistant Manager level and above) and was divided into three segments.

1. SET ESG Academy Platform

Aligned with the Stock Exchange of Thailand's (SET) commitment to fortify economic resilience amid uncertainties and climate change impacts, the economic, societal, and environmental systems have grown increasingly fragile. The ESG Academy Platform, driven by the SET, focuses on cultivating expertise in Sustainability and business development through self-directed learning courses. These online courses offered in Thai language, is a good fit for CIMB Thai's employees, fostering understanding and knowledge on ESG aligned with the swiftly changing business landscape.

SET has introduced two key modules, emphasizing the promotion of learning and the development of essential skills for practical application of knowledge on ESG. This approach facilitates a comprehensive understanding of sustainable business practices, offering maximum benefits to employees at all levels. The initiative positions the bank as a guiding force in promoting sustainable and impactful business practices for broader societal benefit. The two courses include:

- ▶ ESG 101 Course: Understanding the Overall Development of Sustainable Business – This course provides practical insights into collaborating with organizations to contribute benefits to individuals, the environment, and society. It emphasizes a straightforward understanding of sustainable business development.
- ▶ P01 Course: Fundamentals of Business Sustainability – The basic Corporate Sustainability course promotes learning and understanding the basics and significance of conducting business in alignment with sustainable development principles.

The Bank has encouraged its more than 3,800 employees to register and complete the courses even for employees who are not at the targeted employment level. Employees who complete the course and pass the required tests are provided with a certificate by the ESG Academy.

2. CIMBTxCMU Sustainability Training Programs

In 2023, the Bank had signed a Memorandum of Understanding (MOU) with the College of Management, Mahidol University. Lecturers that specialize in the field of Sustainability would provide sessions to employees of the Bank. These lectures are designed and delivered in collaboration with the Bank's Head of Sustainability to cater specifically to the Sustainability requirements of the Bank.

No.	English	Objective
1.	Introduction to the UNEP FI Principles for Responsible Banking	CIMB Group is a signatory to the United Nations Environment Program Finance Initiative Principles for Responsible Banking (UNEP PRB). Therefore, CIMB Thai will be required to follow the prescribed guidelines. In the future, all Business Units (BUs) and Business Entities (BEs) will need to report their operational outcomes to CIMB Group for UNEP FI reporting purposes.
2.	Business and Human Rights in Thailand	Thailand is the first country in Asia to announce a National Action Plan on Business and Human Rights (NAP). The government is actively promoting business operations in line with this plan, including comprehensive Human Rights assessments.
3.	ESG Investing in Thailand	The outcomes of ESG initiatives are correlated with the financial performance of businesses in terms of risk mitigation, competitive advantage, and stakeholder acceptance. These factors are directly related to the long-term survival and sustainable growth capability of businesses.
4.	Sustainable Finance in Thailand	In addition to traditional financial products, banks aim to promote customers to conduct businesses that have a positive impact on the environment and society through Green Social Sustainable Financing.
5.	Introduction to GHG in the Workplace	To raise awareness about greenhouse gas emissions and methods to reduce emissions from employees' activities in the workplace.
6.	Building a Sustainable Supply Chain	To raise awareness about greenhouse gas emissions and methods to reduce emissions from the operational activities of business partners and other stakeholders of the Bank.

3. Functional Trainings

The Sustainability skills development courses, established by the Sustainability Team of the Bank, focuses on tailor-made content to enhance knowledge and understanding of sustainability in The Bank's Business Units and Business Enablers. Areas that are addressed in the trainings include the Bank's Sustainability commitments, targets and action plans, the Sustainability standards and frameworks that are applied, carbon accounting basics, the Thailand Taxonomy, Human Rights etc.

Further, specific external trainings such as the UNEP FI's Environmental and Social Risk Analysis (ESRA) Certification is also provided to the members of the Risk Division, Sustainability Team, and Business Units. The Bank mandates a number of employees annually to obtain the ESRA Certification. During the course, employees learnt how to:

- ▶ Recognise environmental and social risks derived from your clients' activities.
- ▶ Analyse the environment in which your clients operate to detect the environmental and social risks involved in their activities.
- ▶ Identify, offset and evaluate environmental and social risks taken by your clients.
- ▶ Improve your current risk management procedures.
- ▶ Institutionalise environmental risk analysis in your operations.
- ▶ Identify and understand market opportunities resulting from environmental and social risk analysis.
- ▶ Achieve a competitive advantage through risk reduction and value creation.

Average Sustainability-Related Training Hours in 2023

Per Employee	Per Management Committee (Leadership Team)	Per Board Members
3.24	17.32	33.07

Male	Female
2.93	3.42

Corporate Citizenship through Corporate Social Responsibility (CSR) Initiatives

CIMB Thai in alignment with CIMB Group, has an established framework for implementing CSR programs. The Bank focuses on issues that are of local importance, and global issues that have local impacts. Long-term programmes that bring sustainable community benefits are brought under four pillars: Health and Community Well-Being, Education, Economic Empowerment and Climate & Environment. These pillars are in alignment with 3 out of 17 United Nation's Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet and to ensure that all people enjoy peace and prosperity by 2030.

1. Health & Community Well-Being: CIMB Thai supports programs that provide positive social impacts to the community.
2. Education: The Bank supports projects that provide community-based learning opportunities as well as facilitating access to knowledge and learning via.
3. Economic Empowerment: Initiatives within this category create opportunities and build capacity of communities by providing them with the necessary resources and tools towards sustainable income and growth.
4. Climate & Environment: We need to take care of our environment for our future generations. Therefore, the Bank highly encourages our community to embark on this journey by preserving and rehabilitate the nature eco-systems, reducing waste and carbon footprint, opt for renewable energy and avoid single usage of items.

Various initiatives with multiple objectives have been implemented in CIMB Thai throughout 2023.

Activities	Participants	Hours
Run to Win Program	1,509	32,044.93
Read for The Blind Program	136	420.65
Quarterly Blood Donation Program	815	1,630.00
Waste Separation	228	2,535.36
Bring Your Container	241	118
Knowledge Sharing to all staff via BTS & FB live (hour counting for spokesperson only)	21	51
CIMBTHAI Green Hours	78	1,109.58
Others (initiative activity by BU/BE)	326	3,785.76
Total		41,695.12

Highlights of Volunteering Programs in 2023:

1. Run-to-Win Program 2023

The Bank together with the management team and Prime Work Solution Co., Ltd. donated THB 525,571.22 Baht Ban Phaeo Hospital (Public Organization). This fund is raised from the “Run To Win project - Save Children Heart” program, whereby the Bank contributed THB 10 for every 1 kilometer running recorded by each participant through a virtual running mobile application.



2. Read for the Blind Program 2023

The program was established in 2020 during the COVID-19 pandemic; the Bank’s employees worked from home and was able to spend their time reading audiobook for the visually impaired. In 2023, the volunteers in the Read for the Blind Program produced 33 audiobooks, accumulatively producing 74 audiobooks for the visually impaired since the program started.



3. Blood Donation Program

The quarterly Blood Donation campaign of the Bank is carried out over two days every 3 months. The campaign which is held in our corporate headquarters have been actively supported by our employees.



4. 2023 Risk CSR & Sustainability Event at Baan Khun Samut Chin Community, Samut Prakan Province

The Baan Khun Samut Chin community, situated on the upper Gulf of Thailand, is facing environmental challenges. These include issues related to marine debris, flooding, and erosion. Global warming exacerbates the erosion problem due to rising temperatures leading to increased sea levels and more frequent and severe storms. The regions, with surface heights ranging from 1-2 meters above mean sea level, are particularly vulnerable to flooding and erosion. The Bank’s volunteering program is designed to address and mitigate the community’s needs in response to these environmental challenge - especially in tackling plastic waste mitigating damage to local biodiversity.



5. CSR Contributions in Conjunction with Money Expo (Chiang Mai)

In 2023, the Bank contributed to the Chonlaphrathanphataek School in Chiang Mai. The school offers kindergarten and primary education. There are total of 508 students and 23 teachers (including the director and janitorial staff). The Bank’s contributions totaled at THB 206,500:

- 12 used-computers in good condition estimated at THB 20,000
- Replacement of 40 computer hard disks and 60 new headphones: THB 58,000
- Learning & Lunch Program (Agriculture) and composting equipment: THB 90,000
- Library facilities including seat cushions, 1 printer, foam puzzle floor mats and room repair totaling THB 38,500 in expenses



CIMB Thai’s Community Link Program

CIMB Thai and the Group’s CIMB Foundation joined hands to launch Community Link in Thailand - a grand project intended to help and develop local communities and socially underprivileged individuals in a sustainable manner.

The main concept behind Community Link is that branches across the country will act as a central entity and collaborate with both local and non-profit organizations on designing projects that are truly suitable and in accordance with the needs of that particular community. The Bank will collaborate with parties from various sectors, such as its associates, clients, executives, and public media, to initiate and further develop the planned projects. We execute them with a deep and genuine understanding of the community and with ASEAN-level budget and capability.

With a regional-level project execution model, projects under Community Link focus on incorporating 3 main aspects of development: social, sports, and education. Currently, the Bank has progressively attained numerous projects under such models.

Sustainability Communications

For extensive information on Sustainability, all our Stakeholders are encouraged to visit the Bank’s dedicated website: <https://www.cimbthai.com/en/personal/who-we-are/sustainability/sustainability.html>

Appendix I: GRI content index

Statement of use	CIMB Thai Bank Public Company Limited has reported in accordance with the GRI Standards for the period January to December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None Applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION

General disclosures

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	21	Omissions are not permitted for the disclosures.		
	2-2 Entities included in the organization's sustainability reporting	21			
	2-3 Reporting period, frequency and contact point	58			
	2-4 Restatements of information	61			
	2-5 External assurance	60-61			
	2-6 Activities, value chain and other business relationships	22-23	NO OMISSIONS		
	2-7 Employees	23-24			
	2-8 Workers who are not employees	24			
	2-9 Governance structure and composition	25-29			
	2-10 Nomination and selection of the highest governance body	26-29			
	2-11 Chair of the highest governance body	26			
	2-12 Role of the highest governance body in overseeing the management of impacts	27-29, 43-46			
	2-13 Delegation of responsibility for managing impacts	27-29, 43-46			
	2-14 Role of the highest governance body in sustainability reporting	58			
	2-15 Conflicts of interest	36-37			
	2-16 Communication of critical concerns	54-55			
	2-17 Collective knowledge of the highest governance body	29-34			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-18 Evaluation of the performance of the highest governance body	35			
	2-19 Remuneration policies	35			
	2-20 Process to determine remuneration	35			
	2-21 Annual total compensation ratio	71			Annual total compensation for the Bank's highest paid individual is not disclosed both within and outside the Bank due to confidentiality constraints, and also in line with Thailand's PDPA.
	2-22 Statement on sustainable development strategy	2-9			NO OMISSIONS
	2-23 Policy commitments	47-53			
	2-24 Embedding policy commitments	47-55			
	2-25 Processes to remediate negative impacts	54-55			
	2-26 Mechanisms for seeking advice and raising concerns	54-55			
	2-27 Compliance with laws and regulations	39			
	2-28 Membership associations	38-39			
	2-29 Approach to stakeholder engagement	128-134			
	2-30 Collective bargaining agreements	26, 67, 24			

Material topics

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	55-57, 59-60	Omissions are not permitted for the disclosures.		
	3-2 List of material topics	59-60			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION

Economic performance

GRI 3: Material Topics 2021	3-3 Management of material topics	47-53, 85-87, 94-98	NO OMISSIONS		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	92-94/ CIMB Thai One Report 2023			
	201-2 Financial implications and other risks and opportunities due to climate change	98-101, 120-125			

Indirect economic impacts

GRI 3: Material Topics 2021	3-3 Management of material topics	139, 103-105	NO OMISSIONS		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	103-105			
	203-2 Significant indirect economic impacts	103-105, 139-141			

Anti-corruption

GRI 3: Material Topics 2021	3-3 Management of material topics	112-117	NO OMISSIONS		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	116			
	205-2 Communication and training about anti-corruption policies and procedures	116-117			
	205-3 Confirmed incidents of corruption and actions taken	117			

Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	72-76	NO OMISSIONS		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	77			
	302-4 Reduction of energy consumption	77			

Water

GRI 303: Water and Effluents 2018	303-5 Water consumption	77			
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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION

Biodiversity

GRI 3: Material Topics 2021	3-3 Management of material topics	79	NO OMISSIONS		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	79			
	304-2 Significant impacts of activities, products and services on biodiversity	79			

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	72-76	NO OMISSIONS		
	305-1 Direct (Scope 1) GHG emissions	77-78	Scope 1 emissions reported does not include those relating to emissions from septic tanks. (Refer to Page 77)		
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	77-78	NO OMISSIONS		
	305-3 Other indirect (Scope 3) GHG emissions	98-100			
	305-5 Reduction of GHG emissions	78			

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	79-81	NO OMISSIONS		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	79-81			
	403-3 Occupational health services	81			
	403-4 Worker participation, consultation, and communication on occupational health and safety	81			
	403-5 Worker training on occupational health and safety	81			
	403-6 Promotion of worker health	80-81			
	403-9 Work-related injuries	81			
	403-10 Work-related ill health	81			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	135-136	NO OMISSIONS		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	138			
	404-2 Programs for upgrading employee skills and transition assistance programs	136-138			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	69-70	NO OMISSIONS		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	71			
	405-2 Ratio of basic salary and remuneration of women to men	71			
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	52-53, 67-69	NO OMISSIONS		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	69			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	45-46, 104-105	NO OMISSIONS		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	104-108			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	105-109	NO OMISSIONS		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	108			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	117-118	NO OMISSIONS		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	117-118			
	417-2 Incidents of non-compliance concerning product and service information and labeling	118			
	417-3 Incidents of non-compliance concerning marketing communications	118			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	101-103	NO OMISSIONS		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	103			



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Independent limited assurance report

To the Directors of CIMB Thai Bank Public Company Limited (“CIMB Thai”)

Conclusion

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the selected subject matters (“Subject Matters”) identified below and included in the Sustainability Report 2023 (the “Report”) for the year ended 31 December 2023 are not, in all material respects, prepared in compliance with the reporting criteria (the “Criteria”).

Our Responsibilities

We have been engaged by CIMB Thai and are responsible for providing a limited assurance conclusion in respect of the Subject Matters for the year ended 31 December 2023 to be included in the Report below.

Our assurance engagement is conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements*. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we plan and perform the engagement to obtain limited assurance on whether the Subject Matters are prepared, in all material respects, in compliance with the Criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

Subject Matters

Subject Matters comprised of the following data expressed numerically or in descriptive text for the year ended 31 December 2023:

- GRI 302-1 Energy consumption within the organization (2016)
- GRI 303-5 Water consumption (2018)
- GRI 305-1 Direct (Scope 1) GHG emissions (2016)
- GRI 305-2 Energy indirect (Scope 2) GHG emissions (2016)

Criteria

The Subject Matters were assessed according to the following criteria:

- The Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”)

Directors’ and management’s responsibilities

The directors and management of CIMB Thai are responsible for the preparation and presentation of the Subject Matters, specifically ensuring that in all material respects the Subject Matters are prepared and presented in accordance with the Criteria. This responsibility also includes the internal controls relevant to the preparation of the Report to ensure they are free from material misstatement whether due to fraud or error.



Procedure performed.

In forming our limited assurance conclusion over the Subject Matters, our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites.
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Subject Matters.
- Inquiries about managements practices and procedures related to identifying stakeholders and their expectations, determining material sustainability matters and implementing sustainability policies and guidelines.
- On-site visit at 4 locations: Head Quarter, KluaynamThai and Bangbon Branches and IT infrastructure (disaster recovery site) in Bangkok; and remote site visit at 3 locations: Chiang Mai, Hat Yai and Phuket Branches, are selected on the basis of risk analysis including the consideration of both quantitative and qualitative criteria.
- Agreeing the Subject Matters to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Subject Matters and prepared in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than CIMB Thai, for any purpose or in any other context. Any party other than CIMB Thai who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than CIMB Thai for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG PHOUMCHAI AUDIT LTD.

KPMG Phoomchai Audit Ltd.

Bangkok

14 March 2024

Appendix III: Renewable Energy Certificate

I-REC Certificates representing 1,000 MWh of Electricity Generated from Renewable Sources.



This Redemption Statement has been produced for

CIMB THAI BANK PUBLIC COMPANY LIMITED

by

INNOPOWER COMPANY LIMITED

confirming the Redemption of

1 000.000000

I-REC Certificates, representing 1 000.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**44 Langsuan Rd. Lumpini, Pathumwan, Bangkok 10330
Thailand**

in respect of the reporting period

2023-01-01 to 2023-12-31

The stated Redemption Purpose is

Green House Gas Protocol Scope 2 Reporting

Ev.

INNOPOWER



QR Code Verification

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

Verification Key

3 3 3 9 9 4 4 3

<https://api-internal.evident.app/public/certificates/en/tsordStCukKhDeoZse16aNg4vNt2L%2FvU0TrNqe%2FnoSNLSpjCuEOXTQb%2B8J8Jo4Kt>

Appendix IV: Other ESG Data

**Total Employment in CIMB Thai and our subsidiaries:
WorldLease and CIMB Thai Auto**

Employees by Gender

Detail	Unit	Year		
		2021	2022	2023
Total number of employees	Persons	3,646	3,628	3,134
• Total number of male employees	Persons	1,414	1,370	1,145
• Percentage of male employees	%	38.78	37.76	36.53
• Total number of female employees	Persons	2,232	2,258	1,989
• Percentage of female employees	%	61.22	62.24	63.47

Employees by Age Group

Detail	Unit	Year		
		2021	2022	2023
Total number of employees under 30 years old	Persons	482	520	303
Percentage of employees under 30 years old	%	13.22	14.33	9.67
Total number of employees 30-50 years old	Persons	2,361	2,296	2,022
Percentage of employees 30-50 years old	%	64.76	63.29	64.52
Total number of employees over 50 years old	Persons	803	812	809
Percentage of employees over 50 years old	%	22.02	22.38	25.81

Male Employees by Age Group

Detail	Unit	Year		
		2021	2022	2023
Total number of male employees under 30 years old	Persons	162	174	93
Percentage of male employees under 30 years old	%	11.46	12.70	8.12
Total number of male employees 30-50 years old	Persons	931	879	766
Percentage of male employees 30-50 years old	%	65.84	64.16	66.90
Total number of male employees over 50 years old	Persons	321	317	286
Percentage of male employees over 50 years old	%	22.70	23.14	24.98

Female Employees by Age Group

Detail	Unit	Year		
		2021	2022	2023
Total number of female employees under 30 years old	Persons	320	346	210
Percentage of female employees under 30 years old	%	14.34	15.32	10.56
Total number of female employees 30-50 years old	Persons	1,430	1,417	1,256
Percentage of female employees 30-50 years old	%	64.07	62.75	63.15
Total number of female employees over 50 years old	Persons	482	495	523
Percentage of female employees over 50 years old	%	21.59	21.92	26.29

Employees by Employee Category

Detail	Unit	Year		
		2021	2022	2023
Total number of employees under 30 years old	Persons	694	666	172
Percentage of employees under 30 years old	%	19.03	18.36	5.49
Total number of employees 30-50 years old	Persons	2,837	2,835	2,831
Percentage of employees 30-50 years old	%	77.81	78.14	90.33
Total number of employees over 50 years old	Persons	115	127	131
Percentage of employees over 50 years old	%	3.15	3.50	4.18

Male Employees by Employee Category

Detail	Unit	Year		
		2021	2022	2023
Total number of male employees in operational level	Persons	276	254	66
Percentage of male employees in operational level	%	19.52	18.54	5.76
Total number of male employees in management level	Persons	1,084	1,057	1,020
Percentage of male employees in management level	%	76.66	77.15	89.08
Total number of male employees in executive level	Persons	54	59	59
Percentage of male employees in executive level	%	3.82	4.31	5.15

Female Employees by Employee Category

Detail	Unit	Year		
		2021	2022	2023
Total number of female employees in operational level	Persons	418	412	106
Percentage of female employees in operational level	%	18.73	18.25	5.33
Total number of female employees in management level	Persons	1,753	1,778	1,811
Percentage of female employees in management level	%	78.54	78.74	91.05
Total number of female employees in executive level	Persons	61	68	72
Percentage of female employees in executive level	%	2.73	3.01	3.62

Employee Remuneration by Gender

Detail	Unit	Year		
		2021	2022	2023
Total employee remuneration	Baht	3,284,858,342.00	3,336,504,226.00	3,764,760,726.46
• Total male employee remuneration	Baht	1,217,368,502.00	1,236,508,466.00	1,523,651,382.05
• Percentage of remuneration in male employees	%	37.06	37.06	40.47
• Total female employee remuneration	Baht	2,067,489,840.00	2,099,995,760.00	2,241,109,344.41
• Percentage of remuneration in female employees	%	62.94	62.94	59.53
Average remuneration of employees	Baht / Person	900,948.53	919,653.87	1,201,263.79
Average remuneration of male employees	Baht / Person	860,939.53	902,560.92	1,330,699.90
Average remuneration of female employees	Baht / Person	926,294.73	930,024.69	1,126,751.81
Ratio of average remuneration of female employees to male employees		1.08	1.03	0.85

Remuneration of Directors and Executives

Director Remunerations

Detail	Unit	2023
Meeting allowance years old	Baht	7,837,742.00
Other monetary remuneration	Baht	0.00
Total director remuneration	Baht	7,837,742.00

Executive Remunerations

Detail	Unit	2023
Total executive remuneration	Baht	119,390,000.00

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