



# EMPOWERING

*Collective Progress*

## Basis of This Report

**We are pleased to present RHB Bank Berhad’s (“RHB”, “RHB Bank”, or “the Group”) Sustainability Report for the Financial Year ended 31 December 2023 (“this Report”). This Report is a comprehensive reflection of our steadfast commitment to driving sustainable change within the financial services sector and beyond.**

Through this Report, we chronicle our sustainability journey over the past year, sharing details of the strides we took, the challenges we faced, the lessons we learned and the milestones we achieved in the execution of our Sustainability Strategy and Roadmap, and in integrating sustainability into the core of our operations and decision-making processes. We are excited to share our journey with you and look forward to building a more sustainable future together.

### GUIDELINES AND STANDARDS

In crafting this Report, we have adhered to the highest standards of transparency and accountability, employing globally and nationally recognised frameworks to ensure our disclosures are comprehensive, comparable and of the utmost integrity. Our reporting is guided by the Bursa Main Market Listing Requirements and the Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition). It has also been prepared in accordance with the Global Reporting Initiative Standards 2021 (“GRI”).

▲ For detailed information on the GRI Content Index, please refer to pages 256 to 259

Our disclosures are aligned with the following national and global frameworks:

- Recommendations by the Task Force on Climate-related Financial Disclosures (“TCFD”)
- Joint Committee on Climate Change (“JC3”) TCFD Application Guide: Basic and Stretch
- Greenhouse Gas (“GHG”) Protocol: Corporate Accounting and Reporting Standard
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures
- United Nations Sustainable Development Goals (“UNSDGs”)
- S&P Global ESG Ratings
- FTSE Russell’s ESG Ratings
- MSCI ESG Ratings

### SCOPE AND BOUNDARY

RHB’s Sustainability Report covers the reporting period of 1 January 2023 to 31 December 2023, unless specified otherwise. Data related to employees is inclusive of the entire Group and spans nine countries within which we operate, across the Association of Southeast Asian Nations (“ASEAN”). It is important to note that specific information in this Report might be confined to certain geographical sectors as part of our ongoing efforts to enhance data collection and expand coverage for future disclosures. In such cases, relevant locations or parameters will be explicitly mentioned.

### FORWARD-LOOKING STATEMENTS

In this Report, we present forward-looking statements that articulate our vision of a more sustainable and equitable future and our strategic objectives in moving towards that goal. Readers will gain insights into our goals to lower our carbon footprint, embrace renewable energy, mobilise sustainable financial services and achieve net zero emissions within a set timeframe. This Report also demonstrates our dedication to social well-being, highlighting initiatives for enhancing diversity and inclusion, engaging with communities, and promoting ethical practices across the Group and our supply chain.

Our goals and targets are built upon our assumptions about the future and our expectations of how events will unfold. These assumptions and expectations are informed by our current knowledge, experiences and understanding of evolving sustainability and climate practices, laws and regulations, both nationally and globally. They serve as the foundation upon which we developed our sustainability and climate strategy, decisions and actions aimed at achieving the desired goals.

### REPORTING PRINCIPLES

This Report is in line with the GRI Reporting Principles and presents stakeholders with a holistic view of our progress in sustainability:

#### Sustainability Context

We set out RHB’s activities and performance within the framework of sustainability risks and opportunities.

#### Stakeholder Inclusiveness

We illustrate how our initiatives are crafted to address the evolving needs of all stakeholders.

#### Clarity

We ensure that our readers can easily access and understand the information that we have provided.

#### Completeness

We disclose all relevant information needed for stakeholders to evaluate our sustainability performance in a meaningful way.

#### Balance

We present balanced reporting in order to give a fair assessment of how well our performance plan is being implemented.

#### Comparability

We include data from prior years, whenever possible, to highlight changes in our performance over time and in comparison to our peers in the industry.

## Basis of This Report

## STATEMENT OF ASSURANCE

In strengthening the credibility of our sustainability disclosures, selected reported information disclosed in the Sustainability Report and the Sustainability Statement in RHB's Integrated Report 2023 have been subjected to independent limited assurance by PricewaterhouseCoopers PLT ("PwC") in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". For more information on the subject matter and scope of assurance, please refer to the Independent Limited Assurance Report on pages 267 to 271.

This marks the second consecutive year that the Group has subjected its Sustainability Report to independent assurance, underscoring our commitment towards providing credible and transparent disclosures. The Group has also expanded the scope of independent assurance for FY2023, as detailed in the Independent Limited Assurance Report on pages 267 to 271. Moving forward, the Group will continue to progressively expand the scope of its independent assurance to align with industry best practices.

This Report has also been reviewed and approved by RHB's Group Sustainability Committee and Board Sustainability Committee for greater oversight and governance of our sustainability disclosures.

## POINT OF CONTACT

Your insights matter to us. We encourage you to share comments and feedback with us via:

**Sustainability Management, Group Sustainability & Communications**

Level 8, Tower One, RHB Centre,  
Jalan Tun Razak, 50400 Kuala Lumpur  
Email: sustainability@rhbgroup.com

▲ **Integrated Report (IR)**

This is a communication tool, conveying the Group's strategies, governance and performance, as well as outlining our future prospects that lead to the creation of value over the short, medium and long term.

▲ **Financial Report (FR)**

Offers an in-depth overview on the Group's financial performance for the period of 1 January 2023 to 31 December 2023, accompanied by our independent auditor's report.

▲ **Sustainability Report (SR)**

Articulates the Group's position on sustainability and underscores its dedication to generating sustainable value for RHB and our stakeholders.

## NAVIGATION ICONS

*Our Capitals:*

<b>FC</b> Financial Capital	<b>MC</b> Manufactured Capital
<b>HC</b> Human Capital	<b>NC</b> Natural Capital
<b>IC</b> Intellectual Capital	<b>SRC</b> Social and Relationship Capital

*Our Stakeholders:*

<b>BD</b> Board of Directors	<b>SI</b> Shareholders and Investors	<b>SS</b> Suppliers and Service Providers	<b>RA</b> Rating Agencies
<b>CU</b> Customers	<b>RE</b> Regulators	<b>FI</b> Financial Industry Peers	<b>AN</b> Analysts
<b>EM</b> Employees	<b>CO</b> Communities	<b>BP</b> Business Partners	<b>ME</b> Media

*Key Risks:*

<b>CR</b> Credit Risk	<b>OR</b> Operational Risk	<b>SNC</b> Shariah Non-Compliance Risk	<b>RR</b> Reputational Risk
<b>MR</b> Market Risk	<b>TCR</b> Technology and Cyber Risk	<b>SR</b> Sustainability Risk	<b>CR</b> Corruption Risk
<b>LR</b> Liquidity Risk	<b>RNC</b> Regulatory Non-Compliance Risk	<b>IBR</b> Interest Rate Risk in the Banking Book/ Rate of Return Risk in the Banking Book	

*Material Matters:*

<b>GB</b> Good Business Governance	<b>DI</b> Digitalisation and Investment in Technology	<b>CC</b> Climate Change	<b>DO</b> Diversity and Equal Opportunity
<b>DC</b> Data Protection and Cybersecurity	<b>CX</b> Customer Experience	<b>ES</b> Environmental Stewardship	<b>CE</b> Community Enrichment and Empowerment
<b>SF</b> Sustainable Financial Services	<b>FC</b> Fair Treatment of Financial Customers	<b>T</b> Talent	
<b>FI</b> Financial Inclusion	<b>SC</b> Sustainable Supply Chain	<b>EHS</b> Employee Health, Safety and Wellness	

*Strategic Pillars:*

<b>PB</b> Be Everyone's Primary Bank
<b>CX</b> Prioritise Customer Experience
<b>QG</b> Drive Quality Growth

*Sustainability Pillars:*

<b>SRF</b> Sustainable and Responsible Finance
<b>ANZ</b> Committed to Achieving Net Zero by 2050
<b>EGP</b> Embedding Good Practices
<b>EEC</b> Enriching and Empowering Communities



# WHAT'S INSIDE THIS REPORT



Scan the QR code to view our Sustainability Report 2023 online.  
[www.rhbgroup.com](http://www.rhbgroup.com)



## 01 OUR STORY

Who We Are	2
What We Do	4
Sustainability Milestones	6

## 02 WHAT SUSTAINABILITY MEANS TO US

Joint Leadership Statement	10
----------------------------	----

## 03 INTEGRATING SUSTAINABILITY INTO RHB

Sustainability Strategy and Roadmap	18
Sustainability Scorecard	22
Sustainability Governance	30
Sustainability Thought Leadership and Advocacy	40
Sustainability and Climate-related Risk Management	46

## 04 OUR SUSTAINABILITY VALUE CREATION

Our Stakeholders Needs and Expectations	56
Our Material Matters	62

## 05 RHB'S CLIMATE-RELATED FINANCIAL DISCLOSURE

Climate Governance	82
Climate Strategy	89
Climate Risk Management	102
Climate-Related Metrics & Targets	110

## 06 CREATING VALUE BY...

...Driving Sustainable & Responsible Finance	116
> Sustainable Financial Services	
> Financial Inclusion	
> Digitalisation and Investment in Technology	
> Customer Experience	
> Fair Treatment of Financial Consumers	
...Embedding Good Practices	160
> Good Business Governance	
> Data Protection & Cybersecurity	
> Talent	
> Employee Health, Safety and Wellness	
> Diversity and Equal Opportunity	
> Environmental Stewardship	
> Sustainable Supply Chain	
...Enriching & Empowering Communities	208
> Community Enrichment and Empowerment	

## 07 SUSTAINABILITY PERFORMANCE DATA

Sustainability Performance Data	230
---------------------------------	-----

## 08 APPENDICES

Our Contribution to SDGs	250
GRI Content Index	256
Bursa Malaysia Sustainability Reporting Disclosures	262
TCFD Index	262
Independent Limited Assurance Report	267

## Who We Are

**We Are Guided By Our Purpose Statement...**

### Making Progress Happen for Everyone

**To Live Our Brand Promise Of...**

### Together We Progress

Our strong heritage is the foundation of our commitment to continue serving the community. For more than 100 years, we have been helping people and businesses grow and succeed and will continue to do so.

Our experience gives us an in-depth understanding of the needs of our customers and business partners, inspiring us to constantly innovate and improve to serve them better. With your continual support, we have established ourselves with a strong footprint throughout Malaysia and are in seven other countries across the ASEAN region offering commercial and investment banking services.

We hope our legacy and pursuit for excellence continues as we tirelessly cultivate and nurture the next generation through our actions and words, preparing them for a brighter future.

We thank you for believing in us and welcome everyone to join us on our exciting journey of progress. To realise our more significant potential, we must continue to work in unison as we move forward. Our brand promise, **Together We Progress**, honours our past, celebrates the present and welcomes the future.

We invite you to join us as we work towards a better and brighter future for all.



At the inaugural RHB #Empower & Neurodiversity@Work Achievement Ceremony in 2023

**To Create Positive Impact Through Sustainability Pillars...**

To create positive impact through these sustainability pillars

**SRF** Sustainable and Responsible Finance

**ANZ** Committed to Achieving Net Zero by 2050

**EGP** Embedding Good Practices

**EEC** Enriching and Empowering Communities

Who We Are



Underpinned By Our Values...

- P** PROFESSIONAL
- R** RESPECT
- I** INTEGRITY
- D** DYNAMIC
- E** EXCELLENCE



We Listen To The Needs Of Our Stakeholders...

Focused on growth and innovative solutions in approaching material risks

- |                                      |   |
|--------------------------------------|---|
| <b>BD</b> Board of Directors         | <b>SS</b> Suppliers and Service Providers |
| <b>CU</b> Customers                  | <b>FI</b> Financial Industry Peers        |
| <b>EM</b> Employees                  | <b>BP</b> Business Partners               |
| <b>SI</b> Shareholders and Investors | <b>RA</b> Rating Agencies                 |
| <b>RE</b> Regulators                 | <b>AN</b> Analysts                        |
| <b>CO</b> Communities                | <b>ME</b> Media                           |



**RHB BANKING GROUP**  
@RHBGroup · Financial Service



Customer Contact Centre >

Tel : +603 9206 8118  
Email : customer.service@rhbgroup.com

MALAYSIA

RHB BANKING GROUP, a multinational regional financial services provider, strives to provide complete financial solutions to its customers.

With a comprehensive range of services to suit its customers' evolving requirements, RHB offers a fast and seamless customer experience, supported by a dedicated team of employees.

As a leading financial institution in Malaysia, RHB has firmly established its presence and brand through its wide range of products and unique value propositions. With the support of close to 14,000 employees Group-wide, RHB's reach also extends to seven other countries in the ASEAN region.

**Market Capitalisation**  
RM23.4 billion

**Total Employees**  
13,968

**Presence in**  
8 countries 286 branches and offices

# What We Do

## OUR SEGMENTS

## WHO WE ARE



### GROUP COMMUNITY BANKING

**Group Community Banking** (“GCB”) comprises Group Retail Banking and SME Banking segments. We serve over 4.4 million individual clients and more than 210,000 businesses, offering a range of both conventional and Shariah-compliant consumer and SME banking solutions.

- ▶ Our Retail Banking segment delivers consumer banking solutions, including Wealth Management, Bancassurance, Mortgage, Auto Financing, ASB Financing, Personal Financing, Credit Card Payments and Deposits, while our SME Banking segment offers business financing solutions tailored to SMEs and family-run businesses.



### GROUP WHOLESALE BANKING

**Group Wholesale Banking** (“GWB”) encompasses several of RHB's key business segments including Investment Banking, Corporate Banking, Commercial Banking, Treasury and Global Markets, Asset Management, and Transaction Banking. Supported by the RHB Research and Economics teams, GWB offers comprehensive and end-to-end services spanning various products and financing solutions as well as advisory services to meet the needs of our clients in Malaysia and the wider region. Leveraging the combined expertise and potential synergies across our business segments, we facilitate our clients' advancement while also unlocking new opportunities and fortifying our market presence.

- ▶



### GROUP INTERNATIONAL BUSINESS

**Group International Business** (“GIB”) manages RHB's regional Commercial Banking operations, spanning five countries, namely Singapore, Cambodia, Thailand, Laos and Brunei, and are supported closely by expertise from our Malaysian headquarters. GIB works toward the Group's aspiration to build an integrated overseas business that leverages localised networks to serve the needs of our diverse customers and clients through our established presence. We offer solutions such as financing, deposits, wealth management, trade financing, premier banking, bancassurance and financing for small-and-medium enterprises (“SME”). We will continue to improve, stay relevant and competitive to our valued clients.

- ▶



### GROUP SHARIAH BUSINESS

**RHB Islamic Bank** is RHB Banking Group's Shariah Business banking arm. It offers a wide range of Shariah-compliant financial services. We provide products and services for the retail, SME, corporate, and commercial business segments, wealth management and investment banking. We do this through our extensive customer touchpoints of RHB Islamic Bank and RHB Bank branches at over 200 locations across the country, in addition to the convenience provided by our Self-Service Terminals, and mobile and online banking platforms. We aspire to become a leading provider of value-based Shariah financial services in Malaysia, aligning with the Group's **Together We Progress 2024** (“TWP24”)’s corporate strategy’s aspiration To Be Everyone’s Primary Bank.

- ▶



### GROUP INSURANCE

**RHB Insurance** provides a comprehensive range of general insurance and other products to our retail and corporate customers for better protection and peace of mind. Customers can easily and conveniently access our service and support through our network of 15 branches, over 751 Pos Malaysia branches and more than 2,200 authorised agent offices in Malaysia. We are among the Top 10 General Insurance providers in Malaysia for Fire, Personal Accident and Motor.

- ▶



What We Do

STRENGTHS AND DIFFERENTIATORS

- A leader in business banking, focusing on SMEs with end-to-end digital onboarding capability for transaction and lending products across the various channels
- Differentiated and disruptive client value propositions across Retail and SME client segments

- Market leader in corporate loans and financing, transaction banking, fixed income distribution and underwriting, equity underwriting, mergers and acquisitions, call warrants and asset management
- Personalised wholesale banking experience built on deep understanding and relationships with clients, and the capability to provide customer-centric and tailored bespoke solutions
- Differentiated digital solutions such as digital onboarding capability, Reflex system with API connectivity, end-to-end digitised supply chain financing, and RHB Live FX with real-time FX rates

- Provides comprehensive financial solutions supported by a localised, hyper-focused approach of target segments
- Access to regional networking spanning five countries in the ASEAN region

- Provides comprehensive Islamic financial services across the entire customer spectrum of retail, SME, corporate, commercial and investment banking as well as wealth management
- Provides products and services to essential sectors such as the government, healthcare and higher education
- Upholds Value-Based Intermediation ("VBI") principles and continue to fulfil our commitment to society
- The only bank that fully supports and focuses on marine conservation efforts as outlined by the UN SDG 14: "Life Below Water", through our Ocean Harmoni initiative

- Easy and convenient access to services and support through a network of 15 nationwide branches and over 751 Pos Malaysia branches, with more than 2,200 authorised agents
- Strong rapport with strategic partners for comprehensive financial solutions

Our Performance

GROSS LOANS

Retail Banking	SME Banking
<b>RM113.3</b> billion	<b>RM27.6</b> billion

DEPOSITS FROM CUSTOMERS

Retail Banking	SME Banking
<b>RM80.8</b> billion	<b>RM34.2</b> billion

GROSS LOANS

**RM49.1** billion

DEPOSITS FROM CUSTOMERS

**RM92.8** billion

GROSS LOANS

**RM32.3** billion

DEPOSITS FROM CUSTOMERS

**RM37.3** billion

GROSS FINANCING

**RM84.0** billion

DEPOSITS FROM CUSTOMERS

**RM82.2** billion

GROSS WRITTEN PREMIUM

**RM869.2** million

## PHASE 1:

# BUILDING FOUNDATIONS, EMBEDDING SUSTAINABILITY



### PHASE 1

#### PRE-2018

- Commenced the Group's journey to embed sustainability considerations into our business activities, operations and decision-making processes
- Admitted as a constituent of the FTSE4Good Bursa Malaysia Index
- Conducted materiality assessment to identify and prioritise ESG issues
- Published RHB's inaugural Sustainability Report (FY2017)

#### 2018

- Developed RHB Banking Group Sustainability Framework, Strategy and Key Focus areas
- Established RHB Foundation to drive the Group's Social agenda, focusing on the Community
- Embarked on operational GHG emissions management for Scope 1 and Scope 2

#### 2019

- Established RHB's RM5 billion Green Financing Commitment
- Integrated ESG considerations into the Group's risk management practices and decision-making processes – introduced ESG Risk assessment criteria for five sensitive sectors within the non-retail portfolio
- Appointed as member of the Joint Committee on Climate Change

#### 2020

- Established foundational Sustainability Governance structure
- Expanded operational (Scope 1 and Scope 2) GHG reporting to encompass branches in West Malaysia, as well as Scope 3 (Business travel by road)
- Introduced the General ESG Risk assessment criteria and industry-specific ESG risk assessment criteria for additional three ESG Sensitive Sectors
- Established baseline TCFD-aligned disclosures in SR2020

#### 2021

- Established the Group Sustainability Committee ("GSC") at Senior Management level
- Launched the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026)
- Launched the Group Climate Action Programme ("GCAP")
- Rolled out the RHB Banking Group Sustainability Framework to all regional offices
- RHB Asset Management launched four SRI-qualified ESG funds
- Issued RHB's Position on Coal and No Deforestation, No Peat and No Exploitation ("NDPE") Stance, both of which became effective in 2022

## Sustainability Milestones

## PHASE 2:

**DRIVING CHANGE,  
CREATING POSITIVE IMPACT**

## PHASE 2

## 2022

- Embarked on Phase 2 of RHB's Sustainability Journey, anchored on the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026)
- Enhanced the Group's sustainability governance with the establishment of the Board Sustainability Committee ("BSC")
- Established a Responsible, Accountable, Consulted and Informed ("RACI") Framework for the BSC, Board Risk Committee ("BRC"), Board Nominating & Remuneration Committee ("BNRC"), and Board Audit Committee ("BAC") as guidance in their deliberations and decision-making process on Sustainability and climate-related matters
- The Sustainable Banking Council, ESG Capital Markets & Advisory Council, and Sustainable Insurance Council were consolidated to form the Sustainable Business Council ("SBC")
- Appointed a Group Chief Sustainability Officer
- Completed Group Climate Action Programme ("GCAP") Phase 1: Group Ambition Setting and Blueprint
- Embarked on GCAP Phase 2 towards developing the Group's Pathway to Net Zero by 2050: Group Implementation Roadmap
- Issued RHB Group ESG Eligible Business Activities Guidelines ("EBAG") to facilitate the classification of green, social and sustainable financing, in support of the Group's Sustainable Financial Services commitment

## 2023

- Revised RHB Group's 2026 Sustainable Financial Services commitment from RM20 billion to RM50 billion
- Established the Group's pathway to achieve Net Zero by 2050, as well as interim targets\*
- Became Malaysia's first financial services provider to collaborate with Tenaga Nasional Berhad ("TNB") to nurture and advance SMEs towards low-carbon practices through renewable energy and energy efficiency solutions
- Became a member of the United Nations Global Compact
- Established the Group Climate Risk Management Framework and Group Climate Risk Management Policy
- Established the Sustainable Sukuk & Bond Framework ("SSBF") for RHB Banking Group
- Established the RHB Insurance Sustainability Roadmap, in alignment with the Group's 5-Year Sustainability Strategy and Roadmap
- Conducted the first independent assurance for RHB Group's Sustainability Report 2022, on selected material Sustainability KPIs and achievements, based on the Group's 5-Year Sustainability Strategy and Roadmap
- Established and implemented the Sustainability Capability Building Framework
- Developed the Group's ESG Supplier Code of Conduct, to promote responsible and sustainable practices across the Group's supply chain


\* For further information on the Group's Net Zero Commitment, decarbonisation strategy and climate-related efforts, please refer to RHB's Climate-related Financial Disclosure on page 82.

▲ Please refer to the RHB Sustainability Report 2022 for further details of our sustainability milestones prior to FY2023.

## Sustainability Milestones


### FY2023 Sustainability-related Awards & Recognition

#### RHB Group




---

 The Edge ESG Awards 2024 (Silver)  
*Financial Services*




---

 Star Media Group, ESG Positive Impact Awards (Silver)  
*Energy Efficiency*

#### RHB Bank Berhad

##### Retail Banker International Asia Trailblazer Awards 2024

- > Excellence in SME Banking (Winner)
- > Trailblazing Use of AI or Machine Learning in Financial Services (Highly Commended)
- > Best CSR\* Initiative: Contribution to Local Community, for Nurturing Future Generations Programme

##### Asian Banking & Finance Retail Banking Awards 2023

- > Domestic Retail Bank of the Year (Malaysia)
  - > Millennial Product Initiative of the Year (Malaysia)
- RHB MySiswa Debit Card-i*

##### 17<sup>th</sup> Best Financial Institution Awards 2023

- > Best Digital Bank

##### National Energy Award 2023

- > Sustainable Energy Financing (Domestic & Islamic Bank) - Merit Award

##### The Edge Billion Ringgit Club 2023

- > Best Corporate Responsibility Initiative

##### 15<sup>th</sup> Annual Global CSR & ESG Summit & Awards 2023

- > Best Community Programme Award (Silver)

##### ESGBusiness Awards 2023

- > Social Inclusion & Equal Opportunities Category for RHB #JomBiz

\* Corporate Social Responsibility

#### RHB Investment Bank

##### The Asset Triple A Islamic Finance Awards 2023

- > Best in Sustainable Finance
- > Best Sustainability-linked Sukuk (Malaysia)
- > Best Sustainability Sukuk – SMEs (Malaysia)
- > Best Sustainability Sukuk – Transport (Malaysia)

##### The Asset Triple A Sustainable Infrastructure Awards 2023

- > Transport Deal of the Year

##### 2023 AsiaMoney Brokers Polls 2023 (Brokerages)

- > 3<sup>rd</sup> Best Research Team for ESG (Thailand)

##### 2023 AsiaMoney Brokers Polls 2023 (Brokers)

- > 3<sup>rd</sup> Best Analyst for ESG
- Jeffrey Tan (Thailand)*

#### RHB Bank (Singapore)

##### The Asset Triple A Sustainable Capital Markets Awards

- > Best Green Loan

Sustainability Milestones

**RHB Asset Management**



**The Edge Malaysia ESG Awards 2023**

- > Best Fund Based on Asset Class – Allocation (Gold)

*RHB ESG Multi-Asset Fund RM-Hedged*



**The Edge Malaysia ESG Awards 2023**

- > Best Impact – Resource Security (Silver)

*RHB Climate Change Solutions Fund RM-Hedged*



**Citywire Asia ASEAN Awards 2022/23**

- > Best Sustainable Investments – Best Solutions



**Bond Pricing Agency Malaysia (BPAM)**

- > Top ESG – Malaysian Trustees Berhad (*Top ESG Trustee*)

**FY2023 ESG Ratings**

**FTSE4Good**



Rated as Top 25% in ESG ratings among public listed companies

*in the FTSE Bursa Malaysia EMAS Index*



**FTSE4Good**

**MSCI ESG Ratings**



Maintained AA (Leader) rating

*in the MSCI ESG Ratings*

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

**S&P Global CSA**



42/100

**S&P Global**

## Joint Leadership Message

# DEAR VALUED STAKEHOLDERS,

In the rapidly evolving landscape of global financial services, we at RHB Banking Group (“RHB” or the “Group”) embrace a visionary role that goes beyond the confines of profits and market share to strike the right balance between responsibility and opportunity.



*From left to right:*

**Datuk Iain John Lo**

---

**Mohd Rashid Mohamad**

---

## Joint Leadership Message

We recognise the profound impact our actions have on the world we live in. The challenges of climate change, resource scarcity and social inequality demand concerted action and unwavering dedication.

With this recognition comes a responsibility and a commitment to steer our financial ambitions towards a future where economic prosperity converges seamlessly with environmental stewardship and social equity. With a sense of pride and purpose, we share how RHB Banking Group has risen to these challenges, forging paths that might inspire others to follow.

With that firmly etched in our corporate ethos, RHB has embarked on a transformative journey that goes beyond the ordinary, embracing a holistic approach to sustainability. Throughout FY2023, RHB has been at the forefront of enabling a just and responsible transition to a low-carbon economy. We have leveraged our influence and resources to drive meaningful change for a sustainable financial landscape.

### OUR SUSTAINABILITY STRATEGY & ROADMAP

We have made great strides in executing our 5-Year Sustainability Strategy and Roadmap (2022-2026). Driven by the pillars of Sustainable and Responsible Finance, Embedding Good Practices, and Enriching and Empowering Communities, as well as by our climate pillar, Committed to Achieving Net Zero by 2050, our 5-Year Sustainability Strategy and Roadmap integrates sustainable practices across the Group's business activities, operations and decision-making processes, and is key to creating long-term value for the Group and our key stakeholders.

## Key FY2023 Highlights of Our Sustainability Strategy and Roadmap



Established the Group's **commitment to achieving Net Zero emissions by 2050**



Revised our sustainable financial services **commitment to RM50 billion by 2026**



Established a landmark **collaboration with Tenaga Nasional Berhad** to facilitate the adoption of low-carbon transition practices amongst SME and retail customers



**Rolled out the Sustainability Capability Building Framework** across the Group



Established the **RHB Supplier Code of Conduct** to embed sustainability considerations throughout our value chain



Strengthened climate risk management with the introduction of the **Group Climate Risk Management Framework & Policy**



Launched the **RHB #Empower programme** to assist neurodivergent youths to integrate into society

### Achievements During the Year

#### Cumulative Sustainable Financial Services Mobilisation

Over **RM23.8 billion** mobilised between July 2021 to December 2023.

#### Sustainable Financial Services Mobilised in FY2023

**RM12.5 billion**

This data has been externally assured. Refer to the independent limited assurance report in this Sustainability Report.

#### Carbon Neutral Operations

**43.14%** reduction

in operational GHG emissions compared to 2016 baseline.

#### Diversity and Equal Opportunity

**33.9%**

of Top and Senior Management roles held by women. This data has been externally assured.

#### Employee Learning and Development

**313,783 hours**

of training across the Group, equivalent to an average of 22 hours per employee. This data has been externally assured.

#### Community Enrichment and Empowerment

**357,746 students**

onboarded onto the MySISWA programme. This data has been externally assured.

#### Advancing SMEs Towards Sustainable Business Practices

Over **800 SMEs**

engaged via roadshows and sustainability engagements across Malaysia.

#### Supporting SMEs Low-Carbon Transition

Nearly **RM260 million**

mobilised to support SMEs' low-carbon transition via the BNM Low Carbon Transition Facility.

## Joint Leadership Message

### ADVANCING TOWARDS NET ZERO

In our unwavering commitment to upholding environmental stewardship, the Group embarked on a transformative journey towards Net Zero in November 2022 through our Group Climate Action Programme.

This journey reflects our belief in the urgent need for responsible and conscious business practices beyond profit to embrace our collective responsibility towards the global ecosystem.

The Group achieved a significant milestone in FY2023 through our Group Climate Action Programme (“GCAP”), completing our financed emissions baselining exercise, enabling us to determine our long-term climate ambition, thus advancing our journey towards Net Zero Emissions by 2050. Accordingly, we are diligently working on the strategies and initiatives to pave the way for a sustainable and environmentally responsible future.

Our approach is founded upon a holistic strategy that weaves together three strategic objectives, each aimed at addressing distinct facets of our climate impact and guiding our efforts across our business activities, internal operations and value chain.

## ACHIEVE NET ZERO EMISSIONS BY 2050

	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3
<p><b>STRATEGIC OBJECTIVE</b></p>	<p>Reduction of financed emissions<sup>1</sup> in five high impact sectors within our business:</p> <ul style="list-style-type: none"> <li>• Energy Supply</li> <li>• Palm Oil</li> <li>• Oil &amp; Gas</li> <li>• Property &amp; Construction</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Driving growth in our Green Financial Services; and</li> <li>• Supporting companies committed to carbon neutrality with a clear and established transition strategy</li> </ul>	<p>Integration of sustainable and low-carbon practices into our own operations</p>
<p><b>2030 Targets</b></p>	<p><b>Achieve 20% reduction</b> in Financed Emissions for the top five high impact sectors within our business</p>	<p><b>40% of our portfolio in Green Financial Services</b> and/or supporting companies committed to carbon neutrality with a clear and established transition strategy</p>	<p><b>Achieve Carbon Neutral Operations by 2030</b>, covering Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) greenhouse gas emissions</p>
<p><b>2050 Targets</b></p>	<p><b>Achieve up to 96% reduction</b> in Financed Emissions for the top five high impact sectors within our business</p>	<p><b>90% of our portfolio in Green Financial Services</b> and/or supporting companies committed to carbon neutrality with a clear and established transition strategy</p>	

<sup>1</sup> Refers to the GHG emissions associated with RHB Group's business activities



## Joint Leadership Message

## The Group's pathway to Net Zero has been solidified following extensive groundwork, especially in ensuring we have the right governance structure, frameworks, policies and processes in place.

In this context, the GCAP has been instrumental in integrating climate-related considerations into our risk management processes and business strategy. This aligns with our commitment to comply with BNM's Climate Risk Management and Scenario Analysis ("CRMSA") by December 2024.

We initiated our Net Zero Commitment by conducting a comprehensive assessment of our financed emissions baseline, covering all asset classes. Recognising that some sectors contribute more than others to our financed emissions, we conducted an in-depth analysis to identify and prioritise the high impact sectors which we are exposed to. As at 31 December 2022, these five high impact sectors represent approximately 60% of the Group's total financial exposure and 84% of the Group's total financed emissions. This analysis has shaped the Group's first Strategic Objective in our approach to Net Zero, which is centred on managing our financed emissions from these five high impact sectors. By focusing our efforts in this way, we are better positioned to make impactful and substantial strides towards achieving our Net Zero Commitment.

Supporting our first Strategic Objective are the Group's stance on No New Coal, the Group's No Deforestation, No Peat and No Exploitation ("NDPE") policy, Prohibited Credits, close monitoring of Environmental, Social and Governance ("ESG") Sensitive Sectors and the enhanced ESG risk assessment ("ERA") tool. In FY2023, we have further embedded climate considerations into our risk management approach by introducing the Group Climate Risk Management Framework and Policy, fortifying our foundation for risk mitigation.

The second Strategic Objective centres on customer engagement, notably identifying and capitalising on commercial opportunities by aligning our financial products and services with green and low-carbon practices. This will strengthen our brand value and unlock new revenue streams for the Group, creating a win-win scenario where sustainability and profitability go hand in hand.

For the third Strategic Objective, we continue to progress towards our aspiration to achieve Carbon Neutral Operations by 2030, reducing our operational emissions while offsetting residual emissions, with a target to reduce operational greenhouse gas ("GHG") emissions by 60% by 2030. We continue to strive towards achieving this target through Environmental Stewardship of our internal environmental footprint by promoting resource management and green practices. As of December 2023, we achieved a 43.14% reduction in total operational GHG emissions (covering Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air)).

▲ Further information on the Group's Commitment to Net Zero by 2050 is detailed on page 89.

## SUSTAINABLE AND RESPONSIBLE FINANCE

### By the close of 2023, we successfully mobilised over RM23.8 billion in sustainable financial services.

Building on our commitment to mobilise sustainable financial services, in 2023, we revised our target from its initial RM20 billion to a more ambitious RM50 billion by 2026. This revised commitment signals our dedication to maximising positive impact and driving sustainable development.

Recognising the nuanced needs of SMEs in transitioning to sustainable and low-carbon practices, we introduced tailored sustainable and green financial solutions to help address their resource and technical constraints. Through the Sustainable Financing Programme, we aim to extend RM1.5 billion in sustainable financing, predominantly to SMEs, by 2024. RHB has made significant strides in this regard, cumulatively mobilising RM1.49 billion between September 2021 to December 2023. The Bank has also facilitated the provision of RM258.80 million in funding through BNM's Low Carbon Transition Facility ("LCTF"), bolstering SMEs' journey towards green practices. RHB's SME capability-building initiatives, including strategic partnerships, roadshows and awareness campaigns, have benefitted over 800 SMEs during the year.

Meanwhile, our landmark collaboration with Tenaga Nasional Berhad ("TNB") helps us drive the adoption of renewable energy and energy-efficient solutions among SMEs and retail customers. As part of this collaboration, we held an inaugural SME engagement session in November 2023, where RHB and TNB jointly engaged over 200 SMEs within the Klang Valley region on low-carbon transition. These engagements will continue into 2024, reaching out to SMEs across other states nationwide.

Financial institutions play a crucial role in driving financial inclusion and expanding financial services to a broader segment of the population, particularly the unbanked and underbanked. In FY2023, the Group onboarded over 350,000 students from 20 public universities across Malaysia onto the MySISWA account opening programme, supporting their tertiary education journey. On the financing front, RHB participated in the Skim Jaminan Kredit Perumahan ("SJKP") Home Financing-i, initiated by Syarikat Jaminan Kredit Perumahan Berhad, which aims to promote homeownership among lower income individuals in Malaysia. As of December 2023, the Bank has extended RM778.6 million in SJKP loans, benefitting 2,700 customers. For the year under review, RHB Insurance also introduced RHB Rahmah Personal Accident Insurance and Perlindungan Hero, both of which are affordable insurance products addressing the needs of the B40 segment. The Group also significantly promotes financial literacy by offering educational programmes and resources to youths, vulnerable individuals and micro businesses through the RHB Money Ma\$ter Programme and RHB #JomBiz. This empowers them to make informed financial decisions, effectively manage their finances, and understand the benefits of formal banking services.

## Joint Leadership Message

### EMBEDDING GOOD PRACTICES

Upholding good corporate governance and ethical business practices remains the highest priority for the Group and its stakeholders. Our commitment to upholding robust governance practices is central to meeting customer needs and maintaining trust in our operations. As the financial services sector continues to evolve, the Group remains guided by its sound governance framework.

To this end, we are committed to continuously strengthening our sustainability governance structure, including by having robust oversight of sustainability and climate-related matters, reflecting our comprehensive approach and accountability to embedding responsible business practices. The Board of Directors is primarily responsible for setting the overall strategic direction of the Group's sustainability and climate-related strategy, ensuring alignment with the Group's long-term goals and corporate strategy, regulatory expectations, government directives and industry best practices.

Since its establishment in 2022, the Board Sustainability Committee ("BSC") has been assisting the Board in driving and providing strategic oversight of the Group's sustainability and climate-related initiatives, as well as material Environmental, Social and Governance ("ESG") matters across the Group's business and operations, ensuring alignment with the Group's overall business strategy.

Furthermore, to ensure that the Group's leadership is accountable for delivering on our sustainability ambitions, sustainability has been included as a KPI in the Group's FY2023 Balanced Scorecard, while our five Sustainability KPIs have been embedded into the Balanced Scorecard of the relevant members of the Group Senior Management. With this, sustainability is directly integrated into our performance assessment and rewards system, thus ensuring that executive total remuneration is aligned with sustainability performance.

To foster a culture of integrity, we continue to drive awareness across the Group by organising events such as RHB Integrity Day to demonstrate our zero-tolerance stance towards bribery and corruption, as well as to inculcate a culture of integrity that is committed to combating corrupt practices in the workplace. As part of the Group's Integrity Day, the Group Chairman, GMD and Senior Management reinforced the Group's Corruption Free Pledge. Anti-bribery and corruption matters are also incorporated as part of the mandatory learning programme for all RHBians. This commitment extends to the Bank's supply chain, promoting ethical practices throughout the supply chain. We have also launched the Group Anti-Bribery & Corruption Handbook to guide all employees, business partners and associates. To ensure that everyone within the Group is on board with this journey, we conducted over 20 awareness and knowledge-sharing sessions on anti-bribery and corruption to employees across the Group, and circulated monthly e-publications on the Group's anti-bribery and corruption stance. These efforts collectively strengthen the commitment to integrity within the Group.

We recognise that Diversity, Equity, and Inclusion ("DEI") is a strategic enabler for organisational growth, fostering innovation and creativity. We strongly believe that diverse viewpoints will fuel idea generation. Furthermore, a workforce that embraces DEI principles is better able to connect and engage with our customers and other stakeholders from diverse backgrounds. To inculcate good practices within the Group, we strongly advocate DEI within the workforce, which has been embedded into the Group's sustainability KPIs. As of December 2023, women's representation in Top and Senior Management stood at 33.9%. We have engaged our employees by implementing various initiatives to collectively reinforce our commitment to fostering a diverse, inclusive and supportive workplace culture. We also remain committed to achieving sustainable gender diversity in leadership, and this is reflected in our focus on building a robust talent pipeline of women leaders, driven by impactful women's coaching, mentorship and networking programmes, such as the Women in Leadership League ("WiLL"). In 2023, we launched the third WiLL cohort across the Group; since the programme's inception, 78 promising female employees have completed the programme.

To strengthen ESG awareness and understanding within the workforce, RHB implemented the Sustainability Capability Building Framework ("SCBF"). This framework guides us in building strong ESG capabilities through a continuous learning curriculum on sustainability and climate change. In 2023, we implemented over 60 training programmes under the SCBF, while a further 2,000 employees completed supplementary in-house sustainability e-learning modules.

The Group launched the RHB Supplier Code of Conduct in FY2023 to embed good practices across its value chain. This Code guides our suppliers in integrating ESG considerations into their practices in alignment with the Group's sustainability agenda. We will roll out the Code of Conduct in phases across our operations starting in 2024.

**96.3%** of new joiners completed mandatory e-learning on Anti-Bribery and Corruption.

Over **RM23.9 million** invested in employee learning and development (FY2022: RM15.3 million).

**94%** of procurement spending directed towards local suppliers.

## Joint Leadership Message

## ENRICHING &amp; EMPOWERING COMMUNITIES

## RHB has continued to invest significantly in nurturing future generations and empowering communities, mainly focusing on the vulnerable and underserved.

In 2023, the Bank invested close to RM5 million in community programmes, positively impacting over 50,000 individuals and families, especially underprivileged youths and low-income families.

Nurturing Future Generations has been a key focus for RHB. We launched the RHB #Empower programme in 2023 to assist neurodivergent youths to integrate into society by providing employment and equipping them with independent living skills. Our first cohort comprised 20 #Empower participants who completed the structured development programme in June 2023. Through the support of the Human Resource Development Corporation ("HRD Corp"), our #Empower participants were offered internships or job opportunities across various industries, three of which were internship placements within RHB Bank.

Empowering Communities is another critical area of focus for RHB. The Bank continues to uplift micro, small and medium enterprises ("MSMEs") through the RHB #JomBiz programme, providing seed funding to 60 promising businesses in FY2023. Furthermore, through our zakat contributions totalling RM8 million in FY2023, the Bank has invested in numerous social empowerment initiatives targeting the B40 and asnaf communities, including the B40 Empowerment Strategy – Be Your Own Boss ("BEST-BYOB") micro-entrepreneurial programme. This initiative provides comprehensive entrepreneurship training, business matching opportunities, mentoring and seed funding to participants. For the year under review, 28 BEST-BYOB graduates transitioned into pre-franchise entrepreneurs, with initial incomes ranging from RM1,500 to RM30,000.



## Moving Forward

### RHB's holistic approach to sustainability exemplifies our proactiveness in shaping a more sustainable and equitable world.

Our efforts to accelerate the just and responsible transition to a sustainable and low-carbon economy will only intensify, guided by the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026) and the Group's commitment to achieving Net Zero by 2050.

RHB is committed to continuously assessing and expanding our green and climate initiatives, which include monitoring our decarbonisation pathways across the five high impact sectors, focusing on green financial services, and supporting companies committed to carbon neutrality, with a clear and established transition strategy. Collectively, this will contribute towards enabling a sustainable and low-carbon transition across the industry and economy.

We recognise that our journey towards achieving Net Zero cannot be achieved in isolation. As such, we will continue to explore strategic partnerships and collaborations with key industry players and regulatory authorities. Building robust organisational capabilities in sustainability and climate action also remains one of the Group's key areas of priority. This encompasses continuous enhancement of our sustainability strategy in alignment with the Group's long-term goals, integrating climate and sustainability considerations into risk management processes, enhancing our data governance and management systems, and building a team of sustainable finance experts across the Group.

# Acknowledgements

The progress of the Group’s sustainability journey is a testament to the collective effort and dedication of various teams across the Group.

Our heartfelt thanks to the Group Senior Management, the Group Sustainability Committee, the Group Sustainability Management team, Group Risk & Credit Management, Sustainability Councils, Sustainability Champions and all our employees across the entire organisation for their unwavering commitment to delivering the Group Sustainability Strategy and Roadmap. Your individual and collective efforts are a key driving force behind the positive change within and beyond RHB.



RHB and TNB jointly hosted an SME engagement session in November 2023 to educate SMEs on low-carbon business practices, including renewable energy and energy efficiency solutions



RHB Bank Berhad received the Best CR Initiative Award at The Edge Billion Ringgit Club 2023. The award was received by En Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group (second from right)

As a result of your efforts, the Group is honoured to have received several awards and accolades. This includes the “Best in Sustainable Finance” and “Best Sustainability-linked Sukuk (Malaysia)” awards from The Asset Triple A Islamic Finance Awards 2023, The Edge “ESG Awards 2023 (Silver) for Financial Services”, The Edge Billion Ringgit Club 2023 for “Best CR Initiative”, as well as the “Best CSR Contribution to Local Community – Nurturing Future Generations Programme” at the Retail Banker International Asia Trailblazer Awards 2023.

Our sincere appreciation to the Board of Directors and the Board Sustainability Committee for their invaluable guidance and support, which has enabled the Group to embed sustainability and climate considerations into our business and operations towards delivering on our commitments. We would also like to express our gratitude to the Board of Trustees of RHB Foundation for their passion and commitment in driving our community engagement initiatives.

## Joint Leadership Message

To our regulators, Bank Negara Malaysia, the Securities Commission, Bursa Malaysia, and the regional regulatory authorities within the countries where we operate, your guidance has been instrumental in shaping the industry and our approach to responsible business practices. We remain committed to ensuring compliance with all relevant regulations and strive beyond mere compliance to pursue sustainable transformation.

Last but not least, to our Shareholders, we are grateful for your continued trust and partnership in the Group's sustainability journey. Your belief in our purpose of Making Progress Happen for Everyone is the foundation for our shared value creation towards a more sustainable future. We look forward to continuing this journey together.

In conclusion, RHB's journey in 2023 has been one of resilience, innovation and leadership. As we continue to navigate the complexities of a rapidly changing world, we remain steadfast to our commitment to sustainability.

We are confident that with our strategic approach, comprehensive initiatives, and the collaborative spirit of all our stakeholders, RHB will continue to be a leading force in driving the transition to a low-carbon and equitable future.



(From left to right) Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group, with YB Nik Nazmi Nik Ahmad, Minister of Natural Resources, Environment and Climate Change, at the Energy Transition Conference 2023

**Datuk Iain John Lo**  
Chairman  
Board Sustainability Committee

**Mohd Rashid Mohamad**  
Group Managing Director/Group Chief Executive Officer  
RHB Banking Group

# INTEGRATING SUSTAINABILITY INTO RHB

We have adopted a holistic approach to sustainability, recognising that Environmental, Social and Governance (“ESG”) factors are deeply interconnected and critical to our long-term success and business resilience.

In FY2023, we conducted a materiality assessment to better understand our key material sustainability matters, and what is important to our key stakeholders. Further, the Group’s 5-Year Sustainability Strategy and Roadmap (2022-2026) guides us in integrating sustainability into our business, operations and decision-making processes.

Spurred by our commitment to drive a just and responsible transition towards a low-carbon economy, we have also accelerated efforts to integrate climate-related considerations into our business, prioritising decarbonisation efforts across our portfolio and facilitating our clients in our journey to achieve Net Zero by 2050. Through robust collaborative efforts, we aim to drive collective progress towards a thriving sustainable future for all.

▲ For further information on the Group’s decarbonisation strategy and commitment to Net Zero by 2050, please refer to RHB’s Climate-Related Financial Disclosures on page 82.



Signing ceremony for the Collaborative Agreement between RHB Banking Group and Tenaga Nasional Berhad to Promote and Provide Green Solutions for SMEs and Individuals at the Energy Transition Conference 2023

# Sustainability Strategy & Roadmap

## SUSTAINABILITY STRATEGY AND ROADMAP

Recognising its critical role in shared value creation, long-term growth and societal well-being, RHB has positioned sustainability as a key focus area within the Group's **Together We Progress 2024** ("TWP24") corporate strategy. Aligned to this, we are proactively integrating sustainability and climate considerations across our business and operations, towards becoming a sustainable and responsible financial services provider.

### SUSTAINABILITY IS AN INTEGRAL COMPONENT OF TWP24

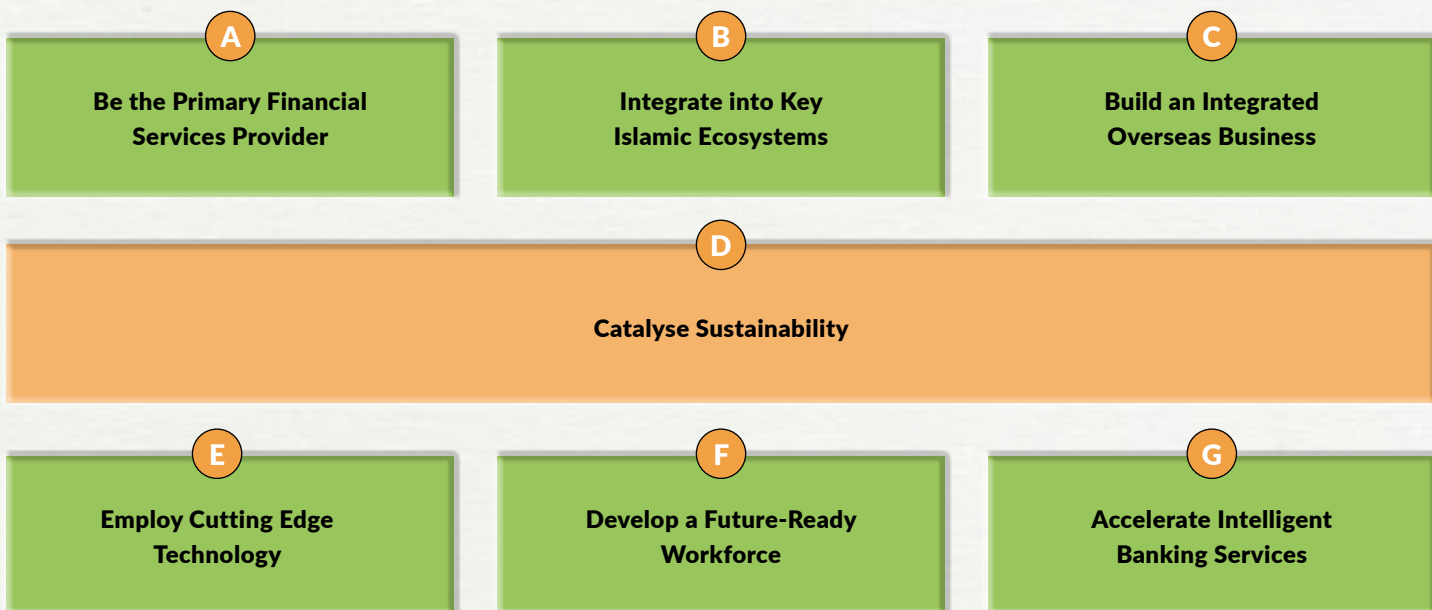
Purpose

## MAKING PROGRESS HAPPEN FOR EVERYONE

Strategic Objectives



### TWP24 FOCUS AREA



# Sustainability Strategy & Roadmap

The Group's 5-Year Sustainability Strategy and Roadmap (2022-2026) underpins our unwavering commitment to championing sustainability and climate action.

## SUSTAINABILITY PURPOSE

To be a sustainably responsible financial services provider by promoting sustainable and inclusive growth, nurturing customers, employees and communities, while upholding good governance to create value

## OUR ASPIRATIONS

- Support sustainable development by mobilising RM50 billion in sustainable financial services by 2026
- Achieve Carbon Neutral Operations by 2030
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve Net Zero by 2050



### SUSTAINABLE & RESPONSIBLE FINANCE

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth



### COMMITTED TO ACHIEVING NET ZERO BY 2050

Accelerating the just and responsible transition to a low-carbon economy, guided by the Group's Net Zero by 2050 Strategy



### EMBEDDING GOOD PRACTICES

Foster responsible practices and nurture a sustainable culture



### ENRICHING & EMPOWERING COMMUNITIES

Create long-term positive impacts on our communities, nurturing children and youth

#### FOCUS AREAS

- **Sustainable Financial Services**  
Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management and insurance businesses
- **Financial Inclusion**  
Promote financial inclusion<sup>1</sup> by providing access to financial products and services to individuals (students, youth, new to workforce, the underserved) and businesses (SMEs, microenterprises, etc.)
- **Advancing SMEs Towards Sustainable Business Practices**  
Nurture and support SMEs in their journey towards building a sustainable business

#### FOCUS AREAS

- **Reduction of Financed Emissions<sup>2</sup>**  
Reducing carbon emissions in five high-impact sectors within our business<sup>3</sup>
- **Greening Our Portfolio**  
Driving growth in Green Financial Services and supporting businesses/ companies that are committed to carbon neutrality with a clear and established transition strategy
- **Integration of sustainable and low-carbon practices into our own operations**  
Achieve Carbon Neutral Operations by 2030

#### FOCUS AREAS

- **Ethics & Conduct**  
Uphold integrity, ethics and compliance through robust policies and practices
- **People & Workplace**  
Promote employee development and nurture a fair, diverse and inclusive workforce
- **Sustainable Supply Chain**  
Promote responsible and sustainable practices across the Group's supply chain

#### FOCUS AREAS

- **Nurturing Future Generations**  
Promote growth and resilience in children and youth through holistic learning and self-development programmes
- **Lifting Communities**  
Improve the lives the vulnerable and underserved segments of the community through meaningful community engagement initiatives which include capacity building and skills development programmes

## ENABLERS



### GOVERNANCE

- Robust sustainability and climate governance across the Group to drive decision-making and provide appropriate oversight of sustainability



### DATA & TECHNOLOGY

- Leverage data points and technology for monitoring and reporting to ensure reliability, credibility and trust



### HUMAN CAPITAL & TRAINING

- Attract, retain and develop people with the right skillsets and capabilities to support the Group's sustainability agenda



### PARTNERSHIP & ADVOCACY

- Build trusted partnerships and continuously advocate for and nurture others towards sustainable and low-carbon practices

<sup>1</sup> Provision of affordable and quality financial products and services

<sup>2</sup> GHG emissions associated with RHB Group's business activities

<sup>3</sup> Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport



## Sustainability Strategy & Roadmap

In FY2023, we enhanced the Group Sustainability Strategy and Roadmap, following the establishment of the Group's commitment to achieve Net Zero emissions by 2050. Our Net Zero by 2050 strategic objectives encompass three themes, as follows:

- 01** Reducing the financed emissions associated with five high impact sectors within our business
- 02** Growing our green portfolio and supporting businesses and companies that have a clear and established transition strategy to achieve carbon neutrality
- 03** Achieving Carbon Neutral Operations by 2030

Under our 5-Year Sustainability Strategy and Roadmap (2022-2026), we have identified five Key Performance Indicators ("KPIs") that are being tracked, monitored and disclosed as part of the Group's long-term corporate strategy.

 <b>1</b> <b>Mobilise</b> RM50 billion in Sustainable Financial Services by 2026	 <b>2</b> <b>Empowering</b> over 2 million targeted individuals and businesses across ASEAN by 2026	 <b>3</b> <b>Achieve</b> Carbon Neutral Operations by 2030	 <b>4</b> <b>Diversity, Equity &amp; Inclusion/DEI (Workplace)</b>	 <b>5</b> <b>Group Climate Action Programme</b> Complete 32 initiatives by 2024; and develop the Group's Net Zero 2050 Pathway
--	---	--	---	--

▲ Please refer to our Sustainability Scorecard on page 22 for details of our progress on the above KPIs.

In 2023, we revised and enhanced two of our sustainability aspirations to reflect the progress we have made in our sustainability journey and to be aligned with regulatory expectations, industry best practices, and the evolving guidance, policies and incentives on decarbonisation introduced by the Government:

Revision	Rationale
<b>01</b> Revised the Group's 2026 Sustainable Financial Services Commitment from RM20 billion to RM50 billion	<ul style="list-style-type: none"> <li>The revised commitment takes into consideration the progress we have made since establishing the initial commitment in mobilising sustainable financial services in the fourth quarter of 2021.</li> <li>As at 31 December 2023, we have mobilised over RM23.8 billion in sustainable financial services, equivalent to 119% of the original RM20 billion target.</li> <li>We have established RHB's Commitment to Net Zero by 2050, which will require the Group to accelerate efforts to support customers' needs as they transition towards sustainable and low-carbon practices.</li> </ul>
<b>02</b> Revised the Group's KPI 5 to reflect the establishment of the Group's commitment to achieve Net Zero by 2050, and the Group's decarbonisation strategy	<ul style="list-style-type: none"> <li>RHB's Net Zero commitment and decarbonisation strategy was established based on the comprehensive groundwork carried out as part of the Group Climate Action Programme.</li> <li>We have established our financed emissions baseline and identified five key high impact sectors, which will drive the Group's decarbonisation strategy.</li> <li>We have also established interim and long-term targets towards achieving Net Zero by 2050.</li> </ul>

▲ For further information on the Group's Net Zero commitment and decarbonisation strategy, please refer to page 89.

## Sustainability Scorecard

# Scorecard Summary

The Group's five Sustainability KPIs are integral to our sustainability journey, holding us accountable to our commitments, while also providing clear milestones to progress towards.

	<p><b>KPI 1</b> <b>Mobilise</b> RM50 billion in Sustainable Financial Services by 2026</p> <p><i>As of December 2023...</i> Mobilised RM23.8 billion in Sustainable Financial Services, since July 2021</p>
	<p><b>KPI 2</b> <b>Empowering</b> over 2 million targeted individuals and businesses across ASEAN by 2026</p> <p><i>As of December 2023...</i> Empowered 789,282 targeted individuals and businesses across ASEAN, since 2022</p>
	<p><b>KPI 3</b> <b>Achieve</b> Carbon Neutral Operations by 2030</p> <p><i>As of December 2023...</i> Achieved 43.14% reduction in our operational GHG emissions, compared to baseline year (2016)</p>
	<p><b>KPI 4</b> <b>Diversity, Equity &amp; Inclusion/ DEI (Workplace)</b></p> <p><i>As of December 2023...</i> Achieved 33.9%<sup>^</sup> women's representation in Top and Senior Management</p>
	<p><b>KPI 5</b> <b>Group Climate Action Programme</b></p> <p>Complete 32 initiatives by 2024; and develop the Group's Net Zero 2050 Pathway</p> <p><i>As of December 2023...</i> Established the Group's decarbonisation strategy towards achieving Net Zero by 2050</p>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

<p><b>KPI 1</b></p> <p>Mobilise RM50 billion in Sustainable Financial Services by 2026</p>
<p><b>KPI 2</b></p> <p>Empowering over 2 million targeted individuals and businesses across ASEAN by 2026</p>
<p><b>KPI 3</b></p> <p>Achieve Carbon Neutral Operations by 2030</p>
<p><b>KPI 4</b></p> <p>Diversity, Equity &amp; Inclusion / DEI (Workplace)</p>
<p><b>KPI 5</b></p> <p>Group Climate Action Programme</p>

## Sustainability Scorecard

### OUR FOCUS

Create positive impacts through our lending, capital markets and advisory, wealth management, investment and insurance businesses\*.

### OUR TARGET

**Mobilise RM8.9 billion**  
in sustainable financial services in 2023

**Mobilise RM50 billion**  
in sustainable financial services by 2026\*\*

\* Identification, classification and monitoring of sustainable financial services is in accordance to the Group's ESG Eligible Business Activities Guidelines ("EBAG").

\*\* RHB has revised the Group's 2026 Sustainable Financial Services Commitment from RM20 billion to RM50 billion, in view of the Group achieving the original RM20 billion commitment within FY2023.

### OUR FOCUS

Empower over two million targeted individuals and businesses across ASEAN by 2026 through:

**Provision of basic banking services to university students**

**Financial literacy programmes for youth and vulnerable segments**

**Academic Excellence Programme and Scholarships for underprivileged youth**

**Empowering SMEs through SME e-solutions**

**Micro SME capability building**

### OUR FOCUS

Established a blueprint towards achieving carbon neutral operations by 2030. The blueprint will guide us towards reducing our operational emissions while offsetting residual emissions, with a target to reduce operational GHG emissions by 60% by 2030.

### OUR TARGET



**GHG emissions**



**43% reduction**  
by 2023



**45% reduction**  
by 2026



**60% reduction**  
by 2030



**carbon neutral operations**  
by 2030\*

\* The remaining 40% residual emissions shall be reduced through carbon offsetting by 2030.

### OUR FOCUS

People & Workplace - Nurture a fair, diverse, inclusive and sustainable workforce.

### OUR TARGET

**32.0% Women in Top and Senior Management**

by 2023

**1/3 or 33.3% Women in Top and Senior Management**

by 2026

### OUR FOCUS

The Group Climate Action Programme ("GCAP") is a key component of the Group's Sustainability Strategy and Roadmap, towards developing the Group's Pathway to Net Zero by 2050.

Serving as the catalyst behind RHB's climate risk management practices, GCAP builds the Group's foundation in managing climate-related risks, including integrating the regulations set by Bank Negara Malaysia, the Securities Commission and other country regulations on climate-related risks into our risk management framework and processes.

Climate-related considerations are embedded into our decision-making processes, risk assessments, strategic planning and engagements with clients and stakeholders. Ultimately, GCAP not only fortifies our resilience, but also unlocks strategic market opportunities, paving the way for the development of innovative financial products and solutions to meet the rising demand for sustainable and green financing and investments.

# Sustainability Scorecard



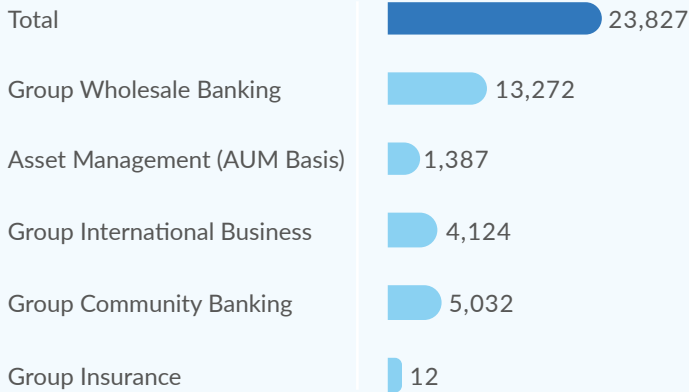
## KPI 1

# Mobilise RM50b in Sustainable Financial Services by 2026

### Breakdown by Business Segments

#### CUMULATIVE ACHIEVEMENT

July 2021 - December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)

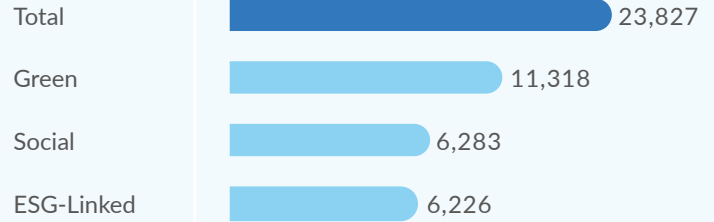


<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

### Breakdown by Type of Activity

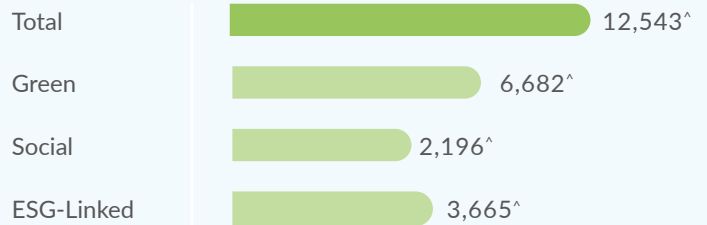
#### CUMULATIVE ACHIEVEMENT

July 2021 - December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)



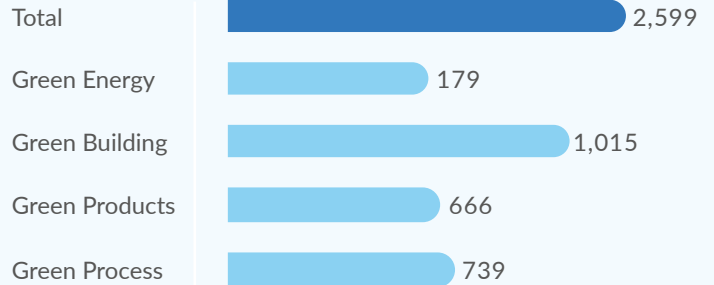
• The above covers sustainable financial services under Group Wholesale Banking, Asset Management, Group International Business, Group Community Banking and Group Insurance.

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

### SME Sustainable Financing Programme

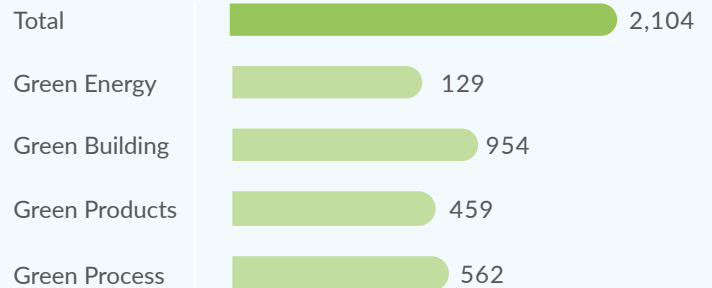
#### CUMULATIVE ACHIEVEMENT

September 2021 - December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)

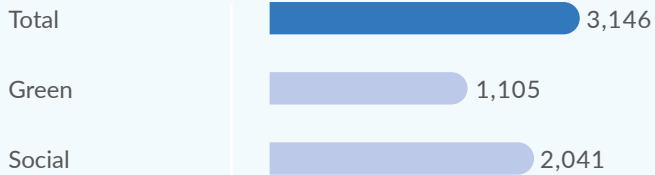


## Sustainability Scorecard

## Breakdown by Retail and Non-Retail Category

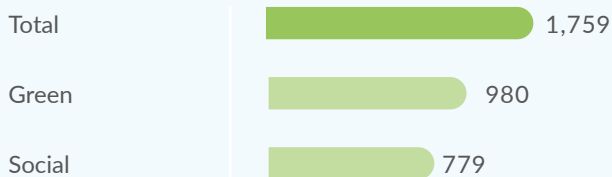
## CUMULATIVE ACHIEVEMENT: RETAIL\*

July 2021 – December 2023 (RM million)



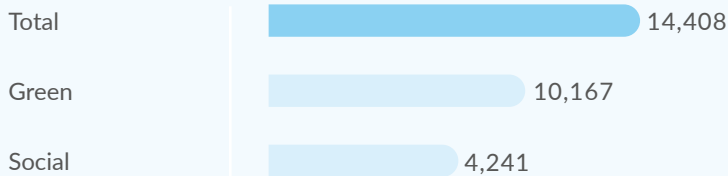
## FY2023 ACHIEVEMENT: RETAIL\*

January 2023 – December 2023 (RM million)



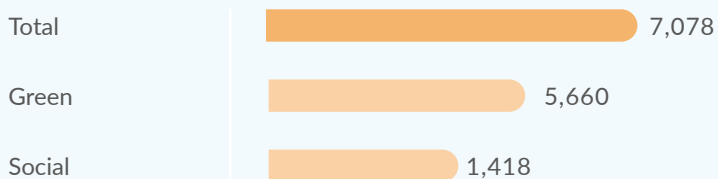
## CUMULATIVE ACHIEVEMENT: NON-RETAIL\*\*

July 2021 – December 2023 (RM million)



## FY2023 ACHIEVEMENT, NON-RETAIL\*\*

January 2023 – December 2023 (RM million)



\* Retail covers sustainable financial services under Homeowners, Lifestyle Financing and Auto Financing. Note that mobilisation under "ESG-Linked" category is not applicable to Retail, as Retail mobilisation is tied to specific products and services.

\*\* Non-Retail covers sustainable financial services Group Wholesale Banking, Group International Business and SME Banking.

## Low Carbon Transition Facility ("LCTF")

## FY2023 Achievement



## RM 260 million

March 2023 – December 2023\*

\* LCTF under RHB was rolled out from March 2023 onwards and covers mobilisation under SME Green Financing Schemes. The LCTF is a fund introduced by BNM.



## MOHD RASHID MOHAMAD

Group Managing Director/Group Chief  
Executive Officer of RHB Banking Group

### Since establishing the Group's Sustainable Financial Services Commitment, what key progress has RHB made?

"RHB first embarked on its sustainable finance journey in 2019, when the Group launched RHB's Green Financing Commitment, which aimed to mobilise RM5 billion towards non-retail green financing by 2025. Subsequently, in 2021, we established the Sustainable Financing Programme ("SFP"), through which we offer green product bundles to SME and Retail customers, with a view to provide RM1 billion in green financing through the SFP by 2025. Our efforts to mobilise sustainable finance hit a turning point in FY2021, when, as part of the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), RHB established a commitment to mobilise RM20 billion in sustainable financial services by 2026. Subsequently, in FY2023, we revised this commitment upwards to RM50 billion by 2026, in view of the progress we have made since establishing the initial commitment."

### Moving forward, how will RHB further catalyse the mobilisation of sustainable financial services?

"RHB is deeply committed to supporting and accelerating our customers' sustainability journeys. Following the revision of our Sustainable Financial Services Commitment, the Group is stepping up its efforts to mobilise sustainable financial services across all business segments, to address the needs of both retail and non-retail customers.

In particular, the Group places emphasis on supporting and nurturing our SME customers, who face distinct challenges in transitioning towards more sustainable business practices. Aligned to our purpose of 'Making Progress Happen for Everyone', we strive to be more than a provider of capital, aspiring to become a partner for our SME customers throughout their sustainability journey. More broadly, RHB will leverage decarbonisation directives and policies launched by the Government, such as the National Energy Transition Roadmap, incentives provided by regulators, such as BNM's Low Carbon Transition Facility ("LCTF"), as well as the strategic partnerships that we have established with key industry players, including Tenaga Nasional Berhad, to journey towards a low-carbon economy, in partnership with all of our clients."

# Sustainability Scorecard



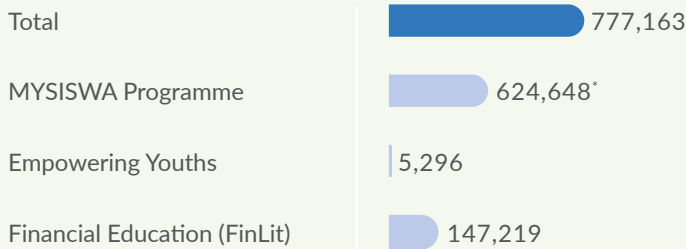
## KPI 2

Empowering over 2 million targeted individuals and businesses across ASEAN by 2026

### Targeted Individuals

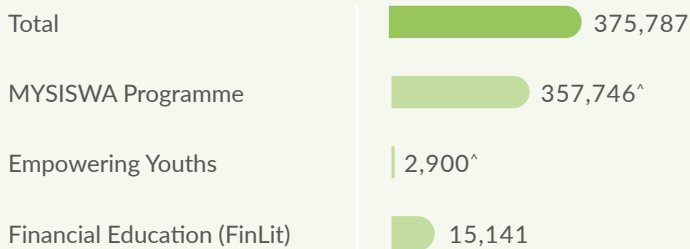
#### CUMULATIVE ACHIEVEMENT

January 2022 - December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)



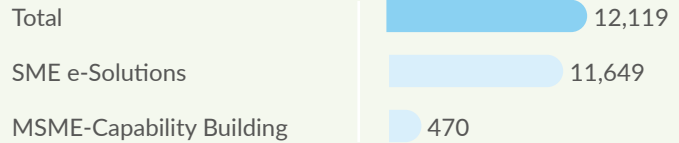
\* This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

^ The cumulative number of accounts as of 31 December 2023 excludes 19,195 accounts that were dormant and have been subsequently deactivated.

### Targeted Businesses

#### CUMULATIVE ACHIEVEMENT

January 2022 - December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)



**NORAZZAH SULAIMAN**

Group Chief Sustainability and Communications Officer

**Can you elaborate on the evolution of RHB's Financial Inclusion agenda over the years?**

"Driving financial inclusion has long been a key priority for the Group. However, our focus on financial inclusion was strengthened with the introduction of the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), which identifies Financial Inclusion as one of the key focus areas under the Pillar of Sustainable and Responsible Finance. Accordingly, we have also established a Sustainability KPI - To empower more than two million targeted individuals and businesses across ASEAN by 2026 - to reflect our commitment in promoting financial inclusion. With this, our financial inclusion efforts have become more focused, leveraging our financial products and solutions, as well as our financial education programmes. Identifying financial inclusion as a key focus area also aligns with the Group's TWP24 corporate strategy, which places emphasis on 'Making Progress Happen for Everyone'."

**How do you foresee RHB's financial inclusion agenda strategically contributing to the achievement of the Group's overall Sustainability Strategy and Roadmap?**

"Within RHB's overarching Sustainability Strategy and Roadmap, Financial Inclusion agenda holds significant potential as a powerful strategic enabler. A good example is our MySISWA Programme, where we have onboarded more than 600,000 youths from 20 public universities between 2022-2023 through opening basic savings accounts with RHB Islamic Bank equipped with a smart debit card. With targeted marketing campaigns, educational resources and awareness on financial literacy, and creating seamless digital experience to the preferences of the younger demographics, these youths represent RHB's future pipeline of customers. Financial inclusion is one of the strategic imperatives of the Group's overall sustainability journey, as empowering the underserved and offering financially inclusive products and services allows us to maximise our socioeconomic impact and drive sustainable value creation for our stakeholders."

Sustainability Scorecard

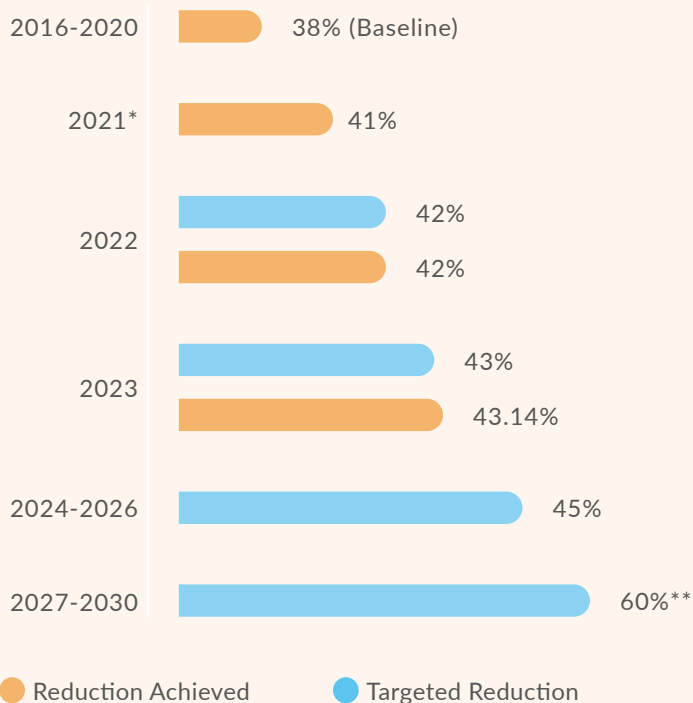


KPI 3

Achieve Carbon Neutral Operations by 2030

Reduction of Operational GHG Emissions

as at 31 December 2023



\* The RHB Carbon Neutral Operations Roadmap was established in 2022, hence GHG emissions reduction targets for prior years are not available.

\*\* The remaining 40% of emissions to be addressed via carbon offsetting to achieve carbon neutral operations by 2030.



DAVID CHONG MING LIANG

Group Chief Operations Officer

What are the key challenges and opportunities arising from RHB's Carbon Neutral Operations 2030 Plan?

"The Group's roadmap to achieve Carbon Neutral Operations by 2030 presents both challenges and opportunities. On the one hand, transitioning our operations towards more environmentally friendly practices requires capital investments and widespread behavioural change across the organisation. On the other hand, our efforts to achieve carbon neutral operations will provide the Group with cost-saving opportunities, and demonstrates our commitment to Embedding Good Practices across our value chain, in alignment with the Group's overall 5-Year Sustainability Strategy and Roadmap."

Moving forward, what will be the next key focus be towards achieving RHB's Carbon Neutral Operations 2030 Plan?

"As part of our Carbon Neutral Operations by 2030 Plan, we have clearly identified key initiatives that will drive the reduction of our Scope 1 and Scope 2 GHG emissions covering energy saving, renewable energy sourcing, building and data centre management, as well as engagement programmes with employees and other key stakeholders. These projects will be completed or implemented in the coming years, and we will continue to closely monitor our GHG emissions to ensure that we are on track to achieve our interim target of 45% reduction in GHG emissions by 2026, compared to our 2016 baseline. We will also continue to obtain third-party validation and assurance of our GHG emissions to ensure the accuracy of our data. Simultaneously, the Group is looking to explore carbon offsetting and nature-based solutions to address the residual emissions to achieve Carbon Neutral Operations by 2030."

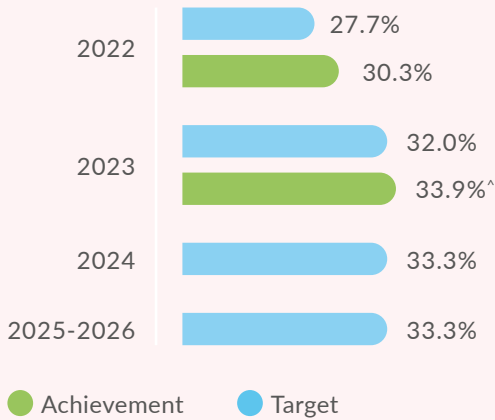
## Sustainability Scorecard



### KPI 4

## Diversity, Equity & Inclusion / DEI (Workplace)

#### Women in Top and Senior Management



^ This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.



**WAN MARIAH ABU HASSAN**

Group Chief People Officer

#### How can Diversity, Equity and Inclusion (“DEI”) be the key enabler for organisational growth as well as talent management?

“DEI has been instrumental and a significant enabler for RHB and its stakeholders over the past few years, becoming a strategic imperative for organisational growth and effective talent management. It’s not just about meeting quotas; it’s about embracing diverse perspectives, fostering innovation and building stronger connections with our customers. Having a diverse workforce brings together a broader range of perspectives and a richer pool of ideas, which helps us connect with a wider range of customer segments, driving adaptability, business resilience and brand loyalty. A culture of DEI also fuels knowledge-sharing, collaboration and productivity, boosting talent attraction and retention while encouraging strategic decision-making. Ultimately, prioritising diversity, equity and inclusion unlocks new opportunities, enhances customer experiences, and empowers our employees to reach their full potential, thus creating sustainable growth and meaningful impact for all stakeholders. This encapsulates our belief that Progress is indeed for everyone!”

#### To what extent has DEI contributed towards value creation for RHB and its stakeholders over the past few years?

“RHB’s commitment to DEI has demonstrably fuelled value creation over the past few years. For us, DEI goes beyond mere compliance; it strategically contributes to sustainable value creation. Fostering diversity in the workforce encourages innovation and drives the development of customer-centric solutions, bringing us closer to achieving our TWP24 objectives of ‘Being Everyone’s Primary Bank’ and ‘Prioritising Customer Experience’. A diverse workforce enables us to build deeper relationships with our target customers, meet their needs through personalised value propositions, and ultimately deliver market-leading customer experiences and service levels. Additionally, at the management level, diversity and inclusion lead to more informed strategic decision-making, considering a wider range of perspectives.”



### KPI 5

## Group Climate Action Programme

As of December 2023, we have commenced 29 out of 32 GCAP initiatives. Of this, 19 out of 32 initiatives have been completed, across three key pillars:

Business  
**88%**

Risk  
**61%**

Disclosures & Communication, Data and Capability-Building  
**75%**

A key FY2023 achievement under GCAP is the establishment of the Group’s decarbonisation strategy to achieve Net Zero by 2050. The Group’s decarbonisation strategy has been developed based on:

- Identified five key high impact sectors in the Group’s portfolio, and determined the importance of focusing on these five sectors to achieve Net Zero by 2050
- Completed financed emissions baselining exercise by utilising the Partnership for Carbon Accounting Financials (“PCAF”) methodology, covering all five key high impact sectors
- Adopted a data-driven methodology to establish the Group’s decarbonisation trajectory
- Established sector-specific decarbonisation strategies, including sector decarbonisation trajectories and targets
- Set clear interim and long-term targets towards achieving Net Zero by 2050
- Identified key enablers and key levers towards achieving Net Zero by 2050



## Sustainability Scorecard

**DR CHONG HAN HWEE***Group Chief Risk Officer***How does climate risk management play an integral role in strategic decision-making?**

"With the introduction of regulatory requirements from BNM in recent years, climate risk management has become an integral aspect of effective strategic decision-making. Proactive identification and management of climate-related risks builds organisational resilience, and capitalises on emerging opportunities in low-carbon economy transitioning. Embracing climate risk management as part of our core business strategy fosters innovation and will help RHB navigate an evolving sustainability landscape."

**How has GCAP enhanced RHB's resilience to climate-related risks?**

"GCAP has been a key enabler for the Group to entrench climate-related considerations within our risk management frameworks, policies and processes. We have institutionalised the Group Climate Risk Management Framework and Group Climate Risk Management Policy, establishing clear roles and responsibilities across the Three Lines of Defence. Climate-related risks have also been incorporated into the Risk Library, and embedded into relevant Group risk-related policies. This ensures a holistic and future-proof approach to climate risk management."

**NORAZZAH SULAIMAN***Group Chief Sustainability and Communications Officer***In what ways does GCAP contribute towards RHB's Sustainability agenda?**

"GCAP is a core component of the Group's sustainability efforts. Under the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), we have identified 'Committed to Achieving Net Zero by 2050' as the climate pillar of the Group's strategy. This sub-pillar encompasses both our operational (Scope 1 and Scope 2) GHG emissions, as well as our financed emissions (Scope 3). GCAP has been critical in enabling us to address our financed emissions by firstly, establishing our financed emissions baseline and secondly, developing sector-specific decarbonisation strategies to reduce our financed emissions moving forward. Beyond this, GCAP has enabled the Group to further embed climate-related considerations into our risk management processes and business strategy, ensuring that we holistically manage climate-related risks and opportunities, in alignment with regulatory expectations."

**How will RHB leverage GCAP, and the key outcomes of GCAP, to further enhance the Group's sustainability efforts?**

"The successful execution of GCAP represents a key milestone, rather than an endpoint, of the Group's sustainability journey. RHB is committed to continuously enhance our sustainability efforts, and GCAP serves as a catalyst towards further enhancing our management of climate-related risks and opportunities. Through GCAP, we have achieved critical milestones that strengthen the Group's climate resilience. We have embedded climate risk considerations into our risk management approach, established our financed emissions baseline, and developed our pathway towards achieving Net Zero by 2050. These ambitions are supported by sector-specific decarbonisation strategies for our top 5 high impact sectors, namely the Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport sectors. Additionally, we have established clear interim and long-term targets for our financed emissions and green commercial opportunities to drive our approach towards achieving Net Zero. Looking ahead, the lasting legacy of GCAP will be the Group's considered and structured approach towards managing climate risks and opportunities that will ultimately drive the just and responsible transition to a low-carbon economy."

**JEFFREY NG EOW OO***Managing Director, Group Community Banking***Advancing SMEs towards sustainable business practices is an important aspect of the low-carbon transition. How has GCAP enhanced RHB's approach to supporting SME customers' transition journeys?**

"The transition to a low-carbon economy will require all businesses to embrace ESG in their business operations, and we recognise that SMEs face unique challenges in doing this. While we have been engaging our SME customers on this matter prior to the implementation of GCAP, GCAP has provided us with key infrastructure that will provide more structure and clarity to our customer engagements moving forward. We understand that SMEs will require more hand-holding and support as they transition towards low-carbon practices, and GCAP has provided our Relationship Managers ("RMs") with the necessary tools that will allow them to do so. Through GCAP, we have developed RM Playbooks and sector-specific decarbonisation strategies, both of which will enable our RMs to more effectively guide our customers to integrate ESG and climate considerations into their business."

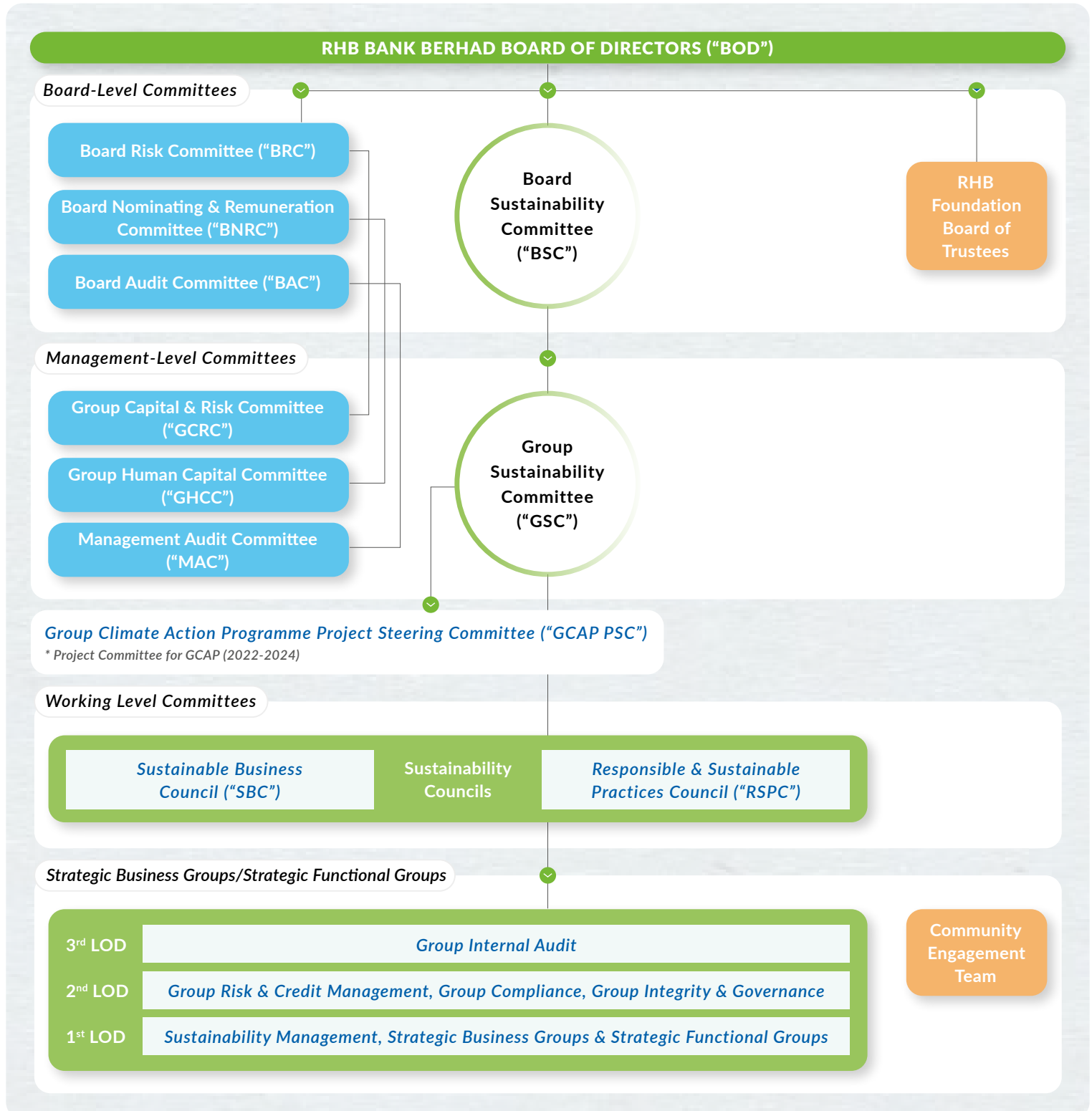
**Moving forward, how will RHB support customers' decarbonisation journey? What can we expect in terms of RHB's sustainable financial services?**

"For GCB, mobilising sustainable financial services will encompass several key priorities moving forward. Firstly, we will continue to nurture and support our SME customers to transition towards sustainable and low-carbon practices, guided by the Group's decarbonisation strategy and commitment to Net Zero by 2050. Secondly, we will continue to leverage our existing green and sustainable financial products and services, as well as consider new product opportunities in this space, as they emerge. The sustainability and climate landscape is constantly evolving, and we remain constantly vigilant of new commercial opportunities. Thirdly, we will also continue to deepen and strengthen collaborative partnerships with key industry partners, an example of which being our collaboration with TNB, to jointly drive our customers' decarbonisation journeys."

# Sustainability Governance

## RHB'S SUSTAINABILITY GOVERNANCE STRUCTURE

RHB has established a robust sustainability governance structure, aligned to industry best practices and regulatory expectations. Prioritising accountability and transparency, our sustainability governance structure underpins the effective execution of our Sustainability Strategy and Roadmap and enables us to drive the just and responsible transition to a low-carbon economy. By harnessing diverse perspectives and expertise, we strive to ensure our continued capacity to address stakeholders' expectations and navigate the evolving sustainability landscape.



# Sustainability Governance

## BOARD-LEVEL OVERSIGHT

The Board of Directors (“the Board”) is the highest governing body in providing strategic direction and oversight of the Group’s Sustainability Strategy and Roadmap, including climate-related strategy. The Board deliberates and provides guidance on the Group’s sustainability and climate-related strategy to ensure that it is robust, meaningful and impactful.

The Board Sustainability Committee (“BSC”) assists the Board of Directors in providing oversight of the integration of sustainability and climate-related considerations into the Group’s strategy and decision-making processes. As part of this, the BSC Chairman provides updates on the Group’s sustainability and climate-related achievements to the Board of Directors on a quarterly basis.

### Composition of the BSC

- The BSC is chaired by YBhg Datuk Iain John Lo (Independent Non-Executive Director)
- Its members are YBhg Dato’ Mohamad Nasir Ab Latif (Non-Independent Non-Executive Director), Mr Donald Joshua Jaganathan (Independent Non-Executive Director), and Puan Hijah Arifakh Othman (Independent Non-Executive Director)\*

\* Puan Hijah Arifakh Othman was appointed as a member of the BSC on 1 June 2023, following the resignation of Tan Sri Dr Rebecca Fatima Sta Maria.

The BSC works closely with the Board Risk Committee (“BRC”), Board Nominating & Remuneration Committee (“BNRC”), and Board Audit Committee (“BAC”) in providing oversight of the relevant areas of sustainability and climate-related matters.

The Group has established a Responsible, Accountable, Consulted and Informed (“RACI”) Framework for the BSC, BRC, BNRC and BAC to ensure that the Board Committees have clear delineation of responsibilities in their oversight and decision-making authority on sustainability and climate-related matters.

The RACI Framework is outlined below:

Roles/Deliverables	BNRC	BAC	BRC	BSC
Sustainability/ESG Risks & climate-related risks			R A	C I
Diversity, Equity and Inclusion in the Workplace	R A			C I
ESG and climate-related audit findings arising from scheduled audits		R A		I
Post Approval Credit Review (“PACR”) observations on compliance to Group Credit Policy/Guidelines in relation to ESG and Climate matters		R	A C	I
ESG and climate-related regulatory compliance matters/issues			R A	C I
Review and assess the appointment/re-appointments of Board Sustainability Committee members for recommendation to the Board of Directors	R A			C I
Review and assess the appointment/re-appointments of Group Chief Sustainability Officer for recommendation to the Board of Directors	R		I	A
Review the quality of the Sustainability audits and assurance conducted by internal and external auditors		R A		C I
Approve and/or review Sustainability and climate-related strategies, policies, frameworks and positioning			C	R A
Review and approve Sustainability Reports and other Sustainability and climate-related disclosures	I	I	I	R A
Review and approve New/Existing ESG-related products with material variations in product features, excluding products specifically for RHB Islamic Bank or RHB Investment Bank			R A	C I
Sustainability Culture and Capacity Building			I	R A
Sustainability Governance			C I	R A

### Legend:

- R** Responsible
- C** Consulted
- A** Accountable
- I** Informed

## Sustainability Governance

In addition to this, the RHB Foundation Board of Trustees provides strategic guidance to drive the Group's community engagement initiatives, aligned to the Group's sustainability Pillar of Enriching and Empowering Communities.

The responsibilities of each Board Committee, and how they have discharged their duties in FY2023, are described below.

### BOARD OF DIRECTORS

- *Highest governing body responsible for providing strategic direction and oversight of the Group's Sustainability Strategy and Roadmap, including climate-related strategy*

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

**8**

### Sustainability-related Matters Discussed:

- Revision to the Group's Sustainability KPI 1
- Net Zero Strategy and Decarbonisation Pathway
- Commercial Opportunities and Pipelines to Support the Group's Decarbonisation Strategy
- Strategic Collaborations for Sustainability
- Quarterly Status Update on the Group's Sustainability Achievements
- Sustainability Assurance
- Responsible, Accountable, Consulted, and Informed ("RACI") Framework for Board Sustainability Committee ("BSC") and Respective Board Committees

### BOARD SUSTAINABILITY COMMITTEE ("BSC")

- *Assists the Board in providing oversight on the Group's material sustainability and climate-related issues and matters*
- *Assists the Board of Directors in driving sustainability and climate-related strategies and roadmap*
- *Provides strategic direction:*
  - > *On the Group's sustainability governance structure towards ensuring accountability and effectiveness in the execution of the Group's sustainability and climate-related strategies and roadmap*
  - > *On the Group's sustainability and climate-related disclosures towards ensuring compliance with regulatory requirements as well as international best practices*
- *Deliberate and approve:*
  - > *Group-wide sustainability and climate-related implementation plans*
  - > *Policies, frameworks, position statements, and/or stance in line with the Group's sustainability and climate-related strategies and the approved priorities (with the exception of matters that relate to sustainability risks, including climate-related risks)*

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

**6**

### Sustainability-related Matters Discussed:

- Financed emissions baseline, including data requirements and baselining approach
- RHB's Net Zero Commitment
- Transition Pathway and sector-specific decarbonisation strategies for 5 high impact sectors
- Scenario analysis and model development approach
- Revision of Group's Sustainable Financial Services Commitment
- Group Sustainable Sukuk and Bond Framework
- RHB Bank Sustainability Report 2022
- Sustainability Assurance
- Status updates on:
  - > The Group's Sustainability Achievements
  - > The Group's ESG Sensitive Sector Analysis
  - > The Group Climate Action Programme
- RHB Insurance Sustainability Framework
- Sustainability Capability Building Framework and Sustainability Capability Building Progress Updates
- RHB Supplier Code of Conduct
- Sustainability reporting and disclosures, including on TCFD
- BNM CCPT Reporting
- RHB's Sustainability Governance
- Sustainability-related industry trends and developments, including regulatory requirements and government directives/policies

*Note: In FY2023, we held one joint BSC and BRC meeting to discuss matters pertaining to the Group's Net Zero Commitment and decarbonisation strategy.*

## Sustainability Governance

**BOARD RISK COMMITTEE ("BRC")**

- Provides oversight on the overall governance of risk across all entities of the Group, including climate-related risks
- Reviews and approves new and/or changes to policies and frameworks and other significant risk management matters, including those pertaining to climate-related risks and climate change, in line with the approved risk strategy of each relevant entity
- Reviews and approves Group Disclosures and Reports as required by regulatory authority, including those pertaining to climate change

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

2

**Sustainability-related Matters Discussed:**

- Approved the Group Climate Risk Management Framework and the Group Climate Risk Management Policy
- Progress Update on the Group Climate Action Programme
- Net Zero Strategy for selected high impact sectors, including targets and pathways
- Scenario Analysis – Progress of Transition and Physical Risk Model Development
- Gap analysis in relation to the BNM CRMSA, and proposed implementation roadmap and timeline
- Climate Risk Appetite Statement (RAS) – as part of annual RAS review cycle

Note: In FY2023, we held one joint BSC and BRC meeting to discuss matters pertaining to the Group's Net Zero Commitment and decarbonisation strategy.

**BOARD AUDIT COMMITTEE ("BAC")**

- Responsible for ESG and climate-related audit findings arising from scheduled audits
- Responsible for the Post Approval Credit Review ("PACR") observations on compliance to Group Credit Policy/Guidelines in relation to ESG and Climate matters

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

5

**Sustainability-related Matters Discussed:**

- Discussed matters pertaining to Sustainability Assurance for RHB Sustainability Report 2023
- Sustainability Assurance requirements as outlined in the Bursa Malaysia Enhanced Sustainability Reporting Framework and Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Role of Group Internal Audit in providing review for sustainability assurance

**BOARD NOMINATING AND REMUNERATION COMMITTEE ("BNRC")**

- Responsible for the Group's Diversity, Equity and Inclusion ("DEI") in the workplace agenda
- Responsible for the review and assessment on the appointment/re-appointments of BSC members for recommendation to the Board of Directors
- Responsible for the appointment/re-appointments and performance assessment of GCSO for recommendation to the Board of Directors

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

3

**Sustainability-related Matters Discussed:**

- Financial Year 2023 Balanced Scorecard for RHB Banking Group BSC and Senior Management
- Responsible, Accountable, Consulted, and Informed ("RACI") Framework for Board Sustainability Committee ("BSC") and Respective Board Committees
- DEI-related matters

**RHB FOUNDATION BOARD OF TRUSTEES**

- Provides strategic guidance to RHB Foundation to drive the Group's community engagement initiatives across the Group

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

2

**Sustainability-related Matters Discussed:**

- Progress of RHB Banking Group's Community Engagement Initiatives for FY2023
- RHB Banking Group and RHB Foundation's Community Engagement Plan for FY2024
- Key updates and approvals pertaining to RHB Foundation community programmes

## Sustainability Governance

### Board Competencies and Expertise

The competency and expertise of our Board members is critical to the success of the Group's sustainability and climate journey, and necessary for the effective oversight of our sustainability efforts. To ensure that the members of our Board of Directors, and particularly our Board Sustainability Committee ("BSC") members, are able to guide the Group to navigate an evolving sustainability landscape, we have facilitated their participation in key industry forums and knowledge-sharing sessions, in addition to training programmes for Directors. We have also placed emphasis on ensuring that Board members are equipped with relevant climate-related knowledge in order to effectively oversee our climate agenda. These efforts are geared at ensuring they remain well-informed of the changes taking place in the evolving sustainability landscape and are able to interact with industry experts on matters related to sustainability and climate-related risks and opportunities.

In FY2023, RHB Banking Group Directors participated in 11 knowledge sessions on sustainability-related matters, as detailed below.

Course	Number of Board members in attendance	Names and Directorship
<b>Focus Area: Leadership, Governance and Oversight for Sustainability</b>		
The Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact ("LIP") by Institute of Corporate Directors Malaysia ("ICDM")	7	<ul style="list-style-type: none"> <li>• <b>YBhg Tan Sri Ahmad Badri Mohd Zahir</b> <i>Non-Independent Non-Executive Chairman, RHB Bank Berhad</i></li> <li>• <b>Ms Ong Ai Lin</b> <i>Senior Independent Non-Executive Director, RHB Bank Berhad</i></li> <li>• <b>YBhg Dato' Mohamad Nasir Ab Latif</b> <i>Non-Independent Non-Executive Director, RHB Bank Berhad</i></li> <li>• <b>Mr Donald Joshua Jaganathan</b> <i>Independent Non-Executive Director, RHB Bank Berhad</i></li> <li>• <b>YBhg Datuk Iain John Lo</b> <i>Independent Non-Executive Director, RHB Bank Berhad</i></li> <li>• <b>Mr Lim Cheng Teck</b> <i>Independent Non-Executive Director, RHB Bank Berhad</i></li> <li>• <b>Encik Mohd Rashid Mohamad</b> <i>Group Managing Director/Group Chief Executive Officer, RHB Bank Berhad</i></li> </ul>
Leadership for Enterprise Sustainability Asia ("LESA") conference by Asia School of Business, in collaboration with MIT Sloan	1	<ul style="list-style-type: none"> <li>• <b>Mr Jahanath Muthusamy</b> <i>Independent Non-Executive Chairman, RHB Insurance</i></li> </ul>

## Sustainability Governance

Course	Number of Board members in attendance	Names and Directorship
<b>Focus Area: Leadership, Governance and Oversight for Sustainability (cont'd)</b>		
Distinguished Board Leadership Series 2023 - Empowering Change through Diversity, Equity and Inclusion ("DEI")	1	<ul style="list-style-type: none"> <li><b>YBhg Dato' Darawati Hussain</b> Senior Independent Non-Executive Director, RHB Asset Management</li> </ul>
National Climate Governance Summit 2023	1	<ul style="list-style-type: none"> <li><b>YBhg Dato' Darawati Hussain</b> Senior Independent Non-Executive Director, RHB Asset Management</li> </ul>
Talent Uprising – Management, Retention and Everything Else! by Institute of Corporate Directors Malaysia ("ICDM")	1	<ul style="list-style-type: none"> <li><b>YBhg Dato' Darawati Hussain</b> Senior Independent Non-Executive Director, RHB Asset Management</li> </ul>
The Business Sustainability Programme by INSEAD	2	<ul style="list-style-type: none"> <li><b>YBhg Dato' Mohamad Nasir Ab Latif</b> Non-Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Datuk Iain John Lo</b> Independent Non-Executive Director, RHB Bank Berhad</li> </ul>
<b>Focus Area: Net Zero and Decarbonisation</b>		
Sharing Session on "Net Zero within Financial Institutions & Approach and Recommendation on Net Zero Strategy"	7	<ul style="list-style-type: none"> <li><b>Datuk Iain John Lo</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Ms Ong Ai Lin</b> Senior Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Mr Donald Joshua Jaganathan</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Mr Lim Cheng Teck</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>YBhg Dato' Mohamad Nasir Ab Latif</b> Non-Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Puan Hijah Arifakh Othman</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li><b>Mr Chin Yoong Kheong</b> Independent Non-Executive Chairman, RHB Asset Management</li> </ul>

## Sustainability Governance

Course	Number of Board members in attendance	Names and Directorship
<b>Focus Area: Regulatory Requirements and Developments</b>		
Integrating Climate Change and Principles-Based Taxonomy ("CCPT") in Financial Institutions' Business by Malaysian Investment Banking Association ("MIBA")	2	<ul style="list-style-type: none"> <li>• <b>YBhg Dato' Darawati Hussain</b> Senior Independent Non-Executive Director, RHB Asset Management</li> <li>• <b>Encik Hizamuddin Jamalluddin</b> Independent Non-Executive Director, RHB Islamic Bank</li> </ul>
SRI Taxonomy: Insights and Implementation by Securities Industry Development Corporation ("SIDC")	1	<ul style="list-style-type: none"> <li>• <b>YBhg Dato' Mohamad Nasir Ab Latif</b> Non-Independent Non-Executive Director, RHB Bank Berhad</li> </ul>
<b>Focus Area: Sustainability Reporting and Disclosure</b>		
Navigating Sustainability Reporting in the Banking Industry by PwC Malaysia	1	<ul style="list-style-type: none"> <li>• <b>Ms Ong Ai Lin</b> Senior Independent Non-Executive Director, RHB Bank Berhad</li> </ul>
Briefing on IFRS S1 and S2 –Sustainability and Climate Disclosure and Reporting	5	<ul style="list-style-type: none"> <li>• <b>Datuk Iain John Lo</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li>• <b>Ms Ong Ai Lin</b> Senior Independent Non-Executive Director, RHB Bank Berhad</li> <li>• <b>Mr Donald Joshua Jaganathan</b> Independent Non-Executive Director, RHB Bank Berhad</li> <li>• <b>YBhg Dato' Mohamad Nasir Ab Latif</b> Non-Independent Non-Executive Director, RHB Bank Berhad</li> <li>• <b>Puan Hijah Arifakh Othman</b> Independent Non-Executive Director, RHB Bank Berhad</li> </ul>

### MANAGEMENT OVERSIGHT AND STRATEGIC EXECUTION

The Group Sustainability Committee ("GSC") strategically drives the effective execution of the Group's sustainability and climate agenda, aligned to the Group's Sustainability Strategy and Roadmap.

**The GSC is chaired by the Group Managing Director ("GMD") and comprises key members of RHB's senior management team.**

#### The GSC:




- Assists the BSC and the Board of Directors to drive the integration of sustainability, including climate-related considerations, into the Group's corporate strategy and decision-making process, and ensures effective execution of the Group's Sustainability Aspirations and KPI
- Assists the BRC in providing oversight on the Group's sustainability risks, including climate-related risks
- Identifies and drives climate-related commercial and commercial opportunities, in line with the Group's approved sustainability and climate action strategy
- Provides guidance, sets targets and oversees the implementation of the GCAP



## Sustainability Governance

Championing the Group's sustainability agenda, the Group Chief Sustainability and Communications Officer ("GCSCO"), supported by the Group Sustainability Management team, actively drives the execution of the Group's sustainability strategy and focus areas. This includes close collaboration with Group Climate Risk Management in executing the GCAP.

The respective Management Committees of the Group support the respective Board Committees, as well as the GSC, in providing targeted oversight on sustainability and climate-related matters within their purview. The key matters deliberated by the GSC and the respective Management Committees are listed below.

 <p><b>Group Sustainability Committee ("GSC")</b></p>	<p style="text-align: center;"><b>Sustainability and Climate-Related Matters Discussed</b></p> <ul style="list-style-type: none"> <li>• Financed emissions baseline, including data requirements and baselining approach</li> <li>• RHB's Net Zero Commitment</li> <li>• Transition Pathway and sector-specific decarbonisation strategies for 5 high impact sectors</li> <li>• Scenario analysis and model development approach</li> <li>• Revision of Group's Sustainable Financial Services Commitment</li> <li>• Group Sustainable Sukuk and Bond Framework</li> <li>• RHB Bank Sustainability Report 2022</li> <li>• Sustainability Assurance</li> <li>• Status updates on:             <ul style="list-style-type: none"> <li>&gt; The Group's Sustainability Achievements</li> <li>&gt; The Group's ESG Sensitive Sector Analysis</li> <li>&gt; The Group Climate Action Programme</li> </ul> </li> <li>• RHB Insurance Sustainability Framework</li> <li>• Sustainability Capability Building Framework and Sustainability Capability Building Progress Updates</li> <li>• Climate risk dashboard</li> <li>• RHB Supplier Code of Conduct</li> <li>• Updates from the Sustainability Council Chairpersons</li> <li>• Sustainability reporting and disclosures, including on TCFD</li> <li>• BNM CCPT Reporting</li> <li>• Sustainability-related industry trends and developments, including regulatory requirements and government directives/policies</li> </ul>
 <p><b>Group Capital &amp; Risk Committee ("GCRC")</b></p>	<p style="text-align: center;"><b>Sustainability and Climate-Related Matters Discussed</b></p> <ul style="list-style-type: none"> <li>• RHB Group Risk Appetite, including revision on thresholds for climate-related risk metrics</li> <li>• Established Group Climate Risk Management Framework and Policy</li> <li>• Updated RHB Risk Library on climate-related risks under sub-risk type: Environmental Risk, Sustainability Risk</li> <li>• Financing structure, pricing and conditions for selected sustainable finance services and products</li> </ul>
 <p><b>Group Human Capital Committee ("GHCC")</b></p>	<p style="text-align: center;"><b>Sustainability and Climate-Related Matters Discussed</b></p> <ul style="list-style-type: none"> <li>• Talent management and succession planning</li> <li>• Employee learning and development</li> <li>• Performance management and employee benefits</li> <li>• Employee well-being</li> <li>• DEI-related matters</li> <li>• Group Human Resource Report – consisting of workplace safety updates, COVID-19 updates</li> </ul>
 <p><b>Management Audit Committee ("MAC")</b></p>	<p style="text-align: center;"><b>Sustainability and Climate-Related Matters Discussed</b></p> <ul style="list-style-type: none"> <li>• Role of internal audit in sustainability assurance</li> <li>• Internal audit of Group Sustainability Management</li> </ul>

## Sustainability Governance

### Sustainability-linked Remuneration

As the strategic imperative for sustainability intensifies, the Group recognises that accountability and ownership from the top is critical to drive our sustainability agenda across all business segments.

In view of this, since FY2022, we have directly integrated sustainability into our performance assessment and reward system. For FY2023, sustainability has been included as a Key Performance Indicator (“KPI”) with assigned weightage in the Group’s FY2023 Balanced Scorecard. In addition, the five approved Sustainability KPIs, which include climate-related KPIs, have also been embedded into the Balanced Scorecard of the Group’s Senior Management, namely all members of the Group Management Committee. The weightage of the sustainability KPIs were slightly higher compared to other Programmes under TWP24 to reflect their significance to the Group’s overall strategy.

The Annual Performance incentive reward of the Group’s Senior Management, as well as key sustainability champions within the Group, is linked to their respective Balanced Scorecards. As such, the Group has aligned executive total remuneration with sustainability performance.

Moving forward, RHB aims to enhance our existing approach to sustainability-linked remuneration to strengthen accountability for the implementation of our sustainability and climate-related agenda Group-wide. Following the establishment of the Group’s Net Zero commitment, we will strengthen the integration of sustainability and climate-related KPIs into the Group’s FY2024 Balanced Scorecard and the Balanced Scorecards of relevant GMC members, with assigned weightage that is reflective of their respective accountability in driving the KPIs. KPIs relating to mobilisation of green financial services and neutral finance to support our decarbonisation strategy will also be incorporated into the Balanced Scorecards of respective business heads and cascaded to relevant business units. This comprehensive approach will ensure accountability, align individual efforts with Group-wide goals, and drive continuous progress towards our Net Zero ambitions.

### SUSTAINABILITY IMPLEMENTATION AT WORKING LEVEL

At working level, the Group’s sustainability councils are critical in driving the implementation and execution of the Group’s sustainability agenda.

- The **Sustainable Business Council (“SBC”)** drives the Group’s commercial sustainability and climate-related efforts, spanning lending and financing, capital markets and advisory, investments and products sales, asset management, wealth management, insurance, deposits and Value-Based Intermediation (“VBI”).
- The **Responsible and Sustainable Practices Council (“RSPC”)** promotes sustainability integration across the Group’s operations, value chain, practices and decision-making processes.

In addition, the Group Climate Action Programme Project Steering Committee (“GCAP PSC”) was established to oversee the progress of GCAP and manage the successful delivery and implementation of initiatives to comply with the requirements stated in the Climate Risk Management and Scenario Analysis Policy Document issued by Bank Negara Malaysia (“BNM”).

#### SUSTAINABLE BUSINESS COUNCIL (“SBC”)

- *Drives the Group’s Sustainability/ ESG efforts, which include Value-based Intermediation (“VBI”) as well as climate and climate-related matters into the Group’s business activities, focusing primarily on driving the delivery of Group’s Key Performance Indicators and ensuring the effective implementation of the relevant programmes and initiatives in line with the Group’s Sustainability aspirations and climate strategy.*
- *The SBC provides oversight on the following material matters and key focus areas:*
  - > *Sustainable Financial Services;*
  - > *Financial Inclusion;*
  - > *Advancing SMEs Towards Sustainable Business Practices, and*
  - > *Pathway to Net Zero to Reduce Financed Emissions by 2050.*

#### Composition & Members

- Chaired by Head, Commercial Banking
- Comprises representatives from across all business units, spanning Group Wholesale Banking, Group Community Banking, Group International Business and Group Insurance

#### Sustainability-related Matters Discussed

- Updates from the Joint Committee on Climate Change
- ESG Eligible Business Activities Guideline (“EBAG”)
- GCAP Progress Updates
- Revision to the Group’s Sustainability KPI 1
- SME FY2023 ESG Roadmap

**No. of Meetings with Sustainability-related Agenda in FY2023**

**4**

## Sustainability Governance

**RESPONSIBLE AND SUSTAINABLE PRACTICES COUNCIL ("RSPC")**

- Embeds and promotes sustainability across the Group's operational value chain, practices and decision-making processes while promoting a workplace culture that is fair, inclusive and sustainable in line with the Group's sustainability and climate strategies
- Drives the delivery of the Sustainability performance and targets of the following material matters and key focus areas:
  - > Environmental Stewardship, particularly the Group's operational (own) GHG emissions;
  - > Ethics and integrity;
  - > Responsible and Sustainable Supply Chain/Procurement, and
  - > Diversity, Equity and Inclusion in the Workplace.
- Puts in place sustainability culture building programmes and activities towards promoting the Group's sustainability vision, framework and principles among RHB employees
- Drives knowledge and capability building programmes

**Composition & Members**

- Chaired by Group Chief Sustainability and Communications Officer
- Comprises representatives from our business units and Group Sustainability Management, Group Risk Management, Group Procurement, Group Property, Admin & Facilities Management, Group Compliance, Group Integrity & Governance, and Group Human Resource

**Sustainability-related Matters Discussed**

- Supplier Code of Conduct
- Group's Sustainability Capability Building Framework
- Updates on Diversity, Equity and Inclusivity
- Updates on Carbon Neutral Operations
- Updates on Ethics and Good Governance
- Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)

**No. of Meetings with  
Sustainability-related Agenda in FY2023**

**2****GCAP PROJECT STEERING COMMITTEE ("GCAP PSC")**

- Steers, coordinates and ensures the effective implementation of the Group's climate transformation journey in line with the Group's strategic direction and commitments and adherence to relevant regulatory guidelines
- Addresses and resolves all operational and programme issues related to the Climate Action initiatives across all divisions in the Group

**Composition & Members**

- Chaired by Group Chief Risk Officer
- Comprises GCAP initiative owners and leads, with representation from across all business segments, Group Risk Management, Group Sustainability Management and other functional groups involved in GCAP

**Sustainability-related Matters Discussed**

- Deliberate and recommend the GCAP deliverables for appropriate approving authority's endorsement and approval
- Deliberate key areas related to GCAP, which include business strategies, client engagement risk management, capability building, data management, scenario analysis and climate stress testing, as well as reporting and disclosure

**No. of Meetings with  
Sustainability-related Agenda in FY2023**

**13****Operationalising Sustainability**

Across the Group, SBGs and SFGs are responsible for executing on-ground sustainability initiatives and programmes, tracking the performance of metrics and targets, and reviewing the effectiveness of relevant policies based on their materiality to the business or function.

In addition, the RHB Foundation, under the strategic guidance of its Board of Trustees, drives the Group's community engagement efforts, aligned with the Enriching and Empowering Communities pillar of the Group's Sustainability Strategy and Roadmap.

## Sustainability Thought Leadership and Advocacy

### RHB Banking Group actively participates in industry associations in Malaysia and across the ASEAN region.

We contribute to four Committees/Sub-Committees focused on Sustainability and Climate Change, showcasing our commitment as a thought leader in the financial landscape. Engaging in open dialogues, we share insights on sound banking and sustainability practices, aiming to contribute to collective knowledge and raise awareness through continuous collaboration with investors, customers, business partners and key stakeholders.

Our unwavering commitment extends to driving positive change and promoting sustainable practices throughout the ASEAN region and beyond. Beyond mere membership, we actively participate in industry forums, conferences and event facilitation, fostering connections with industry peers and contributing to meaningful initiatives. Through these channels, we strive to contribute to the ongoing dialogue on sustainability, ensuring that our perspectives and insights resonate and inspire others in the business community.

#### EXTERNAL ASSOCIATIONS AND MEMBERSHIPS

Association/Membership	Our Contributions
<b>1</b> Member, Association of Banks in Malaysia (“ABM”) ESG Council	Advocated for and promoted sustainable practices within the commercial banking sector in Malaysia.
<b>2</b> Member, Bank Negara Malaysia’s Value-Based Intermediation	Participated in the Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group for sectoral guide development.
<b>3</b> Member of Main Committee, Joint Committee on Climate Change (“JC3”)	A platform for collaborative action to build climate resilience within the Malaysian financial sector. We have provided our views in Committee meetings and discussions to ensure effective management of climate-related risks.
<b>4</b> Working Group Member, JC3 Sub-Committee 1 for Risk Management	In FY2023, we collaborated with Working Group members to: <ul style="list-style-type: none"> <li>• Improve the credibility, consistency and applicability of Climate Change and Principle-based Taxonomy (“CCPT”) reporting</li> <li>• Strengthen the readiness of infrastructure and resources to facilitate Climate Risk Management and Scenario Analysis (“CRMSA”) implementation</li> <li>• Establish key data needs relevant to BNM’s planned Climate Risk Stress Test</li> <li>• Collaboration with industry players to strategically advance industry-wide implementation of VBI agenda for Islamic Banks.</li> </ul>
<b>5</b> Working Group Member, JC3 Sub-Committee 3 for Product and Innovation	A platform to drive growth in sustainable financial services towards supporting climate risk mitigation and adaptation. Provided our views on the Greening Value Chain (“GVC”) pilot programme, as well as similar pilot programmes and capital markets initiatives which will be rolled out in the industry.
<b>6</b> Member, CCPT Implementation Group (“CCPT IG”) <ul style="list-style-type: none"> <li>• Member, CCPT IG Subgroup: Due Diligence Questionnaire (“DDQ”)</li> <li>• Member, CCPT IG Subgroup: Data</li> <li>• Member, CCPT IG Subgroup: SME Adaptation</li> </ul>	The CCPT IG and its Subgroups aim to ensure consistency in CCPT application across the industry. This includes addressing CCPT implementation challenges, assessing solutions from credible partners and service providers, and supporting efforts to increase data availability for the industry, including via the JC3 Data Catalogue. In FY2023, RHB provided feedback to enhance the DDQ and guidance notes for CCPT implementation.

## Sustainability Thought Leadership and Advocacy

## EXTERNAL ASSOCIATIONS AND MEMBERSHIPS (CONT'D)

Association/Membership	Our Contributions
7 Member, JC3 SME Focus Group	Collaborated with industry players to establish "ESG Jumpstart", a one-stop information portal that aims to upskill and equip local SMEs with ESG knowledge and capabilities.
8 Investee, EPF Sustainable Investment Policies	Fully complied with EPF Sustainable Investment Policies' Core requirements, and working towards full compliance with Best Practice and Voluntary expectations. With this, RHB is aligned with EPF's journey towards becoming a sustainable investor with targets of having (i) a fully ESG compliant portfolio by 2030; and (ii) a climate-neutral portfolio by 2050.
9 Member, United Nations Global Compact ("UNGC")	Alignment of our strategies and operations with the UNGC's 10 principles, covering human rights, labour standards, environment and anti-corruption, towards advancing the implementation of the UN SDGs.
10 Member, Asian Institute of Chartered Bankers ("AICB")	Participated in the development of the AICB Future Skills Framework, which will promote a sustainable talent ecosystem within the financial sector.

## INDUSTRY EVENTS

Event	Our Contributions
1 Energy Transition Conference 2023	RHB Banking Group participated as a Bronze sponsor the Energy Transition Conference 2023, organised by Tenaga Nasional Berhad. The event focused on actionable insights to drive progress towards net zero, highlighting technologies, capabilities and policies necessary for the energy transition.  At the same event, RHB and TNB signed a collaborative agreement to deliver renewable energy and energy efficiency solutions to retail and SME customers.
2 SAREF 3.0 Conference	RHB Banking Group participated as a Silver sponsor in the Sustainability & Renewable Energy Forum ("SAREF") 3.0, organised by Sarawak Energy. The event focused on regional initiatives aimed at achieving net-zero emissions and promoting green energy solutions.
3 Presentation to Cambodia Securities Exchange	RHB Cambodia participated in a Sustainable Finance online seminar, organised by the Cambodia Securities Exchange ("CSX"), to highlight the Group's sustainability efforts, and to promote awareness of green, social and sustainability bonds.
4 Hays Malaysia Webinar	Norazzah Sulaiman, RHB Group Chief Sustainability and Communications Officer ("GSCSO"), participated in a webinar organised by Hays Malaysia, to talk about the importance of Sustainability and DEI in employee retention. The online event was attended by approximately 400 participants.
5 PR Asia 2023 Conference	Norazzah Sulaiman, RHB GSCSO, made a presentation at the PR Asia 2023 Conference on the topic of greenwashing and greenhushing. The presentation highlighted the impact of climate change on stakeholder communications, the risks arising from greenwashing and greenhushing, and strategies to maintain credibility in sustainability disclosures.
6 TalentCorp #WalkWithMe MasterClass	RHB participated in TalentCorp's #WalkWithMe MasterClass, a programme that provides top talent with an accelerated learning experience. RHB's presentation included a session on ESG and Sustainability, highlighting its growth in importance in recent years, as well as the burgeoning job opportunities in the sustainability space. The session was attended by 22 students from various public universities.

## Sustainability Thought Leadership and Advocacy

### EXTERNAL ENGAGEMENTS

External Engagements	Our Contributions
<p><b>1 UNGC Signing Ceremony</b></p>	<p>In FY2023, RHB became a member of the UNGC and, as part of this, we held a signing ceremony at the RHB Centre. The ceremony was attended by the RHB Group Managing Director, Group Chief Sustainability and Communications Officer, other members of Senior Management, and the CEO of UN Global Compact Network Malaysia &amp; Brunei (“UNGCMYB”). Besides the formal exchange of documents, the session also discussed the sustainability challenges and opportunities in Malaysia.</p>
<p><b>2 Engagement with BNM on CCPT Implementation</b></p>	<p>As part of BNM’s ongoing efforts to enhance and standardise CCPT application across the industry, we participated in a bilateral engagement session with BNM to share RHB’s approach, experience and challenges of CCPT implementation.</p>
<p><b>3 Knowledge-sharing session with the Development Bank of Sarawak</b></p>	<p>RHB hosted a knowledge-sharing session with the Development Bank of Sarawak (“DBOS”), to support their sustainability integration journey. During the session, RHB highlighted the Group’s own experience and approach towards sustainability integration, covering materiality assessment, strategy development, sustainability governance, climate risk management and sustainability reporting &amp; disclosure.</p>
<p><b>4 Green Auto Financing – Volvo Sales Event</b></p>	<p>RHB, in collaboration with our business partner Volvo Car Malaysia, hosted an event to raise awareness of our Green Vehicle Financing among customers. At the same time, customers were able to explore Volvo’s EV and PHEV line-up.</p>
<p><b>5 Annual Credit Rating Review with Credit Rating Agencies</b></p>	<p>Engaged in transparent dialogues with credit rating agencies annually by updating and emphasising the significant aspects of ESG governance, strategy, targets as well as risks and opportunities within the business</p>
<p><b>6 Analyst Briefings</b></p>	<p>Initiated discussions with analysts to provide updates on the evolution of ESG and sustainable financing.</p>
<p><b>7 National Energy Awards 2023 (“NEA 2023”)</b></p>	<p>RHB participated in the NEA 2023, for the special category of Sustainable Energy Financing (Domestic &amp; Islamic Banks), highlighting our efforts to mobilise sustainable financial services to drive growth in the renewable energy sector. We are honoured to be recognised with a Merit Award during the NEA 2023 award ceremony.</p>
<p><b>8 Investor Engagements on ESG</b></p>	<p>Regular engagement with investors and fund managers to share our sustainability targets, achievements and progress.</p>
<p><b>9 Engagements with ESG ratings agencies and ratings providers</b></p>	<p>Engagements with ESG ratings providers provide insights on our performance in key sustainability areas. In FY2023, we also participated in the annual WWF Sustainable Banking Assessment (“WWF SUSBA”).</p>

## Sustainability Thought Leadership and Advocacy

### ENGAGEMENTS WITH SMEs

As part of our capacity building journey and towards establishing RHB's ESG advisory role, we organised and co-hosted several ESG roadshows to reach SMEs and encourage their transition towards sustainable business practices. These include:



#### Malaysia Retail Chain Association ("MRCA") CEO Get Together Night

The session aimed to create awareness among MRCA members on ESG, promote RHB's SME Sustainable Financing Schemes and other relevant SME products.

86 SMEs  
attended the event



#### Engagement with The Electrical & Electronics Association of Malaysia ("TEEAM"), in collaboration with ESG Association Malaysia, PenjanaEko and Solarvest

Targeted at the SMEs from the electrical and electronics industry, the session aimed to increase ESG awareness among TEEAM members, promote RHB's SME Sustainable Financing Schemes and other relevant SME products.

38 SMEs  
attended the event



#### ESG Seminar in collaboration with NCT Group: Compliance with ESG and Conversion to Profits

The session aimed to increase ESG awareness and promote RHB's SME Sustainable Financing Schemes to potential buyers of NCT Smart Industrial Park.

32 SMEs  
attended the event



#### Roadshows and webinars with the Federation of Malaysian Manufacturers ("FMM")

A series of roadshows and webinars were held to increase ESG awareness within the manufacturing sector and promote RHB's SME Sustainable Financing Schemes.

- 3 physical roadshows held in June & July 2023
- 4 virtual webinar series held in August 2023

448 SMEs  
attended the event in total of which:  
> Physical attendees: 127  
> Virtual attendees: 321

## Sustainability Thought Leadership and Advocacy

### EMPOWERING SMEs TOWARDS SUSTAINABLE BUSINESS PRACTICES

While larger companies have been able to progressively integrate sustainability and climate-related considerations into their businesses, SMEs have struggled to do the same due to lack of technical knowledge, resources and capabilities. As such, Advancing and Supporting SMEs towards Sustainable Business Practices is a key component of the Group’s Sustainability Strategy and Roadmap, aligned with our TWP24 strategy.

Recognising that SMEs are at the forefront of the nation’s transition towards a sustainable and low-carbon economy, in November 2023, RHB, in collaboration with TNB, hosted the first of a series of nationwide engagement sessions with SMEs. Themed “Empowering Change: Charting a Sustainable Energy Future for Business Growth”, the session aimed to advance SMEs towards sustainable business practices for their long-term business resilience and success.

Attended by over 200 SMEs, the session guided SMEs through technical knowledge on energy-efficient technology solutions, and products and services that can help reduce energy consumption and costs. RHB also raised awareness of the Group’s available SME Sustainable Financing Schemes, which serve to help those customers looking to invest in energy efficiency and sustainable practices.

While this inaugural session targeted SMEs within the Klang Valley region, in 2024, RHB aims to organise subsequent sessions for the Northern and Southern regions, as well as other parts of Malaysia. With this, more SMEs nationwide will benefit from TNB’s expertise in energy efficiency and renewable energy solutions, while simultaneously gaining access to RHB’s suite of sustainable financing solutions for SMEs.

#### Datuk Ir. Megat Jalaluddin Bin Megat Hassan

*President and Chief Executive Officer of Tenaga Nasional Berhad*



*(From right to left) Datuk Ir. Megat Jalaluddin Bin Megat Hassan, President and Chief Executive Officer of Tenaga Nasional Berhad, with En Mohd Rashid Mohamad, Group MD/CEO of RHB Banking Group and Puan Norazzah Sulaiman, Group Chief Sustainability and Communications Officer, attending the inaugural RHB and TNB SME engagement event.*

“TNB’s partnership with RHB Banking Group to provide Green Financing Solutions is one of many initiatives we have embarked to help our customers amongst the SMEs and individuals looking to adopt green practices.

We are aware that SMEs need to transform their businesses constantly while staying resilient and agile in the competitive marketplace. With collaborative backing from partners like financial institutions, the government and energy solution providers, local businesses may have a stronger footing to evolve their business practices and fulfil their ESG commitments.

With that in mind, TNB is ready to support the SME community and homeowners on their sustainability journey. Through our subsidiaries, GSPARX, TNBX, TNBES and Tenaga Switchgear, we offer tailored green energy solutions that span from rooftop solar solutions to EV charge points.

As evidenced by the strong showing of over 200 SMEs at our first joint roadshow with RHB Banking Group, the SME community has demonstrated its readiness to adopt sustainable business practices with the right partners and support.

Through a holistic approach, we can effectively help facilitate SMEs’ growth and strengthen their business resilience by providing beyond energy solutions that are affordable, accessible and relevant to their sustainability agenda.

I am confident that our partnership with RHB Banking Group would yield positive results to all communities involved as we collaborate towards building a better, brighter future together.”

▲ For more information on RHB’s sustainable finance solutions for SMEs, please refer to page 126.



### Sustainability Thought Leadership and Advocacy

Through our groundbreaking collaborative agreement, RHB and TNB aim to jointly accelerate the adoption of renewable energy and energy efficient solutions among SMEs and retail customers, thus catalysing their low-carbon transition.



## Sustainability and Climate-related Risk Management

**Recognising the potential financial and non-financial impacts arising from sustainability risk, RHB adopts a proactive approach to sustainability risk management. Sustainability considerations are integrated into our risk management framework, applied at both the business and functional levels. The Group sets overall risk appetite and thresholds while empowering regional teams and business segments to tailor their strategies for local contexts. This comprehensive approach strengthens RHB's financial resilience and ensures responsible decision-making, driving value creation and mitigating potential sustainability risk to both performance and operations.**

### OUR APPROACH

RHB has since year 2019 taken into consideration the climate change impact/related risks in its established Risk Library under risk type namely Environmental Risk, which was then revised to Sustainability Risk in year 2020; comprising Environmental Risk, Social Risk and Governance Risk. In 2023, we have further reviewed and included liability risk dimension when assessing climate change impact on top of the existing two dimensions, namely physical and transition risks in our Risk Library. In addition, transmission channels, i.e the causal chains linking climate change impact/related risks to other risk categories/types (for e.g credit risk, market risk, operational risk, strategic risk, etc) have been established and are taken into consideration in assessing the annual exercise of Material Risk Assessment ("MRA").

MRA is a comprehensive process to assess the various risks that the Group and its entities are facing and to identify the action plans to address such risks inclusive of Sustainability Risk. It starts with the Bottom-Up assessment conducted by all SBGs and SFGs supporting its business operations in RHB Bank Group (including RHB Insurance), RHB Islamic Bank, RHB Investment Bank Group (including RHB Asset Management and Trustees). The assessment by the SBGs/SFGs are reviewed and challenged by various Subject Matter Experts ("SMEs"); and the consolidated assessment are then subjected to Top-Down review by the Group Chief Risk Officer ("GCRO"), Managing Director ("MD") of Group International Business and MDs of respective entities followed by RHB Bank's Group Managing Director ("GMD"), prior to presenting the MRA result to the management and Board committees for endorsement and approval respectively. The MRA rating is also subjected to semi-annual review by SMEs. Should there be any change, the results will be subjected to Top Down process by Senior Management followed by endorsement/approval by the management and Board committees.

Furthermore, the Group has introduced climate-related risk metrics in the annual exercise of setting the Risk Appetite for RHB Bank Group in 2023.

▲ For more detailed information on our climate risk management efforts, please refer to RHB's Climate-related Financial Disclosures, page 102.

## Sustainability and Climate-related Risk Management

### MANAGING SUSTAINABILITY RISK WITHIN OUR PORTFOLIO

Sustainability risk encompasses issues that range from climate change, ethical labour practices, human rights, nature and biodiversity, accessibility to corporate transparency, and data protection and privacy. Financial institutions are exposed to sustainability risk primarily through their financing and investment portfolios. As the banking sector embraces a holistic risk management approach, management of sustainability risk is recognised as a critical factor. Prudent management of sustainability risk strengthens the resilience of our financing strategies, and is key in our decision-making process.

### RHB's Stance on Financing for Coal, Forestry and Agriculture

#### EFFECTIVE FY2022:



#### RHB Coal Stance

##### RHB has committed to No New Coal-related activities.

- RHB will not pursue opportunities or provide financing for any new thermal coal mine projects and coal-fired power plant projects.
- Additionally, we will take a phased approach towards exiting our current coal exposure.
- Towards supporting transition finance, the Group will consider providing financial support to the following customers, provided there is demonstrable evidence of commitment to make remedial efforts to transition to low-carbon and sustainable business activities:
  - > New and/or existing customers whose revenues are solely dependent on coal
  - > New and/or existing customers with diversified business activities where coal is one of the business activities
- In cases where financial support is granted to such customers, implementation of remedial measures and action plans will be closely monitored.



#### RHB NDPE Policy

##### RHB has committed to No Deforestation, No Peat and No Exploitation ("NDPE").

- RHB will not pursue opportunities or provide financing for companies that are directly involved in:
  - > Deforestation
  - > Development of new plantation or production sites in peatland areas
  - > Exploitation, including forced labour, child labour and practices that transgress indigenous peoples' rights
- The Group's NDPE Policy is applicable to the palm oil, forestry and agricultural sectors. Companies in these sectors must demonstrate alignment with our NDPE principles and responsible practices to be eligible for financing.
- The Group may consider providing financial support to customers who have obtained relevant certification by multi-stakeholder initiatives, or have a time-bound plan towards achieving the relevant certifications.

The above commitments ensure that we avoid financing sectors that contribute significantly to climate change and human rights issues, targeting activities linked to deforestation, biodiversity loss and labour rights. The Group will also engage, support and monitor our clients' transition plans to ensure their alignment with our sustainability agenda.

# Sustainability and Climate-related Risk Management

## Sustainability and Climate Risk Assessment for Credit Assessment

RHB actively embeds sustainability and climate considerations into our credit assessment and approval process. Since FY2019, such considerations have been progressively integrated into RHB’s lending and financing criteria, notably through the enhancement of our Credit Policy, and developing an ESG risk assessment tool to evaluate the non-retail portfolio.

Integration of climate considerations into the Group’s lending and financing practices is guided by the Group Climate Action Programme, which includes integrating Bank Negara Malaysia Climate Change and Principle Based Taxonomy (“CCPT”) into our risk management process.

In FY2023, as part of GCAP, RHB has enhanced the ESG Risk Assessment (“ERA”) tool to include Sector Level Questionnaires (“SLQs”), which will be progressively implemented across the Group commencing Q1 FY2024. The SLQs will enable us to better assess our client’s ESG profile, in line with evolving regulatory requirements and market best practices. Thorough assessment of our client’s sustainability and climate-related risks will in turn enable robust monitoring at portfolio level.

There are 10 sector-specific questionnaires and 1 generic questionnaire, as detailed below:

### ESG RISK ASSESSMENT TOOL

<p><b>1 Sector Level Questionnaires</b></p>	<ul style="list-style-type: none"> <li>Applied to all clients whose activities fall within any of the 10 sectors that have SLQs:</li> </ul> <div style="text-align: center; margin: 10px 0;"> </div> <ul style="list-style-type: none"> <li>Incorporates key guiding principles under BNM’s CCPT and the ASEAN Taxonomy, where relevant</li> <li>The questions around environmental issues incorporate and reflect specific industry practices</li> </ul>
<p><b>2 General Questionnaire</b></p>	<ul style="list-style-type: none"> <li>Applied to all clients who do not fall into the 10 sectors that have sector-specific questionnaires.</li> <li>Incorporates key guiding principles under BNM’s CCPT and the ASEAN Taxonomy</li> <li>Screens clients based on the following criteria:                             <ul style="list-style-type: none"> <li>&gt; Required industry certifications</li> <li>&gt; Legal issues associated with the client’s ESG performance</li> <li>&gt; Material adverse environmental issues faced</li> <li>&gt; Questions to address material environmental issues across the following areas:                                     <ul style="list-style-type: none"> <li>- Pollution</li> <li>- Ecosystem &amp; Biodiversity</li> <li>- Efficient Use of Resources</li> <li>- GHG Emissions</li> </ul> </li> </ul> </li> </ul>

## Sustainability and Climate-related Risk Management

RHB's credit decisions and client engagement approach are guided by the ESG risk rating. Customers with an ESG rating of "Low Risk" or "Medium Risk" are typically those with climate-supporting policies or with transition plans, which RHB will endeavour to support through our business activities. Borrowers rated as "High Risk" will be classified as Exceptional Credits. All approvals and enhancements under high-risk credits will be escalated to a higher approving authority. In addition to the ESG risk rating, RHB is also guided by principles under the Climate Change and Principle-based Taxonomy ("CCPT") and the ASEAN Taxonomy.

Granting of financing to High Risk customers are contingent on time-bound mitigation measures in place to manage ESG risks. Business units will work with clients on this as part of the annual review process, which includes tracking progress, negative or positive media reports, and obtaining relevant certifications. Customers' adherence is closely monitored, and plans committed to addressing their ESG risks are tracked and assessed at the annual review stage.

The key considerations incorporated in the SLQs are as listed below:

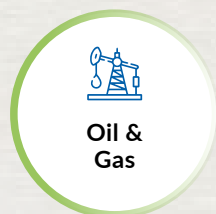
### SECTOR-LEVEL QUESTIONNAIRE CONSIDERATIONS



#### RHB's Approach

Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Support sustainable palm oil in line with national and international standards.
- No new planting of oil palm to be undertaken in peatland areas.
- Support community engagement and inclusion of smallholders into the supply chain.
- Sustainable raw material sourcing.
- Reduce Greenhouse Gas ("GHG") emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improve energy efficiency.
- Water efficiency initiatives.
- Adopt responsible methods for proper waste, pollution and resources management.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas ("GHG") emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Reducing dependency on conventional fuels and increasing the share of renewable energy in the energy generation mix.
- Improving energy efficiency.
- Preventing oil spills.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.

# Sustainability and Climate-related Risk Management

## SECTOR-LEVEL QUESTIONNAIRE CONSIDERATIONS

### RHB's Approach



**Energy Supply**

Proactively engage with our borrowers and support their efforts towards transitioning to a low-carbon economy and sustainable practices through:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Reducing dependency on conventional fuels and increasing the use of renewable energy.
- Improving combustion and conversion efficiency.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems or issues are properly mitigated in accordance with the Environmental Quality Act/ relevant environmental regulations.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



**Mining & Quarrying**

Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improve energy efficiency.
- Water efficiency initiatives.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



**Chemicals**

Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste/hazardous waste, pollution and resource management.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improving energy efficiency.
- Water efficiency initiatives.
- Sustainable raw material sourcing.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.

# Sustainability and Climate-related Risk Management

## SECTOR-LEVEL QUESTIONNAIRE CONSIDERATIONS

### RHB's Approach



Proactively engage with our borrowers and support their efforts towards transitioning to a low-carbon economy and sustainable practices through:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Reducing dependency on conventional fuels and increasing the use of renewable energy.
- Improving combustion and conversion efficiency.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems or issues are properly mitigated in accordance with the Environmental Quality Act/ relevant environmental regulations.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



Proactively engage with our borrowers and support their efforts towards transitioning to a low-carbon economy and sustainable practices through:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Reducing fleet’s emissions by transitioning to vehicles with lower or zero emissions.
- Improving energy efficiency.
- Water efficiency initiatives.
- Sustainable raw material sourcing.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



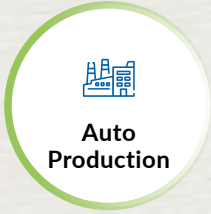
Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Prioritising and implementing energy-efficient practices in their buildings and construction projects.
- Reducing dependency on conventional fuels and increasing the use of renewable energy.
- Adopting best practices for proper waste, pollution and resource management.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improving energy efficiency.
- Water efficiency initiatives.
- Sustainable raw material sourcing.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.

# Sustainability and Climate-related Risk Management

## SECTOR-LEVEL QUESTIONNAIRE CONSIDERATIONS

### RHB's Approach



Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Reducing dependency on conventional fuels and increasing the use of renewable energy.
- Adopting best practices for proper waste, pollution and resource management.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improving energy efficiency.
- Water efficiency initiatives.
- Sustainable raw material sourcing.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reduce Greenhouse Gas (“GHG”) emissions by setting GHG emissions reducing targets, climate adaptation/mitigation plan with clear indication of activities and initiatives to be taken by company.
- Adopting best practices for proper waste, pollution and resource management.
- Ensuring projects and operations have no significant adverse impacts on biodiversity and local ecosystems.
- Improving energy efficiency.
- Water efficiency initiatives.
- Sustainable raw material sourcing.
- Supporting community engagement.
- Complying with labour and human rights.
- Ensuring proper governance is in place.



## Sustainability and Climate-related Risk Management

Exposure to ESG Sensitive Sectors ("ESS") is monitored and reported to the GSC and BSC on a quarterly basis.

## SNAPSHOT OF THE GROUP'S EXPOSURE TO ESS AS AT 31 DECEMBER 2023



15.9%

OF NON-RETAIL LOAN PORTFOLIO



RM 17.7 billion

OF GROUP'S TOTAL LOAN PORTFOLIO



## TOP 5 ESG SENSITIVE SECTORS CONSTITUTE

75.3% of Group's total portfolio ESS exposure:



As part of GCAP Phase 2, RHB has also developed an Underwriting Guide, which aims to support the Group in achieving its overall sustainability and climate agenda in three ways:

- 01 Steering portfolio towards decarbonisation strategy and lowering financed emissions
- 02 Manage ESG risks, including climate risk
- 03 Comply with regulatory requirements.

The Underwriting Guide is applicable to Corporate and Commercial Banking, middle market SME, Debt Capital Market, Retail Banking (auto lending and mortgage), Group Treasury Investment, RSME and Share Margin Finance.

## Sustainability and Climate-related Risk Management

### Prohibited Credits

We have incorporated Prohibited Credits in the RHB Banking Group Credit Policy and in local country credit policies. This has been implemented in Malaysia and our regional operations, in alignment with BNM's CCPT. Per our Prohibited Credits, the Group shall not conduct business with individuals and corporations:

- Charged with or found guilty of an offence under the Anti-Money Laundering ("AML") laws/regulations.
- Involved in the production of or trade in pornography and prostitution.
- Whose activities contravene the law.
- Suspected to be involved in money laundering/Counter Financing of Terrorism ("CFT") and have been established to have AML/CFT risk following enhanced due diligence.
- Involved in production of or activities involving harmful or exploitative forms of forced labour/harmful child labour.
- Involved in production of or trade in radioactive materials. This does not apply to purchase of medical equipment, quality control (measurement) equipment and any other equipment which is permissible according to local or national law or regulations.
- Involved in production of or trade in or use of unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Involved in trade of wildlife or wildlife products regulated under country or international standards (e.g. Convention on International Trade in Endangered Species of Wild Fauna and Flora).
- Involved in the production of or trade in firearms, weapons and munitions, with the exception of Malaysian national defence purposes.
- Involved in new planting or production sites in peatland areas.
- Involved in new coal-fired power plant projects and new thermal coal mines projects.
- Involved in development of new plantations or production sites in High Biodiversity Value/High Conservation Value and High Carbon Stock forests, primary forests and forest reserves.
- Involved in exploitation of people and communities that are against indigenous people's rights.
- Involved in activities that could damage any heritage sites listed under a country's national heritage or UNESCO World Heritage Sites.

### GROUP ASSET MANAGEMENT ESG PORTFOLIO MANAGEMENT

#### Sustainability Investment Framework

The RHB Group Asset Management ("RHB GAM") Sustainability Investment Framework integrates sustainability considerations into the investment process, moving beyond an exclusion-based approach, towards making better informed investment decisions.

#### Governance

The RHB GAM ESG Committee was established in 2021 to ensure effective senior management oversight of environmental risk management in RHB GAM. The ESG Committee convenes on a quarterly basis and comprises key members of senior management and is chaired by the MD/CEO of RHBAM. Further to this, the RHB GAM Board and senior management committees in Malaysia and Singapore ensure that environmental risk issues are effectively reviewed and mitigated.

#### RHB GAM ESG COMMITTEE

<b>Purpose</b>	To strategically drive RHB GAM's sustainability and climate agenda in line with the Group's strategic direction, commitments and sustainability vision
<b>Key Areas of Coverage</b>	<ul style="list-style-type: none"> <li>• To integrate ESG considerations into business activities, strategies, investments and risk management</li> <li>• Climate change agenda</li> <li>• Sustainable finance products</li> <li>• To be a sustainable and responsible Asset Manager</li> </ul>

## Sustainability and Climate-related Risk Management

### Prohibited Investments

ESG exclusion through prohibited investments is applied across all our investments, ensuring a consistent approach to managing significant ESG issues. Exclusions are applied to companies whose practices in key sustainability areas may have a potential negative impact on company value and/or reputation. ESG exclusion is performed in-house, on a best-effort basis, as part of our investment and portfolio monitoring process.

### RHB GAM Sustainability and Environmental Risk Management Guidelines

RHB GAM prioritises the safeguarding of investors' funds and fostering a sustainable future. As such, in 2023, RHB GAM introduced the RHB GAM Sustainability and Environmental Risk Management Guidelines, which provide a comprehensive framework for embedding ESG principles across decision-making processes.

RHB GAM defines environmental risks as a sub-category of sustainability risks. Environmental risks can adversely affect our portfolios and investments through two key transmission channels:

- 01 **Physical Risks:**  
These arise from climate-related events that damage property, reduce productivity or disrupt trade.
- 02 **Transition Risks:**  
These arise from the changes required or that occur as the world transitions to a low-carbon economy, bringing changes in regulation, taxes, or consumer and other stakeholder sentiments.

RHB GAM proactively identifies and mitigates climate-related risks across all portfolios, utilising a multi-layered approach. This includes thorough risk assessments, active engagement with portfolio companies, and continuous capacity building in ESG analysis. We prioritise transparency through regular sustainability and environmental risk reporting, upholding the highest ethical standards to combat greenwashing. By integrating ESG factors and employing these guidelines, we aim to deliver strong returns while contributing to a low-carbon economy.

RHB GAM also utilises a Climate Risk Heat Map for portfolio climate risk identification, assessment, measurement and monitoring. Further information on RHB GAM's climate risk management is detailed in RHB's Climate-Related Financial Disclosures on page 107.

### REGIONAL OPERATIONS

The Group Climate Risk Management Framework and Group Climate Risk Management Policy have been rolled out to our Overseas operations, including subsidiaries and branches of the Group.

In addition, RHB Singapore collaborated with Group Risk to enhance the Environmental, Social and Governance Risk Assessment ("ERA") templates and ESG Sensitive Sectors ("ESS") Templates, bolstering ESG risk management practices. Leveraging tools such as the Association of Banks in Singapore's ("ABS") Environmental Risk Questionnaires and a comprehensive Climate Risk Assessment developed jointly with an external consultant and SG Asset Management, the Bank gained deeper insights into its ESG risk exposure. Furthermore, RHB Singapore surveyed its borrowers to understand their physical and governance risks, as well as their interest in sustainable financing solutions.

# Our Stakeholders Needs and Expectations

## OUR STAKEHOLDER NEEDS AND EXPECTATIONS

Ongoing engagement with stakeholders is critical to sustainable value creation. As such, RHB regularly engages with our key stakeholder groups via dedicated engagement channels to understand their views and concerns. This inclusive, data-driven approach ensures that their valuable insights inform our strategic decision-making processes, resulting in shared value creation for our stakeholders and business.

Key Stakeholder	Engagement Platform
<p><b>BOARD OF DIRECTORS</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">BD</span></p> <p>The Board of Directors sets the Group's strategic direction and is responsible for establishing and maintaining robust governance practices, including transparency, ethical conduct and effective risk management. This affects our Social and Relationship Capital, which can ultimately affect our Financial Capital.</p>	<ul style="list-style-type: none"> <li>Board and Board Committee meetings <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F3</span></li> <li>Directors' training and development, inclusive of seminars, forums and conferences <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Periodic meetings/discussions <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Corporate events and engagements hosted by the Group as well as externally organised by regulators and customers <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Discussions/meetings held without the presence of management <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> </ul>
<p><b>CUSTOMERS</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">CU</span></p> <p>Customers are central to our business, their satisfaction and loyalty enhance our Brand and Relationship Capital, fueling sustainable Financial Capital growth.</p>	<ul style="list-style-type: none"> <li>One-on-one engagement (physical or virtual) by the Senior Management, Relationship Managers, Branch Managers, Personal Bankers or Customer Service Officers <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Online, digital and physical communication channels (email, social media platforms, letter or notices) <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Customer networking events that include seminars, forums, customer high-tea or cocktails <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Alternative customer engagement channels via customer surveys, focus groups and service design engagements <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Channels for service resolution, customer advocacy and customer feedback via <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span> <ul style="list-style-type: none"> <li>&gt; customer.service@rhbgroup.com</li> <li>&gt; customer.advocacy@rhbgroup.com</li> </ul> </li> <li>Physical touch points at branches, sales centres and service clinics <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F4</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> </ul>
<p><b>EMPLOYEES</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">EM</span></p> <p>Employees are the backbone of our operations, driving innovation and efficiency, directly impacting our Human and Intellectual Capital, and thus, our long-term Financial Capital.</p>	<ul style="list-style-type: none"> <li>RHB's internal social media channel and Workplace by Meta <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>GMD Chat Sessions and quarterly town halls by Group Senior Management conducted across the region <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F2</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Group Senior Leadership Forum and GMD Live Session <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F2</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Formal and confidential grievance channel <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Engagement sessions during festive seasons <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Social, sports, and recreational activities, including annual dinners <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Intranet (My1Portal, MyLink2HR, MyApp2HR) and emails <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>Annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES") <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span></li> <li>Industry and regulatory working groups, briefings, forums, conferences and consultation papers <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> </ul>

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly

## Our Stakeholders Needs and Expectations

Arising from the Group-wide Materiality Assessment exercise conducted in FY2023, the Group has identified an expanded list of key stakeholder groups.

▲ For further information on this process, please refer to page 65 of Sustainability Report 2023.

Key Interests	Response
<ul style="list-style-type: none"> <li>Financial performance, capital structure, asset quality and liquidity</li> <li>Corporate governance and accountability practices</li> <li>Risk management practices</li> <li>Business strategy and strategic thrust of the Group, including performance against targets</li> <li>Progress of the Group's sustainability journey and the financial impacts of Environmental, Social and Governance ("ESG") risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Carried out periodic reporting of financial performance to the Board of Directors</li> <li>Established three Lines of Defense ("LODs") for risk management and internal control systems.</li> <li>Established robust sustainability governance structure, including clear reporting lines</li> </ul>
<ul style="list-style-type: none"> <li>Expectations of usability and the seamlessness of the online customer journey</li> <li>Cybersecurity and financial fraud</li> <li>Turnaround time for loans and financing approvals</li> <li>Accessibility of multiple offline and online channels to offer feedback easily</li> <li>Products and services that meet the needs of the customers</li> <li>Competitive pricing and terms for sustainable financial services</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced digital platforms and processes for a seamless customer experience</li> <li>Clear and frequent communications on identifying fraud and protecting customer privacy</li> <li>Continuously enhance cybersecurity and data protection measures</li> <li>Dedicated 24/7 monitoring to identify and remediate suspicious activities</li> <li>Appointment of a specialist at each touchpoint to drive first-contact resolution</li> <li>Reinforce Customer Experience design principles to ensure a consistent customer journey across touchpoints</li> <li>Ongoing client engagement to support clients' sustainability needs</li> </ul>
<ul style="list-style-type: none"> <li>Competitive remuneration and rewards structure</li> <li>Progressive professional and career opportunities</li> <li>A safe, diverse and inclusive workplace culture that provides equal opportunity</li> <li>Access to relevant productive tools to elevate role efficacy</li> <li>Robust Employee Value Proposition</li> <li>Access to financial assistance for victims of natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>Regularly benchmark our compensation packages to ensure they align with industry standards</li> <li>Offer a comprehensive benefits package, including health insurance, retirement plans, and other perks</li> <li>Enable employees access to a range of training programmes and opportunities for skill development</li> <li>Implemented inclusive policies and practices that promote diversity and prevent discrimination such as our Speak-Up Channel and Zero-Tolerance to Anti-Sexual Harassment policy</li> <li>Dedicated Mylink2HR platform for all HR-related matters and launched new MyApp2HR, the mobile version of MyLink2HR to improve accessibility for our employees</li> <li>Offer holistic employee benefits including Work-from-Home ("WFH") option, and programmes on rewards and recognition, as well as employee wellness</li> <li>Offer access to counselling services and other assistance via the Employee Assistance Programme</li> <li>Offer emergency relief and financial assistances via Staff Welfare Fund, natural disaster's fund and humanitarian fund, to help alleviate employees' financial situation during unexpected, difficult situations</li> </ul>

F4 Weekly

F5 Periodically

F6 As and when required

F7 Ongoing

## Our Stakeholders Needs and Expectations

Key Stakeholder	Engagement Platform
<p><b>SHAREHOLDERS AND INVESTORS</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">SI</span></p> <p>Shareholders and investors provide the financial resources necessary for growth, their confidence in our governance and strategy strengthens our Financial Capital and reputation.</p>	<ul style="list-style-type: none"> <li>• Annual and Extraordinary General Meetings <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Quarterly and annual financial results announcements <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F2</span></li> <li>• Meetings and briefings with analysts and fund managers <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F2</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Roadshows, conferences, and round table discussions <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Online communications (email, corporate website, social media) <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span> <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Periodic meetings/discussions <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span></li> <li>• Bursa Malaysia announcements <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Annual Reports/Integrated Reports <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span></li> <li>• Sustainability Reports <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F1</span></li> </ul>
<p><b>REGULATORS</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">RE</span></p> <p>Regulators shape the operating environment. Compliance and proactive engagement safeguards our Social and Relationship Capital, enabling smooth operations.</p>	<ul style="list-style-type: none"> <li>• Regular updates and reporting to regulatory authorities <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Industry and regulatory working groups, briefings, forums, conferences and consultation papers <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Regulatory engagements on new products and services, or initiatives, policies, decisions or regulatory frameworks <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> </ul>
<p><b>COMMUNITIES</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">CO</span></p> <p>The community and society are vital stakeholders. Our social responsibility and impact initiatives build Social and Relationship Capital, enhancing our reputation and license to operate.</p>	<ul style="list-style-type: none"> <li>• Interaction and collaboration with non-profit and non-governmental organisations, associations, social enterprises, and government agencies through RHB's community engagement initiatives <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Online communications (email, corporate website and social media) <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• On-ground and virtual community engagement activities <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Innovative digital platforms and mobile banking services to promote financial accessibility <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Virtual and physical media sessions and news releases <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> </ul>
<p><b>SUPPLIERS AND SERVICE PROVIDERS</b> <span style="background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">SS</span></p> <p>Suppliers are key partners in our value chain as their sustainable and ethical practices contribute to our Manufactured and Intellectual Capital, ensuring resilience and efficiency.</p>	<ul style="list-style-type: none"> <li>• Formal engagements to share service performance and expectations <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span></li> <li>• Company visits to supplier premises <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F6</span></li> <li>• Formal and informal engagements during the procurement process <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• Tender process and supplier feedback mechanism <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F7</span></li> <li>• RHB Supplier Code of Conduct sharing session <span style="background-color: #8bc34a; color: white; padding: 2px 5px; border-radius: 5px;">F5</span></li> </ul>

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly

## Our Stakeholders Needs and Expectations

Key Interests	Response
<ul style="list-style-type: none"> <li>Revenue growth and future strategic thrust of the Group</li> <li>Risk management practices</li> <li>Update on the Group's <b>Together We Progress 2024</b> ("TWP24") corporate strategy</li> <li>Dividend policy and payout</li> <li>Corporate governance practices</li> <li>Progress of the Group's sustainability journey and the financial impacts of ESG risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Declared 40 sen per share at 61.1% dividend payout for FY2023</li> <li>Held regular engagement with analysts and media to provide updates on the Group's financial performance and TWP24 corporate strategy</li> <li>Strengthening of corporate governance practices, including anti-bribery and corruption and AML/CFT measures</li> <li>Robust sustainability governance structure and transparent updates of sustainability achievements</li> </ul>
<ul style="list-style-type: none"> <li>Compliance with regulatory requirements and legislation</li> <li>Corporate governance standards and Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") measures to safeguard corporate integrity</li> <li>Risk management framework and internal controls</li> <li>Management of Environmental, Social and Governance ("ESG") issues, including climate-related risks and the development of ESG products and services</li> <li>Contributions to Value-Based Intermediation ("VBI")</li> <li>Ethical business conduct in line with the BNM policy on Fair Treatment of Financial Consumers ("FTFC")</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance and compliance best practices to meet regulatory requirements</li> <li>Continuous review of risk management practices and ensuring strong fundamentals</li> <li>Enhancement of ESG Risk Assessment ("ERA") tool by incorporating the key guiding principles under the Climate Change and Principle-based Taxonomy ("CCPT") and ASEAN Taxonomy for underwriting process</li> <li>Implementation of the ESG Eligible Business Activities Guidelines</li> <li>Embarked on the Group Climate Action Programme Phase 2, which includes climate-related Governance, Strategy, Risk Management, and Disclosures over a 2-year journey</li> <li>Support communities in need via various financing facilities and assistance programmes</li> <li>Incorporation of FTFC guidelines into marketing materials and customer communications</li> </ul>
<ul style="list-style-type: none"> <li>Lack of financial literacy among youths and rural segments, compounded by lower levels of education</li> <li>Limited access to financial services and working capital for SMEs</li> <li>Access to financial services and financial assistance during and after natural disasters</li> <li>People with Disabilities and neurodivergent individuals find it challenging to integrate into society and the working environment</li> </ul>	<ul style="list-style-type: none"> <li>Implemented financial literacy programmes, academic excellence programmes for B40 students, and capability-building programmes to upskill B40 microentrepreneurs in line with our Sustainability aspiration to empower over two million targeted individuals and businesses across ASEAN by 2026</li> <li>Lowered barriers to capital for SMEs through digital solutions for efficient loans application and approval, as well as reaching out to MSMEs via a social empowerment programme to provide further support.</li> <li>Provided flood relief assistance for communities affected by flooding nationwide</li> <li>Implemented a talent development programme for neurodiverse youth, to facilitate their integration into the workforce and society with comprehensive training in skill sets, basic employment, social and independent living skills.</li> </ul>
<ul style="list-style-type: none"> <li>User-friendliness of the e-procurement system</li> <li>Policies and guidelines that affect vendor criteria, including sustainable procurement practices</li> <li>Privacy and confidentiality of contracts and business arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Continuous refinement of the e-procurement system</li> <li>Guidance and knowledge-sharing sessions with suppliers</li> <li>Conducted training for vendors and suppliers such as Anti-Bribery &amp; Corruption Awareness, as part of the support infrastructure provided for RHB's network of suppliers</li> <li>Incorporated confidentiality clauses in contracts and continued reassurance to suppliers</li> </ul>

## Our Stakeholders Needs and Expectations

Key Stakeholder	Engagement Platform
<p><b>FINANCIAL INDUSTRY PEERS</b> <span style="float: right; background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">FI</span></p> <p>Financial industry peers foster a competitive yet collaborative ecosystem, influencing our reputation and Intellectual Capital, which in turn shapes our financial sustainability.</p>	<ul style="list-style-type: none"> <li>Industry forums and events, including working groups, roundtable discussions, and conferences <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Collaborations and partnerships where RHB is an active member in over 40 industry associations across the ASEAN region and a member of four committees/subcommittees that relate to Sustainability and Climate Change <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F7</span></li> <li>Online and digital communications (email, corporate website, social media) <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F7</span></li> </ul>
<p><b>BUSINESS PARTNERS</b> <span style="float: right; background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">BP</span></p> <p>Business partners amplify our service capabilities and market reach, enhancing our operational efficiency, critical for long-term value creation.</p>	<ul style="list-style-type: none"> <li>Industry forums and events, including working groups, knowledge-sharing sessions and conferences <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Roadshows, conferences, and round table discussions <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Periodic meetings/discussions <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F5</span></li> <li>Online and digital communications (email, corporate website, social media) <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F7</span></li> </ul>
<p><b>RATING AGENCIES</b> <span style="float: right; background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">RA</span></p> <p>Rating agencies assess our financial health and stability, their evaluations impact our reputation and Financial Capital, affecting investor confidence.</p>	<ul style="list-style-type: none"> <li>Quarterly and annual financial results announcements <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F1</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F2</span></li> <li>Online communications (email, corporate website, social media) <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F5</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F7</span></li> <li>Ratings review and assessment <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F1</span></li> <li>Periodic meetings/discussions <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> </ul>
<p><b>ANALYSTS</b> <span style="float: right; background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">AN</span></p> <p>Analysts provide independent insights on our performance and prospects, influencing investors' decision and market perception.</p>	<ul style="list-style-type: none"> <li>Quarterly and annual financial results announcements <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F1</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F2</span></li> <li>Meetings and briefings with analysts and fund managers <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F2</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Roadshows, conferences, and round table discussions <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Online communications (email, corporate website, social media) <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F5</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span> <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F7</span></li> <li>Periodic meetings/discussions <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F5</span></li> <li>Bursa Malaysia announcements <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> </ul>
<p><b>MEDIA</b> <span style="float: right; background-color: #e91e63; color: white; padding: 2px 5px; border-radius: 5px;">ME</span></p> <p>The media plays a crucial role in shaping our public image and transparency, affecting our brand equity and Social and Relationship Capital, which are vital for trust and stakeholder engagement.</p>	<ul style="list-style-type: none"> <li>News releases and Corporate Announcements <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Media interviews via email, video conference call, telephone, or in-person <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Media briefings <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Press conferences <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Online communications via email, corporate website, social media, and WhatsApp <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> <li>Informally for relationship-building (e.g. lunch, festive celebrations, media house visits) <span style="background-color: #8bc34a; border-radius: 5px; padding: 2px 5px;">F6</span></li> </ul>

Engagement Frequency:

F1 Annually

F2 Quarterly

F3 Monthly



## Our Stakeholders Needs and Expectations

Key Interests	Response
<ul style="list-style-type: none"> <li>• New and updated regulations regarding financial services ESG and climate-related management and reporting</li> <li>• Cybersecurity and fraud risk</li> <li>• Compliance with new and existing regulations</li> <li>• Business strategy and future strategic thrust of the Group</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in industry working groups, including the Joint Committee on Climate Change (“JC3”), Value-Based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Working Group and Climate Change and Principle-based Taxonomy (“CCPT”) Implementation Group</li> <li>• Engagement with peers on changing regulations and risk management</li> </ul>
<ul style="list-style-type: none"> <li>• Business strategy and Group’s key strategic priorities</li> <li>• Future strategic thrust of the Group</li> <li>• Collaborative efforts, including stakeholder engagement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in industry associations, including the United Nations Global Compact</li> <li>• Establishing mutually beneficial partnerships to drive the transition to a low-carbon economy</li> <li>• Strategic collaborations with key industry partners to drive the low-carbon transition, such as our partnership with Tenaga Nasional Berhad</li> </ul>
<ul style="list-style-type: none"> <li>• Financial performance, capital structure, asset quality and liquidity</li> <li>• Corporate governance practices</li> <li>• Risk management practices</li> <li>• Revenue growth and strategic thrust of the Group</li> <li>• Progress of the Group’s sustainability journey and the financial impacts of ESG risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in rating review assessments to provide updates on the Group’s financial performance and TWP24 corporate strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Financial performance, capital structure, asset quality and liquidity</li> <li>• Corporate governance practices</li> <li>• Risk management practices</li> <li>• Revenue growth and strategic thrust of the Group</li> <li>• Progress of the Group’s sustainability journey and the financial impacts of ESG risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Regular engagement with analysts to provide updates on the Group’s financial performance and TWP24 corporate strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Financial results announcements</li> <li>• Corporate strategy updates</li> <li>• Senior Appointment announcements</li> <li>• Product, service and innovation announcements</li> <li>• Business strategies and progress, and key achievements</li> </ul>	<ul style="list-style-type: none"> <li>• Regular engagement with various media titles to provide updates on the Group’s financial and business performance, TWP24 corporate strategy, and social/community programmes</li> </ul>

## Our Material Matters

This section outlines the core sustainability issues that are of utmost importance to our business strategy and stakeholders' interests. Our approach to identifying and prioritising our material matters is rooted in a comprehensive assessment and engagement process that aligns with our strategic priorities, organisational values and the expectations of our stakeholders.

In FY2023, we conducted a comprehensive Group-wide materiality assessment exercise to identify any shifts in stakeholder priorities since our initial assessment in FY2018. This exercise also served to further validate our 5-Year Sustainability Strategy and Roadmap (2022-2026), to ensure alignment with stakeholder interests and effective resource allocation. To maintain objectivity, independence and compliance with regulatory requirements and industry best practices, we engaged a third-party consultant for the assessment.

The methodology that we have adopted in identifying our material matters is in line with the Bursa Malaysia Materiality Assessment Toolkit (3<sup>rd</sup> Edition) and the GRI Standards, ensuring thorough identification and prioritisation of material matters and stakeholder groups.

### FY2023 Materiality Assessment Process

#### IDENTIFICATION

of material sustainability matters and key stakeholder groups



- Compile a preliminary list of material sustainability matters aligned with RHB's operating context and environment.
- Identify key stakeholder groups to be engaged as part of the materiality assessment exercise, and understand their concerns and expectations pertaining to RHB's sustainability-related impacts.

#### PRIORITISATION

of material sustainability matters



- Embark on stakeholder engagement process with identified key stakeholder groups to further refine and prioritise the preliminary list of material sustainability matters.
- Present the prioritised material sustainability matters, indicating the relative importance of each material sustainability matter to RHB and its stakeholders.

#### CONSOLIDATION AND VALIDATION

of the results



- Subject the outcome of the materiality assessment for validation and approval at the responsible governing committees, namely the GSC and BSC.

Further details of the FY2023 materiality assessment process are elaborated in the subsequent sections.

### IDENTIFICATION OF MATERIAL TOPICS

As part of the FY2023 materiality assessment process, a list of relevant material sustainability matters was identified, drawing upon:

#### Internal Framework, Guidelines and Strategic Blueprint

- RHB's 16 existing material sustainability matters across Economic, Environmental, Social and Governance topics
- RHB Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), including focus areas and sustainability KPIs
- The Group's relevant sustainability and climate-related frameworks, policies, guidelines, strategies and commitments

#### Regulatory Requirements and Landscape

- Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- Bursa Malaysia Common Sustainability Matters
- Other relevant sustainability-related regulatory requirements

#### National Agenda

- Government directives, policies and incentives related to sustainability

#### Industry Review and Operating Context

- Industry and market analysis, including global and local sustainability trends
- Peer analysis and benchmarking
- Global megatrends

#### Industry Best Practices in Sustainability Reporting and Disclosure

- Sustainability reporting frameworks, including GRI Standards, UN SDGs, Integrated Reporting Framework and TCFD

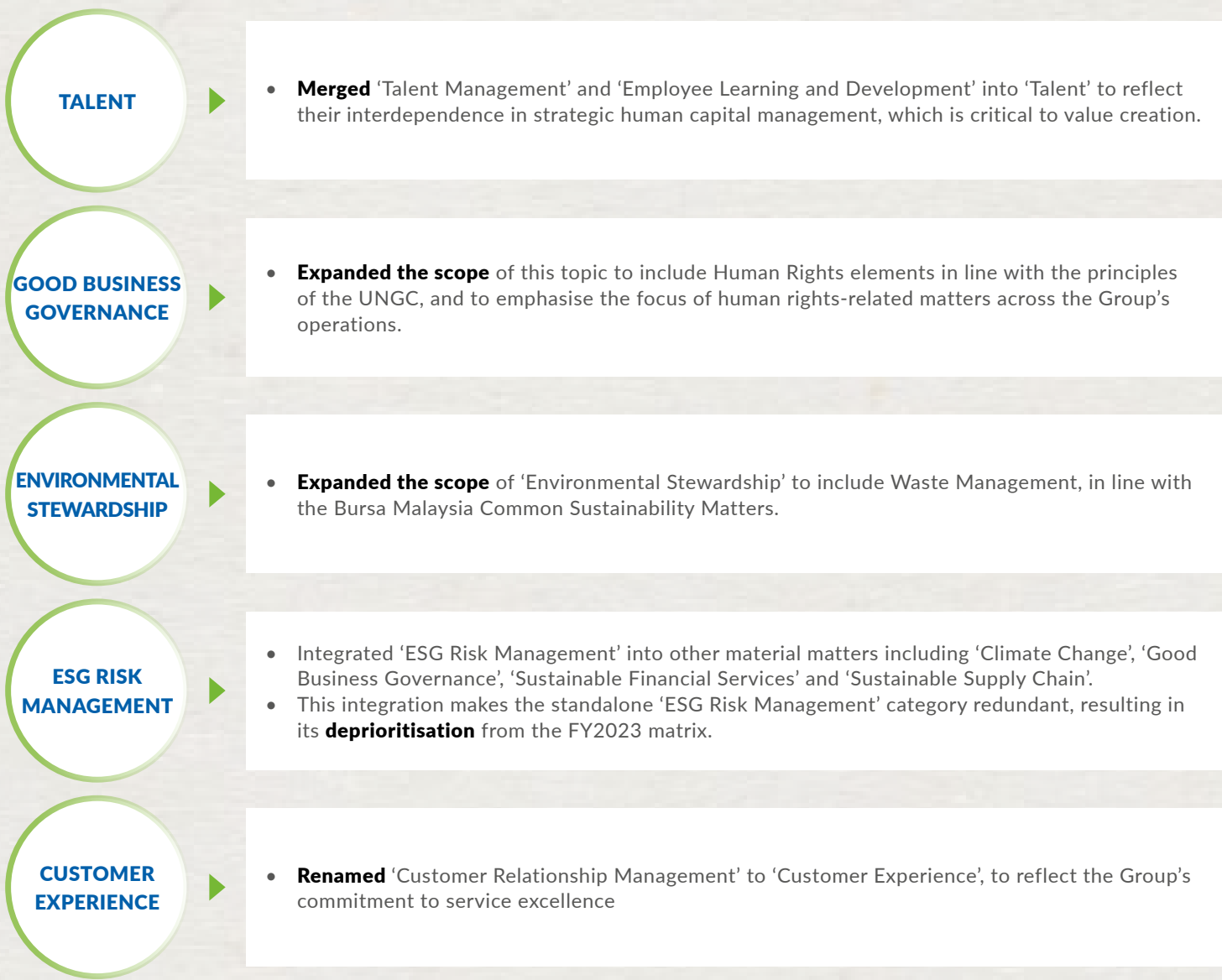
## Our Material Matters

In this year's Sustainability Report, stakeholders will notice a refined list of material matters compared to our previous disclosures. This evolution reflects a deliberate and strategic assessment of our sustainability priorities, aimed at enhancing our impact and aligning more closely with our business objectives and stakeholders' expectations.

**Below are the key factors which have contributed to the refinement:**

- 1 **Strategic alignment** of our material matters with our Sustainability Strategy and Roadmap, key sustainability commitments, TWP24 corporate strategy, as well as our strategic business and organisational priorities moving forward.
- 2 **Enhanced stakeholder engagement**, which has enabled us to better understand our stakeholders' interests, priorities and expectations for the Group.
- 3 **Continuously evolving external environment**, driven by the introduction of new regulatory requirements, the establishment of national policies, directives and incentives related to sustainability, as well as new and emerging sustainability and climate-related risks and opportunities.

For FY2023, we refined our material matters to 14 from the earlier 17 material matters which were identified in FY2018. The key refinements made are as follows:



## Our Material Matters

### RHB FY2023 Material Matters

We categorise our material matters into Governance, Economic, Environment and Social matters which are also aligned with the 11 Bursa Common Sustainability Matters:



▲ For further information on the definitions of each material matter, please refer to page 71.

### OUR APPROACH TO STAKEHOLDER IDENTIFICATION

**Ensuring comprehensive coverage of our key stakeholder groups is necessary for stakeholder inclusivity, representation and impact. Stakeholders are individuals, businesses, groups or organisations that can affect or be affected by our activities, products and services, and/or operations.**

We recognise that engagement with our key stakeholders will enable us to better align our strategies with their needs and expectations, enhance our sustainability strategy and initiatives, and enable value creation. To this end, we expanded our list of stakeholder groups impacting or impacted by RHB's operations and activities, across all business entities and all countries where we have operations.

The process began by mapping and identifying our potential stakeholders across various categories, including but not limited to customers, employees, suppliers, investors, regulatory authorities, and the communities within which we operate. This comprehensive process ensures that we have a clear understanding of our stakeholder landscape.









#### *In the process of identification, we considered:*

- 1 **Relevance**  
 How the stakeholder group is connected to RHB's business and operations
- 2 **Impact**  
 The influence that the stakeholder group has on RHB, and vice versa
- 3 **Interest**  
 The degree to which the stakeholder group is interested in RHB's sustainability performance and/or affected by RHB's sustainability practices
- 4 **Expectations**  
 The expectations that the stakeholder group may have regarding RHB's sustainability efforts





Based on our identification and mapping process, we have recognised 12 key stakeholder groups as being important to the success, growth and resilience of our business and operations. The expanded list includes three renamed stakeholder groups from the previous materiality assessment and four newly identified groups deemed as key stakeholders for the Group.

## Our Material Matters

## Stakeholder Groups Identified and Engaged with for FY2023 Materiality Assessment

Stakeholder Groups	FY2023 Materiality Assessment
 <b>BOARD OF DIRECTORS<sup>1</sup></b>	<p>We engaged four (4) Board members comprising of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. These four Board members are also the Chairman and members of the Board Sustainability Committee ("BSC"). The BSC has the delegated responsibility to fulfil the Board's statutory and fiduciary duty in relation to ESG and climate-related matters. As part of this, the BSC is responsible for providing oversight and strategic direction for sustainability and climate-related matters within RHB.</p>
 <b>CUSTOMERS</b>	<p>We engaged with customers across all business segments, including Retail, SME, Corporate, Commercial and Insurance, to ensure that a diverse range of customer perspectives are captured as part of the assessment, and that the selection of customers that we engaged with is reflective of the Group's business activities.</p>
 <b>EMPLOYEES</b>	<p>We engaged with several groups of employees throughout RHB, including members of the Group Management Committee, Regional Directors, Branch Managers, Relationship Managers ("RMs"), the RHB Youth Council, representatives from our overseas operations, and key senior leaders across Strategic Business Groups and Strategic Functional Groups. This holistic sampling ensures that the inputs captured in the assessment are reflective of RHB's diverse workforce.</p>
 <b>SHAREHOLDERS AND INVESTORS</b>	<p>We prioritised engagements with the Group's largest shareholders, building upon long-term strategic business and sustainability priorities.</p>
 <b>REGULATORS<sup>2</sup></b>	<p>We prioritised engagements with senior representatives from Bank Negara Malaysia, Bursa Malaysia and the Securities Commission, as these regulatory authorities set the ESG compliance standards impacting the Group's business activities and operations.</p>
 <b>COMMUNITIES</b>	<p>We prioritised engagements with our programme partners and a representative sample of programme beneficiaries to ensure holistic coverage of inputs from our community programmes.</p>
 <b>SUPPLIERS AND SERVICE PROVIDERS</b>	<p>We prioritised engagements with our critical suppliers with the highest spending, as these are the suppliers and service providers which are most important for the Group's business continuity.</p>
 <b>FINANCIAL INDUSTRY PEERS</b>	<p>We engaged with a representative sampling of senior leaders in the financial sector to ensure fair representation of our peers' views.</p>

## Our Material Matters

Stakeholder Groups	FY2023 Materiality Assessment
 <p><b>BUSINESS PARTNERS<sup>1</sup></b></p>	<p>We prioritised engagements with strategic business partners, with whom we have established robust collaborative partnerships. This ensures that our business partners are able to provide meaningful feedback regarding the Group's sustainability efforts.</p>
 <p><b>RATING AGENCIES<sup>2</sup></b></p>	<p>We prioritised engagements with senior representatives from RAM Ratings, Moody's Investors Service and S&amp;P Global Ratings that can support enhancements of our ESG disclosure and performance.</p>
 <p><b>ANALYSTS<sup>2</sup></b></p>	<p>We prioritised engagements with analysts whose research and coverage on RHB includes assessments or reviews on our ESG performance.</p>
 <p><b>MEDIA<sup>2</sup></b></p>	<p>We engaged with a representative sampling of senior leaders from key media outlets which the Group regularly works with. This ensures that we are able to obtain meaningful and representative feedback from the media community.</p>

<sup>1</sup> Refers to an existing category of stakeholders that have been identified as a key stakeholder group for RHB, but were renamed and/or reorganised as part of the FY2023 Materiality Assessment for better clarity.

<sup>2</sup> Refers to a new category of stakeholders that have been identified as a key stakeholder group for RHB as part of the FY2023 Materiality Assessment.

Prior to the FY2023 materiality assessment exercise, RHB had been strategically engaging with all stakeholder categories listed above on a regular basis, including those newly identified in FY2023. Our stakeholder engagement activities are as described on pages 56 to 61 of this Sustainability Report. The materiality assessment process served to formalise these groups as key stakeholders, thus systematically gathering their views and interests to refine our sustainability efforts and ensure ongoing structured engagement.

## Our Material Matters

## STAKEHOLDER ENGAGEMENT FOR MATERIALITY ASSESSMENT

Through online surveys and targeted stakeholder engagements, we captured diverse perspectives from both internal and external stakeholders to further enhance our sustainability and climate efforts moving forward.

## FY2023 Materiality Assessment – Stakeholder Engagement Activities

Materiality  
Assessment  
Survey

- The Group distributed an online Materiality Assessment Survey to representatives from all 12 stakeholder groups. Stakeholders were requested to rate the importance of material topics from their perspective as RHB's stakeholders.
- This enabled us to capture invaluable feedback from key internal and external stakeholder groups, with over 170 survey responses collected.

Materiality  
Assessment  
Workshop

- A half-day Workshop was led by a third party consultant, which was attended by RHB's senior leaders from all business and functional groups across our Malaysian and overseas operations. Participants were strategically selected based on their roles and responsibilities within the Group and their involvement in the Group's sustainability efforts to ensure fair representation across all Business and Functional Groups.
- The Workshop began with a recap of RHB's sustainability journey, including the Group's 5-Year Sustainability Strategy and Roadmap (2022-2026), progress and achievements. An overview of RHB's broader sustainability context was provided, including sustainability and climate-related regulatory expectations, ESG trends and evolving stakeholder expectations.
- During the Workshop, the preliminary list of material matters were further refined and prioritised. Participants discussed their significance to our stakeholders and the Group's operations and business, and considered their significance in relation to RHB's risk matrix, to ensure the weightage of material matters is proportional to their risk impact and likelihood.
- In addition, a stakeholder prioritisation exercise was conducted to assess the level of influence that each stakeholder group has on RHB, in relation to their level of dependency on RHB. From this prioritisation, we derived a relative weightage for each stakeholder group, which will subsequently inform the weighted average of material matters in our materiality matrix.
- Arising from this Workshop, a **preliminary materiality matrix** was developed.

Targeted  
Engagement  
Sessions with  
BSC Members

- Interview sessions with the Board Sustainability Committee ("BSC"), representing the Board of Directors, were conducted to further refine the material matters and ensure their relevance to the Group.
- These sessions provided invaluable guidance on the Group's prioritised sustainability matters, emphasising clear leadership and accountability.
- Feedback from these interview sessions were processed and integrated into the preliminary matrix.

Validation and  
Approval

- 14 material sustainability matters were identified and presented in a materiality matrix, as illustrated on page 68, striking a balance between internal and external stakeholder interests and their impact on the Group's business and operations.
- The materiality matrix underwent validation by the Group Sustainability Committee ("GSC") and was approved by the BSC, ensuring robust governance of the entire materiality assessment process.

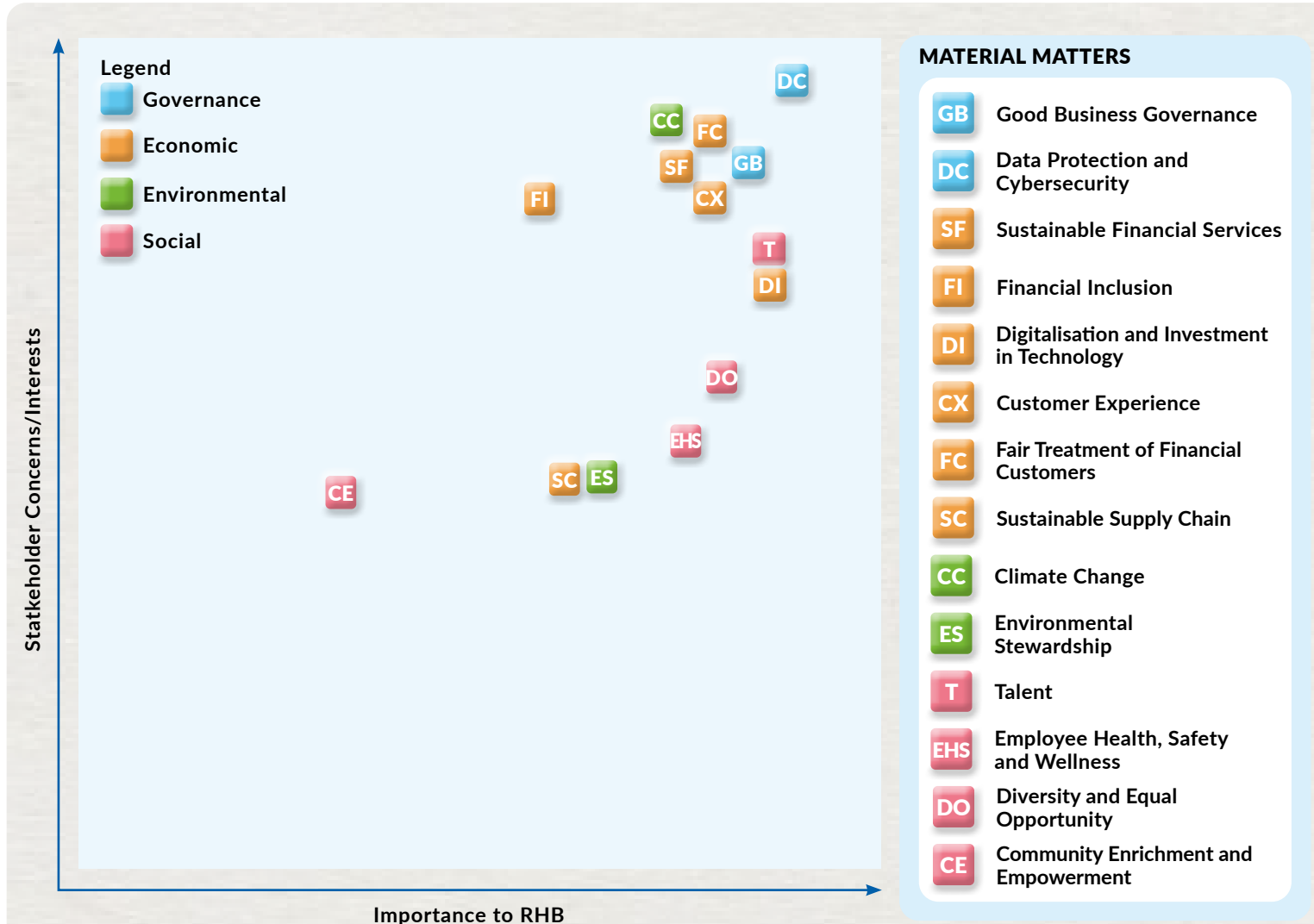
# Our Material Matters

## MATERIALITY ASSESSMENT OUTCOMES

### Materiality Matrix

The materiality matrix visually illustrates the prioritisation of RHB's material sustainability matters, reflecting the importance of each material matter to our stakeholders, and its importance on our business. It was developed using weighted outcomes from the materiality assessment survey and workshop, considering the risk impact and likelihood of each matter. Further refinement was made based on inputs gathered during targeted engagement sessions with the Group Senior Management and BSC members.

The materiality matrix below was validated by the GSC and subsequently approved by the BSC.



Note:

<sup>1</sup> The horizontal axis reflects the importance of each material matter to RHB, which is represented by the perspectives of the Board of Directors and the Group's Senior Management. On the other hand, the vertical axis reflects the level of stakeholder concern and/or interest in each material matter, which is represented by the weighted average of all other stakeholder groups' perspectives. The weighted average is derived from the stakeholder prioritisation exercise, as described on page 67.

<sup>2</sup> The definitions of High, Medium and Low Importance are as follows:

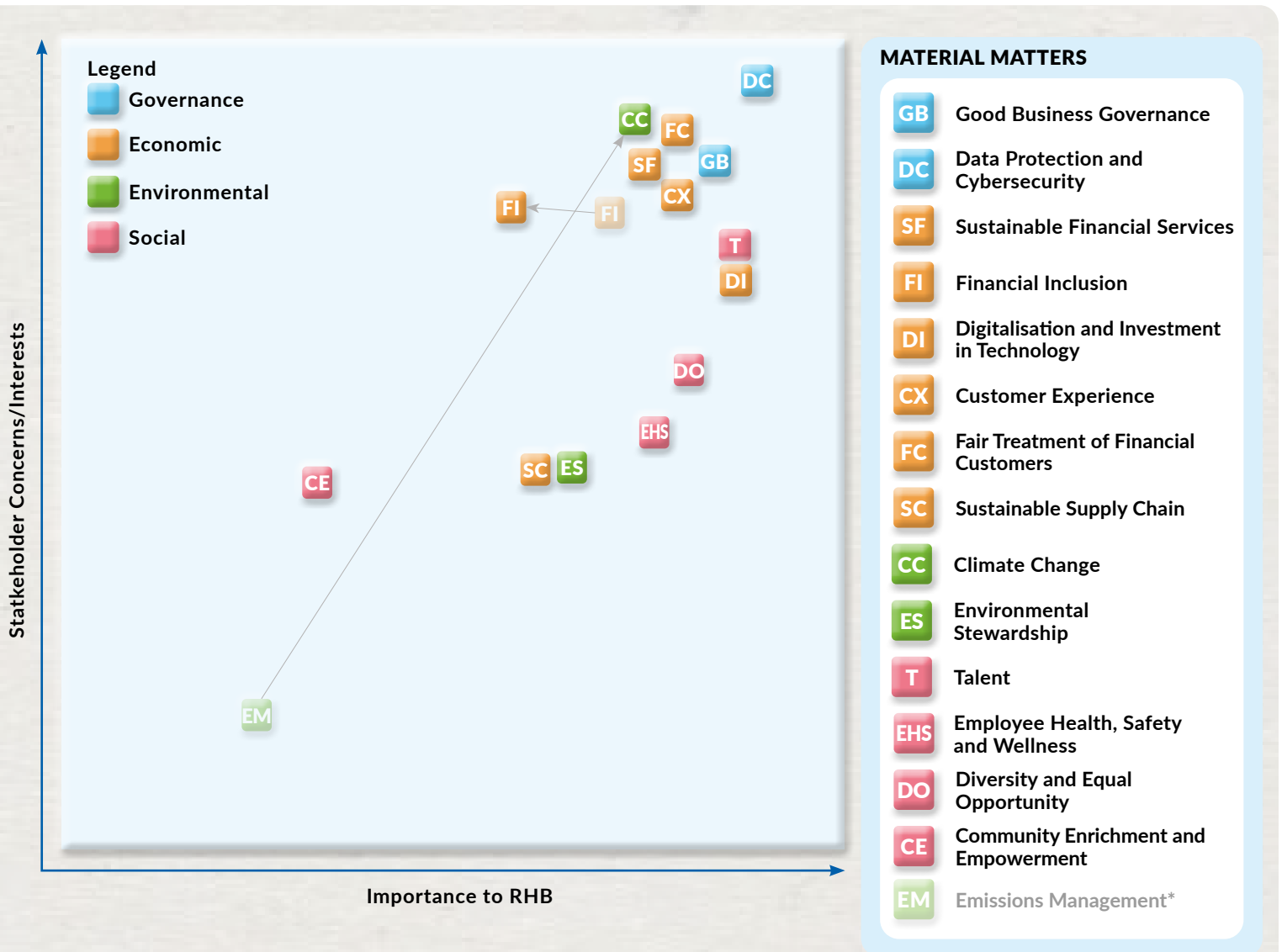
- **High Importance:** The material matter is highly significant and is a notable priority to RHB and/or our stakeholders. It has a substantial influence on overall perspective and/or decision-making, and its importance should not be overlooked.
- **Medium Importance:** The material matter is moderately significant. It holds a fair amount of importance and has some influence on overall perspective and/or decision-making.
- **Low Importance:** The material matter is relevant, but not necessarily a priority. It has a minimal influence on overall perspective and/or decision-making.



# Our Material Matters

## Key Observations

The visualisation below illustrates the notable shifts in our material matters, as compared to the previous comprehensive assessment undertaken in FY2018.



Note:

\* Emissions Management was renamed as Climate Change in the FY2023 materiality assessment.

## Our Material Matters

Key Outcome	Analysis
<p>The top material matter for FY2023 is <b>Data Protection and Cybersecurity</b>.</p>	<p>The high prioritisation of Data Protection and Cybersecurity underscores the continued significance of safeguarding information and addressing cybersecurity challenges in today's business environment. Effective management in these areas is crucial for mitigating the Group's reputational, operational, financial and legal risks.</p> <p>Additionally, this prioritisation aligns with RHB's robust internal controls in data protection and cybersecurity, consistent with the Group's FY2018 materiality matrix.</p>
<p><b>Several top material matters remain consistent with the Group's FY2018 materiality assessment</b>, namely:</p> <ul style="list-style-type: none"> <li>• Data Protection and Cybersecurity</li> <li>• Good Business Governance</li> <li>• Customer Experience</li> <li>• Fair Treatment of Financial Customers</li> </ul>	<p>▲ <i>For further information on our Data Protection and Cybersecurity efforts, please refer to page 169.</i></p> <p>Due to their sensitive nature, the management of these topics are closely regulated within the industry. They are critical elements of RHB's daily operations and significantly impact our social license to operate.</p> <ul style="list-style-type: none"> <li>• <b>Good Business Governance</b> – Establishing a robust corporate governance framework, guided by the highest standards of ethics and integrity, is critical to business resilience.</li> <li>• <b>Fair Treatment of Financial Customers</b> – Maintaining customer trust is essential for the Group's success, ensuring fair dealings in all customer engagements.</li> <li>• <b>Customer Experience</b> – Adapting to customer needs is imperative for remaining competitive in the financial sector.</li> </ul> <p>These topics are integrated into our governance and decision-making processes, supported by robust risk management frameworks and internal controls, ensuring efficient and compliant practices.</p>
<p>Emissions Management <b>(now renamed as Climate Change) has significantly increased in importance as a material matter</b>, from low priority to high priority.</p>	<p>The growing urgency to address climate change is evident through regulatory requirements and government directives promoting low-carbon practices.</p> <p>This aligns with the Group's extensive work within the Group Climate Action Programme, integrating climate-related considerations into business activities and risk management. Additionally, it reflects the Group's commitment to achieve Carbon Neutral Operations by 2030 and Net Zero Emissions by 2050.</p> <p>Given the increasing importance of Climate Change as a material matter, clear visibility and oversight of management efforts are essential for establishing a robust foundation.</p>

▲ *For further information on the Group's climate-related initiatives, please refer to page 82.*

## Our Material Matters

Key Outcome	Analysis
<p><b>Topics associated with the Group's sustainability KPIs and key commitments emerged as medium to high priority, including:</b></p> <ul style="list-style-type: none"> <li>Sustainable Financial Services</li> <li>Community Enrichment and Empowerment</li> <li>Financial Inclusion</li> <li>Climate Change</li> <li>Talent</li> <li>Diversity and Equal Opportunity</li> </ul>	<p>Recognising the evolving nature of sustainability risks and opportunities, RHB actively manages these material matters through clear targets, policies, frameworks and strategies.</p> <ul style="list-style-type: none"> <li><b>Sustainable Financial Services</b> – As the financial sector transitions towards sustainability, strengthening our capabilities in sustainable finance is crucial for remaining competitive.</li> <li><b>Financial Inclusion and Community Enrichment and Empowerment</b> – Fulfilling our corporate responsibility involves supporting community development initiatives.</li> <li><b>Climate Change</b> – Embedding climate considerations into risk management and business strategy is essential, aligning with commitments of Achieving Carbon Neutral Operations by 2030 and Net Zero Emissions by 2050.</li> <li><b>Talent and Diversity and Equal Opportunity</b> – Empowering employees fosters an inclusive, motivated and high-performance culture, driving organisational goals.</li> </ul> <p>This proactive approach ensures the close monitoring of these material topics, enabling adaptability to new developments. Thus, we are better positioned to capitalise on opportunities and mitigate potential risks effectively.</p>

### ADDRESSING OUR MATERIAL MATTERS

#### OUR APPROACH

#### GOVERNANCE

#### GOOD BUSINESS GOVERNANCE

GB

##### What this means to us

- Prioritising good business conduct, which includes regulatory compliance, ethical practices and robust governance
- Actively managing risks related to anti-bribery and corruption, fraud, money laundering, financing of terrorism risks and anti-competition
- Addressing human rights risks across our business activities and value chain

##### Risks

- Non-compliance with regulatory requirements may lead to fines and financial losses.
- Failing to meet regulators' and stakeholders' expectations may damage our reputation.
- A culture lacking integrity, accountability and transparency exposes the Group to risks.
- Association with human rights violations increases reputational and financial risks.

##### Opportunities

- Effective execution of business strategy, driven by robust governance and a culture of ethics and integrity.

##### Our Response

- Established robust corporate governance and ethical business practices, guided by clear frameworks, policies, guidelines and handbooks, including the Group Anti-Bribery & Corruption Handbook.
- Implemented continuous efforts to cultivate a culture of ethics and integrity.
- Mandatory e-learning on anti-bribery and corruption for all new joiners.

For further information on our governance and integrity initiatives, progress and achievements, please refer to the section on Good Business Governance page 161.

##### Stakeholders Interested and Affected:

- BD** Board of Directors
- SI** Shareholders and Investors
- BP** Business Partners
- EM** Employees
- RE** Regulators

##### UN SDGs:



##### Relevant Bursa Common Sustainability Matter(s):

- Anti-Corruption

# Our Material Matters

## GOVERNANCE

### DATA PROTECTION AND CYBERSECURITY

DC

**What this means to us**

- Maintaining a secure digital infrastructure throughout our operations and value chain
- Continuously enhancing cybersecurity measures and capabilities
- Protecting the data privacy of our customers, employees and other key stakeholders

**Risks**

- Data losses and cybersecurity breaches pose reputational and financial risks to the Group, affecting stakeholders' trust.
- Ineffective data protection and cybersecurity measures may cause disruptions to business continuity and operations.

**Opportunities**

- Establishing continued protection of sensitive data to ensure business continuity.
- Maintaining stakeholders' trust, with a focus on enhancing customer confidence.
- Ensuring compliance with regulatory requirements.

**Our Response**

- Implemented robust internal controls to protect RHB's and customers' data.
- Continuous training and mandatory e-learning on data protection and cybersecurity matters.
- Organised fraud and scam awareness campaigns.
- Appointed a Chief Information Security Officer.
- Established a 24/7 Security Operation Centre ("SOC").

▲ For further information on our cybersecurity and data protection initiatives, progress and achievements, please refer to the section on Data Protection and Cybersecurity, page 169.

*Stakeholders Interested and Affected:*

<b>BD</b> Board of Directors	<b>EM</b> Employees	<b>SS</b> Suppliers and Service Providers
<b>CU</b> Customers	<b>RE</b> Regulators	

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

➤ Data Privacy and Security

## ECONOMIC

### SUSTAINABLE FINANCIAL SERVICES

SF

**What this means to us**

- Supporting our customers' sustainability needs through our financial offerings
- Creating positive social and environmental impacts through our financial products and services
- Managing ESG and climate-related risks effectively
- This material matter encompasses our lending and financing, capital markets, wealth management, investment, asset management and insurance businesses

**Risks**

- Inadequate ESG risk management can result in financial losses from stranded assets and higher default rates.

**Opportunities**

- Capitalising on new business opportunities and revenue streams with sustainable financial services.
- Generating long-term value for both the Group and our stakeholders.

**Our Response**

- Committed to mobilising RM50 billion in Sustainable Financial Services by 2026.
- Delivered sustainable financial services to support customers' sustainability transitions.
- Implemented processes to manage sustainability and climate-related risks effectively, such as the ESG Risk Assessment tool.

▲ For further information on our sustainable financial services, progress and achievements, please refer to the section on Sustainable Financial Services, page 117.

*Stakeholders Interested and Affected:*

<b>CU</b> Customers	<b>SI</b> Shareholders and Investors	<b>BP</b> Business Partners
<b>RE</b> Regulators	<b>FI</b> Financial Industry Peers	<b>AN</b> Analysts

*UN SDGs:*



# Our Material Matters

## ECONOMIC

### FINANCIAL INCLUSION

FI

**What this means to us**

- Providing access to financial products and services to targeted individuals and businesses
- Offering tailored products and services to meet the needs of underserved communities
- Conducting financial literacy programmes to boost public awareness and understanding of financial concepts

**Risks**

- Failure to support the national developmental agenda may damage the Group's reputation.
- The Group may lose potential business opportunities from underbanked communities.

**Opportunities**

- Creating value by integrating vulnerable and underserved groups into banking systems.
- Unlocking new business opportunities by providing financial services to the unbanked and underbanked.
- Enhancing quality of life for vulnerable and marginalised individuals and businesses.

**Our Response**

- Committed to empowering 2 million targeted individuals and businesses across ASEAN by 2026.
- Delivered accessible and financially inclusive products and services that support SMEs and the B40 community.
- Provided financial literacy programmes to youths, notably through the RHB Money Ma\$ter Programme.
- Provided digital solutions to support SME customers, including SME Online Financing and SME e-Solutions.

▲ For further information on our financial inclusion initiatives, progress and achievements, please refer to the section on Financial Inclusion, page 138.

*Stakeholders Interested and Affected:*

- CU** Customers
- CO** Communities
- BP** Business Partners

*UN SDGs:*



### DIGITALISATION AND INVESTMENT IN TECHNOLOGY

DI

**What this means to us**

- Identifying opportunities and mitigating risks by investing in technology and channel improvements
- Delivering innovative products and services
- Encouraging digital adoption among customers

**Risks**

- Loss of competitiveness.
- Potential disruptions to business due to lack of investment in technology.

**Opportunities**

- Capturing new value creation opportunities and avenues for revenue creation.
- Improving business resilience.
- Enhancing customer experience.
- Improving operational efficiency and cost optimisation.

**Our Response**

- Embarked on a Digital Transformation Programme since 2017.
- Embedded digitalisation as one of the key focus areas under TWP24.
- Established partnership with Boost to launch Boost Bank, a digital bank that will drive financial inclusion for underserved populations.

▲ For further information on our digitalisation initiatives, progress and achievements, please refer to the section on Digitalisation and Investment in Technology, page 142.

*Stakeholders Interested and Affected:*

- CU** Customers
- SI** Shareholders and Investors
- FI** Financial Industry Peers
- ME** Media
- SS** Suppliers and Service Providers
- BP** Business Partners

*UN SDGs:*



# Our Material Matters

## ECONOMIC

### CUSTOMER EXPERIENCE CX

**What this means to us**

- *Delivering service excellence to customers, in line with RHB's Customer Service Charter*
- *Continuously striving to gain the trust and confidence of customers*
- *Offering competitive and innovative products*

**Risks**

- Poor customer relationship management may lead to negative reputational impact for the Group.
- Inability to retain customers may lead financial losses and negatively impact revenue generation.

**Opportunities**

- Improving customer experience strengthens customer satisfaction and brand loyalty, and is key to retaining customers and attracting new ones.
- Addressing customers' needs unlocks new opportunities for value creation, operational efficiency and revenue generation.

**Our Response**

- Implemented continuous efforts to enhance our customer experience, aligned with RHB's Customer Service Charter.
- RHB CX Design Principles for Customer Journeys and Communications across the Bank's Strategic Business and Functional Groups.
- Implemented the Qualtrics XM platform to further enhance our Voice of Customer ecosystem.
- Rolled out a generative AI Chatbot to support our frontline staff in providing responses and answers to customers' enquiries.

▲ For further information on our customer experience management initiatives, progress and achievements, please refer to the section on Customer Experience, page 151.

*Stakeholders Interested and Affected:*

- CU** Customers
- FI** Financial Industry Peers

*UN SDGs:*



### FAIR TREATMENT OF FINANCIAL CUSTOMERS FC

**What this means to us**

- *Ensuring fair treatment of customers in all business interactions*
- *Providing accurate, adequate and easily understandable product and service information*

**Risks**

- Non-compliance with regulatory requirements may lead to fines and financial losses.
- Mis-selling products and services may lead to reputational damage.

**Opportunities**

- Engaging in fair dealing and responsible marketing practices to strengthen customers' trust and brand affinity.

**Our Response**

- Implemented internal controls to ensure fair treatment of customers, as per RHB's Fair Treatment of Financial Consumers Charter and the Group Complaints Management Policy.
- Provided appropriate training to customer-facing employees on this matter.
- Implemented full rollout of the Centralised Complaints Resolution ("CCR") team to support end-to-end management of complaints resolution.

▲ For further information on our fair treatment initiatives, progress and achievements, please refer to the section on Fair Treatment of Financial Customers, page 157.

*Stakeholders Interested and Affected:*

- CU** Customers
- RE** Regulators

*UN SDGs:*



# Our Material Matters

## ECONOMIC

### SUSTAINABLE SUPPLY CHAIN

SC

**What this means to us**

- Instilling responsible, ethical, fair and transparent procurement practices
- Promoting sustainable practices across our supply chain

**Risks**

- Our business operations may face disruptions if suppliers and service providers are impacted by ESG risks.
- Reputational damage may result from being associated with suppliers and service providers who neglect to address their ESG risks.

**Our Response**

- Implemented the ESG Supplier Code of Conduct to embed sustainability principles throughout our supply chain.
- Held engagement sessions with key suppliers on to strengthen integrity culture across our supply chain.

**Opportunities**

- Strengthening our partnerships with suppliers enhances business resilience and improves operational efficiency.

▲ For further information on our supply chain management initiatives, progress and achievements, please refer to the section on Sustainable Supply Chain, page 204.

*Stakeholders Interested and Affected:*

**BD** Board of Directors      **SS** Suppliers and Service Providers

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

➤ Supply Chain Management

## ENVIRONMENT

### CLIMATE CHANGE

CC

**What this means to us**

- Supporting and nurturing our clients' transition to a low-carbon economy
- Ensuring sound management of climate-related risks and opportunities
- Advocating for climate change adaptation and mitigation efforts
- Ensuring effective management of operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air)) GHG emissions within our business operations
- This material matter encompasses the Group's commitment to achieving Carbon Neutral Operations by 2030 and Net Zero Emissions by 2050

**Risks**

- Inadequate climate risk management may lead to elevated losses from stranded assets, impairments and higher default rates.
- Neglecting government directives for a low-carbon economy leads to reputational damage and loss of potential business opportunities.

**Our Response**

- Embarked on the Group Climate Action Programme to embed climate-related considerations into our risk management processes and business strategy.
- Committed to achieving Carbon Neutral Operations by 2030 to address our operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air)) GHG emissions.
- Committed to achieving Net Zero Emissions by 2050, which addresses our Scope 3 financed emissions.

**Opportunities**

- Enabling the just and responsible transition to a low-carbon economy unlocks new business opportunities.
- Supporting clients' transition journeys and helping them to manage their climate-related risks strengthens our relationships with clients.

▲ For further information on our climate-related efforts, please refer to RHB's TCFD disclosures, page 82.

*Stakeholders Interested and Affected:*

**BD** Board of Directors      **SI** Shareholders and Investors      **RA** Ratings Agencies  
**CU** Customers      **FI** Financial Industry Peers      **AN** Analysts  
**RE** Regulators      **BP** Business Partners

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

➤ Emissions

# Our Material Matters

## ENVIRONMENT

### ENVIRONMENTAL STEWARDSHIP

ES

**What this means to us**

- *Advocating the responsible use of natural resources*
- *Encouraging eco-efficiency in business practices and operations to reduce our environmental impact*
- *This material matter encompasses aspects such as materials consumption, energy consumption, water consumption and waste management*

**Risks**

- Inefficient resource management may cause business disruptions.
- Irresponsible resource use may lead to unnecessary wastage, higher costs and environmental impacts.

**Opportunities**

- Optimising resources will enable us to achieve cost savings and improve operational efficiency.

**Our Response**

- Embedded a sustainability culture throughout our workforce to encourage good practices and promote the responsible use of resources.
- Implemented energy-saving initiatives, in alignment with the Group's GHG Emissions Reduction Roadmap Towards Carbon Neutral Operations by 2030.

▲ For further information on our environmental management initiatives, progress and achievements, please refer to the section on Environmental Stewardship, page 200.

*Stakeholders Interested and Affected:*

<b>EM</b> Employees	<b>RA</b> Ratings Agencies
<b>AN</b> Analysts	<b>ME</b> Media

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*


## SOCIAL

### TALENT

T

**What this means to us**

- *Cultivating talent by fostering continuous learning and development*
- *Optimising talent management*
- *Prioritising employee engagement*
- *Building a future-proof workforce*
- *Inculcating a high performance culture, where RHBians are self-motivated, proactive, take ownership of their work and innovate for organisational improvement*

**Risks**

- High turnover rates and poor employee retention disrupts business stability and reduces productivity and performance.
- Inability to leverage industry trends due to lack of skilled talents impacts competitiveness.

**Opportunities**

- Cultivating capable and highly skilled talent enhances the Group's performance, allowing us to achieve our strategic objectives.
- Striving to be the employer of choice for top talent.

**Our Response**

- Implemented robust talent management systems.
- Provided employees with diverse development opportunities, including the Sustainability Capability Building Framework, to enhance skills and sustainability expertise.
- Employed Agile methods to future-proof our workforce.

▲ For further information on our talent management and development initiatives, progress and achievements, please refer to the section on Talent, page 172.

*Stakeholders Interested and Affected:*

<b>EM</b> Employees	<b>RA</b> Ratings Agencies
---------------------	----------------------------

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

--



# Our Material Matters

## SOCIAL

### EMPLOYEE HEALTH, SAFETY AND WELLNESS



**What this means to us**

- *Prioritising efforts to improve the physical, mental and emotional well-being of RHB's employees*

**Risks**

- Demotivated employees negatively impacts the Group's productivity and performance.
- Poor working environment and culture can tarnish the Group's reputation.

**Our Response**

- Provided employees with several channels and opportunities to care for their overall health and wellness, such as the Employee Assistance Programme ("EAP") and RHB C.A.R.E. Programme.

**Opportunities**

- Fostering employee support and well-being drives productivity and motivation, ultimately enhancing the Group's performance.

▲ For further information on our health, safety and wellness initiatives, progress and achievements, please refer to the section on Employee Health, Safety and Wellness, page 185.

*Stakeholders Interested and Affected:*

**EM** Employees

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

➤ Health and safety

### DIVERSITY AND EQUAL OPPORTUNITY



**What this means to us**

- *Building a diverse and inclusive workplace and culture*
- *Providing equal opportunities across gender, age, ethnicity, disability and nationality*
- *Embedding Diversity, Equity & Inclusion ("DEI") throughout our business practices and decision-making processes*

**Risks**

- Inability to generate innovative ideas.
- Difficulty attracting skilled talent from diverse groups.
- Difficulty forming connections with customers from diverse backgrounds.

**Our Response**

- Embedded DEI as part of the Group's Sustainability KPIs.
- Implemented programmes that nurture female talent preparing them for leadership roles in the organisation.
- Boardroom Diversity Policy ensures appropriate gender representation in the Board of Directors.

**Opportunities**

- Encouraging diverse perspectives to foster innovative thinking and idea generation.
- Improving our ability to connect with diverse customers and market segments.

▲ For further information on our DEI initiatives, progress and achievements, please refer to the section on Diversity and Equal Opportunity, page 192.

*Stakeholders Interested and Affected:*

**EM** Employees **RE** Regulators

*UN SDGs:*



*Relevant Bursa Common Sustainability Matter(s):*

➤ Diversity

# Our Material Matters

## SOCIAL

CE

### COMMUNITY ENRICHMENT AND EMPOWERMENT

**What this means to us**

- Dedicated to making a positive impact in the communities where we operate, focusing on education, economic development and social welfare programmes
- Implementing community engagement initiatives, including capacity building and skills development programmes

**Risks**

- Lack of community engagement may harm brand perception and reputation.
- Loss of trust from the communities in areas where we operate may potentially diminish customer loyalty.

**Opportunities**

- Implementing impactful community programmes enhances our reputation as a sustainably responsible financial services provider.
- Investing in community empowerment and engagement efforts strengthens brand affinity, thus improving customer retention.

**Our Response**

- Committed to empowering 2 million targeted individuals and businesses across ASEAN by 2026.
- Implemented flagship community engagement programmes, spearheaded by the RHB Foundation, focusing on Nurturing Future Generations and Lifting Communities.
- Invested an average of RM4.4 million in community engagement programmes annually.
- Engaged with universities, research institutions and the wider community to promote marine and oceanic conservation under RHB Islamic's Ocean Harmoni programme.

▲ For further information on our community engagement programmes, progress and achievements, please refer to the section on Community Enrichment and Empowerment, page 209.

**Stakeholders Interested and Affected:**

- Customers
- Communities
- Business Partners

**UN SDGs:**



**Relevant Bursa Common Sustainability Matter(s):**

- Community/Society

## Our Material Matters

## Policies &amp; Guidelines to Manage Material Matters

RHB adopts a robust approach to managing sustainability-related risks and opportunities, guided by a comprehensive suite of internal frameworks, policies, processes and guidelines, which constitute the Group's Intellectual Capital. We adhere to rules, regulations, policies and practice notes issued by regulatory authorities governing our operations, alongside relevant industry best practices, standards and guidelines. Relevant frameworks, policies and guidelines are listed below.

In FY2023, three new policies and guidelines were established to manage our material matters, two of which are in relation to Climate Change, while the remaining is related to Sustainable Financial Services. These policies and guidelines are stated below.

Material Matter	Policies & Guidelines
<p><b>GB</b></p> <p><b>GOOD BUSINESS GOVERNANCE</b></p>	<ul style="list-style-type: none"> <li>• Group Anti-Bribery &amp; Corruption Policy</li> <li>• Group Whistleblowing Policy</li> <li>• Group Fit &amp; Proper Policy</li> <li>• Group Corporate Sponsorship &amp; Donation Policy</li> <li>• Group Policy on Related Party Transaction</li> <li>• Group Policy on Conflict of Interest</li> <li>• Group Anti-Money Laundering &amp; Counter Financing of Terrorism Policy</li> <li>• Group Fraud Risk Management Policy</li> <li>• Group Gifts &amp; Hospitality Guideline</li> <li>• Group Code of Ethics &amp; Business Conduct for Directors</li> <li>• Group Code of Ethics &amp; Conduct for Employees</li> <li>• RHB Corruption Free Pledge</li> <li>• RHB Organisational Anti-Corruption Plan</li> <li>• Annual Corruption Risk Assessment &amp; Corruption Risk Management</li> <li>• Core Values ("P.R.I.D.E.")</li> <li>• Anti-Bribery &amp; Corruption Stance and Commitments</li> <li>• Whistleblowing or Speak-up Channels and Avenues</li> </ul> <p><i>Note: Our Corporate Governance is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">BNM Policy Document on Corporate Governance*</a></li> <li>• <a href="#">Bursa Main Market Listing Requirements*</a></li> <li>• <a href="#">Malaysian Code on Corporate Governance*</a></li> <li>• <a href="#">Bursa Malaysia Corporate Governance Guide 4<sup>th</sup> edition*</a></li> </ul>
<p><b>DC</b></p> <p><b>DATA PROTECTION AND CYBERSECURITY</b></p>	<ul style="list-style-type: none"> <li>• Technology and Cyber Risk Management Policy and Guideline</li> <li>• Group Data and Information Management Framework and Policy</li> <li>• Group Guidelines on the Personal Data Protection Act 2010</li> </ul>
<p><b>SF</b></p> <p><b>SUSTAINABLE FINANCIAL SERVICES</b></p>	<ul style="list-style-type: none"> <li>• Group ESG Eligible Business Activities Guidelines</li> <li>• Green Finance Handbook***</li> <li>• No Deforestation, No New Peat and No Exploitation ("NDPE") Policy</li> <li>• Coal Stance</li> </ul> <p><i>Note: Our ESG Eligible Business Activities Guidelines are aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">BNM Climate Change and Principle-based Taxonomy*</a></li> <li>• <a href="#">Guidelines on Unit Trust Funds by the Securities Commission</a></li> <li>• <a href="#">Guidelines on Sustainable &amp; Responsible Investment Funds by the Securities Commission*</a></li> <li>• <a href="#">Sukuk:</a> <ul style="list-style-type: none"> <li>&gt; <a href="#">Sustainable and Responsible Investment Sukuk Framework*</a></li> </ul> </li> <li>• <a href="#">Bond:</a> <ul style="list-style-type: none"> <li>&gt; <a href="#">ASEAN Green Bond Standards**</a></li> </ul> </li> <li>• <a href="#">ASEAN Sustainability Bond Standards**</a></li> <li>• <a href="#">Green Bond Principles (International Capital Market Association)**</a></li> <li>• <a href="#">Sustainability Bond Guidelines (International Capital Market Association)**</a></li> <li>• <a href="#">Climate Bonds Standards**</a></li> </ul>

## Our Material Matters

Material Matter	Policies & Guidelines
<p><b>FI</b></p> <p><b>FINANCIAL INCLUSION</b></p>	<ul style="list-style-type: none"> <li>• Approval Letter from the Ministry of Education - RHB's Academic Excellence &amp; Financial Literacy Programmes*</li> <li>• Group Sustainability &amp; Communications Operations Manual</li> <li>• RHB Foundation Operations Manual</li> </ul>
<p><b>DI</b></p> <p><b>DIGITALISATION AND INVESTMENT IN TECHNOLOGY</b></p>	<ul style="list-style-type: none"> <li>• Risk Management in Technology RMIT Framework</li> <li>• Technology And Cyber Risk Guideline</li> </ul>
<p><b>CX</b></p> <p><b>CUSTOMER EXPERIENCE</b></p>	<ul style="list-style-type: none"> <li>• RHB Group Complaint Management Policy</li> </ul> <p><i>Note: Our Group Complaint Management Policy is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">BNM Complaints Handling Guidelines*</a></li> <li>• <a href="#">BNM Fair Treatment of Financial Consumers Policy Guidelines*</a></li> <li>• <a href="#">BNM Guidelines on Management of Customer Information and Permitted Disclosures*</a></li> </ul>
<p><b>FC</b></p> <p><b>FAIR TREATMENT OF FINANCIAL CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>• RHB Group Complaint Management Policy</li> </ul> <p><i>Note: Our Group Complaint Management Policy is aligned with the following external guidelines and standards:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">BNM Complaints Handling Guidelines*</a></li> <li>• <a href="#">BNM Fair Treatment of Financial Consumers Policy Guidelines*</a></li> </ul>
<p><b>SC</b></p> <p><b>SUSTAINABLE SUPPLY CHAIN</b></p>	<ul style="list-style-type: none"> <li>• Group Procurement Guidelines</li> <li>• RHB's Supplier Code of Conduct</li> </ul>
<p><b>CC</b></p> <p><b>CLIMATE CHANGE</b></p>	<ul style="list-style-type: none"> <li>• Group Risk Management Framework</li> <li>• Group Climate Risk Management Framework ("GCRMF")***</li> <li>• Group Climate Risk Management Policy ("GCRMP")***</li> <li>• RHB Banking Group Credit Policy (which includes Prohibited Credits)</li> <li>• Group Retail Credit Guidelines</li> <li>• Group Market Risk Management Framework</li> <li>• Group Liquidity Risk Policy</li> <li>• Group Operational Risk Management Policy</li> <li>• ESG Risk Assessment tool</li> <li>• No Deforestation, No New Peat and No Exploitation ("NDPE") Policy</li> <li>• Coal Stance</li> <li>• Group ESG Eligible Business Activities Guidelines</li> <li>• The GHG Protocol Corporate Accounting and Reporting Standard (revised edition)**</li> </ul> <p><i>Note: Our GCRMF and GCRMP are aligned with:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">BNM Climate Risk Management and Scenario Analysis Policy Document*</a></li> </ul>

## Our Material Matters

Material Matter	Policies & Guidelines
<p><b>ES</b></p> <p><b>ENVIRONMENTAL STEWARDSHIP</b></p>	<ul style="list-style-type: none"> <li>Group GHG Emissions Reduction Roadmap Towards Carbon Neutral Operations by 2030</li> </ul>
<p><b>T</b></p> <p><b>TALENT</b></p>	<ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Group Disciplinary Policy</li> <li>Group Learning &amp; Development Policy</li> <li>Group Performance Management</li> <li>Group Total Rewards Policy</li> <li>Internal Group Learning and Development-related Guidelines and Manuals</li> <li>Group Sustainability Capability Building Framework</li> </ul>
<p><b>EHS</b></p> <p><b>EMPLOYEE HEALTH, SAFETY AND WELLNESS</b></p>	<ul style="list-style-type: none"> <li>Group Occupational Safety and Health Policy</li> <li>Code of Conduct</li> <li>Group Disciplinary Policy</li> <li>Anti-Sexual Harassment Guidelines</li> </ul>
<p><b>DO</b></p> <p><b>DIVERSITY AND EQUAL OPPORTUNITY</b></p>	<ul style="list-style-type: none"> <li>Boardroom Diversity Policy</li> <li>Group Fit &amp; Proper Policy</li> <li>Group Recruitment Policy</li> <li>Group Manpower Planning Guidelines</li> </ul>
<p><b>CE</b></p> <p><b>COMMUNITY ENRICHMENT AND EMPOWERMENT</b></p>	<ul style="list-style-type: none"> <li>Guidelines for Approval of Director General of Inland Revenue Under Subsection 44(6) of the Income Tax Act 1967*</li> <li>Approval Letter from the Ministry of Education - RHB's Academic Excellence &amp; Financial Literacy Programmes**</li> <li>Group Corporate Sponsorship &amp; Donation Policy</li> <li>Group Sustainability &amp; Communications Operations Manual</li> <li>RHB Foundation Operations Manual</li> </ul>

\* Issued by regulators/authorities  
\*\* Issued by standard-setting body  
\*\*\* Established in FY2023

We are committed to continuously improving our frameworks, policies and guidelines in response to evolving sustainability challenges, stakeholder expectations, industry best practices and regulatory requirements. The frameworks, policies and guidelines that we have put in place to manage our material sustainability matters reflect our dedication to embracing sustainability and responsible business practices.

## RHB's Climate-Related Financial Disclosures

As part of our ongoing commitment to enhance stakeholder trust and confidence, we have adopted the recommendations of the Taskforce for Climate-related Financial Disclosures (“TCFD”) since 2020. We recognise that strengthening our capabilities in climate management and related disclosures is a continuous journey and as such, we are taking a phased approach in aligning ourselves with the TCFD recommendations.

The adoption of TCFD recommendations serves to augment the transparency of our governance and strategies in managing climate-related risks and capitalising on opportunities. This aligns with the Bank Negara Malaysia (“BNM”) Climate Risk Management and Scenario Analysis (“CRMSA”) policy document and the TCFD Application Guide issued by the Joint Committee on Climate Change (“JC3”).

Phase 2 of the Group Climate Action Programme (“GCAP”) has significantly advanced the integration of climate-related considerations across the Group’s governance structure, business strategy and risk management processes. It has also enabled us to identify the key metrics and targets to be monitored towards achieving our commitment of Net Zero Emissions by 2050. Collectively, this has enabled us to develop more comprehensive and holistic disclosures across all pillars of the TCFD recommendations for FY2023, in comparison to previous reporting years.

In line with the latest international framework, the Group has, wherever possible, adopted disclosure requirements and guidance from the International Financial Reporting Standards (“IFRS”) S2 Climate-related Disclosures, which encompass TCFD recommendations. We will continuously enhance our alignment with the IFRS S2 to further improve the quality of our climate disclosures, as we progress in our climate and sustainability journey.

### Sustainability Focus Area

- Reduction of Financed Emissions
- Greening Our Portfolio
- Integration of sustainable and low-carbon practices into our own operations

### TWP24 Focus Area

- Catalyse Sustainability

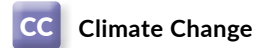
### RHB Sustainability KPI

- KPI1: Mobilise RM50 billion in Sustainable Financial Services by 2026
- KPI 3: Achieve Carbon Neutral Operations by 2030
- KPI 5: Complete 32 initiatives by 2024; and develop the Group’s Net Zero 2050 Pathway

### UN SDGs



### Material Matters



### Relevant Bursa Common Sustainability Matters

- Emissions

## RHB's Climate-Related Financial Disclosures

# CLIMATE GOVERNANCE

▲ This section should be read in conjunction with the Sustainability Governance section of this report. Please refer to page 30.

**Effective climate governance is integral to RHB's sustainability and climate agenda, ensuring comprehensive oversight of our climate-related strategy, risk management, initiatives and disclosures in mitigating the impact of climate change on our business operations.**

*Our climate governance framework is seamlessly integrated into our overall corporate and sustainability governance structure, fostering clear accountability across the organisation.*

- The **Board Sustainability Committee ("BSC")** holds the delegated responsibility to provide oversight of the Group's sustainability related matters, including climate-related matters. As part of this, the BSC provides strategic guidance on the Group's climate-related strategies and roadmap, towards ensuring compliance with regulatory requirements as well as industry best practices.
- The **Board Risk Committee ("BRC")** assists the Board in providing oversight on the overall governance of risks across all entities of the Group. The BRC is responsible for reviewing and approving new and/or changes to policies, frameworks and other significant risk management matters including climate risk, in line with the approved risk strategy of each relevant entity.
- At Management level, the **Group Sustainability Committee ("GSC")** is responsible for driving the strategic implementation and execution of the Group's climate-related efforts, including ensuring the integration of climate-related considerations into business strategy, operations and risk management.
- The Group Sustainability Committee is supported by the Group's two sustainability councils. The **Sustainable Business Council ("SBC")** drives the integration of sustainability and climate-related considerations across the Group's business activities, whereas the **Responsible and Sustainable Practices Council ("RSPC")** promotes the integration of sustainability and climate-related considerations across the Group's operations, value chain and practices – this includes implementation and monitoring of our efforts to become Carbon Neutral by 2030.

▲ For further information on the Group's climate governance structure, including details of the roles and responsibilities of respective governing committees, please refer to the section on Climate-related Roles and Responsibilities, pages 85 to 87.

▲ For further information on the Group's sustainability governance structure, please refer to Sustainability Governance, page 30.

Prior to the establishment of the Board of Sustainability Committee in August 2022, the Board of Directors oversaw the Group's overall sustainability and climate-related matters. Recognising the growing importance of sustainability and climate-related matters to RHB, strategic oversight of such matters has since been transitioned to the BSC, ensuring closer and more focused attention is provided to these critical areas. The formation of the BSC and its Terms of Reference is in line with BNM recommendations for climate risk management and the Malaysian Code of Corporate Governance.

Consisting of three Independent Non-Executive Directors and one Non-Independent Non-Executive Director, the BSC is chaired by YBhg Datuk Iain John Lo (Independent Non-Executive Director). All members of the BSC, including the Chairperson, possess diverse skillsets and experiences, enabling them to provide comprehensive oversight of RHB's climate-related initiatives, incorporating various perspectives and inputs.

▲ For further information on the BSC members, including their credentials, experiences and biographies, please refer to the RHB Integrated Report 2023.

To ensure the BSC remains effective in discharging its responsibilities, the committee is assessed on an annual basis via the Board Effectiveness Evaluation ("BEE") exercise. The Board Nominating & Remuneration Committee ("BNRC") is responsible for ensuring the performance of the Board, Board Committees and of individual directors, are appropriately reviewed and any shortcomings are addressed accordingly. The BEE carried out in FY2023 indicated that ESG and climate-related matters remained an important focus of the Board and Directors within the Group.

# CLIMATE GOVERNANCE (Cont'd)

In addition to the BEE, the BNRC also carried out a separate, standalone Review of Independent Directors' Tenure and Board Refresh, primarily focusing on gender diversity and the tenure of Independent Directors, as part of succession planning efforts. The key highlights of the review are detailed in RHB Bank Berhad's Integrated Report 2023. Summary of the review outcome are as follows:

REVIEW OF INDEPENDENT DIRECTORS TENURE AND BOARD REFRESH

**BOARD SKILLS & EXPERIENCES**  
as at 31 December 2023

- Leadership & Management
- Banking
- Finance, Treasury & Capital Market
- Governance, Risk & Compliance
- MIS & Technology
- Cybersecurity & Data Privacy
- Sustainability and Climate Risks and Opportunities

Considerations for Enhancement in Board Composition and Skillset

Arising from this review, ESG-related experience, including climate-related experience was highlighted as one of the skills for consideration in appointing new directors to the Board. Such considerations will be balanced against other critical factors including industry knowledge across different sectors, as well as strategic and commercial acumen.

▲ For further information on the Board Effectiveness Evaluation exercise and the Review of Independent Directors Tenure, please refer to our Corporate Governance Overview Statement in the RHB Integrated Report 2023.

To ensure the BSC is equipped with the necessary knowledge on sustainability and climate-related matters, the Board, including the BSC members participated in six training sessions ranging from industry forums, knowledge-sharing sessions and training related to sustainability and climate change. Additionally, for the year under review, the Group's senior management participated in three sustainability and climate-related training programmes, including the Sustainability Programme hosted by INSEAD Business. Guided by the Sustainability Capability Building Framework ("SCBF"), climate-related training is also being progressively rolled out across the 3 Lines of Defence, prioritising the SBGs and SFGs that are critical in driving the Group's climate agenda.

- ▲ For further information on sustainability and climate-related training for the Board, please refer to page 34.
- ▲ For further information on sustainability and climate-related training for Group's Senior Management, please refer to page 177.
- ▲ For further information on the Sustainability Capability Building Framework, please refer to page 176.

## CLIMATE-RELATED ROLES & RESPONSIBILITIES

**To ensure comprehensive and effective oversight of climate-related matters, we have established clearly defined roles and responsibilities for the Board, the Board Committees, Management Committees, Sustainability Councils, as well as Strategic Business Groups ("SBGs") and Strategic Functional Groups ("SFGs").**

These roles and responsibilities are explicitly laid out for the 3 Lines of Defence across RHB and have since been integrated as part of the Group Climate Risk Management Framework & Policy which was established in August 2023. These roles and responsibilities are aligned to the requirements of the BNM Policy Document on Climate Risk Management and Scenario Analysis ("CRMSA").

Towards ensuring strategic oversight of climate-related risks and opportunities, updates on the integration of climate-related considerations into the Group's business activities, risk management and operations are provided to the GSC and BSC on a bi-monthly basis, since the beginning of FY2023. This is an enhancement from the previous quarterly reporting, with the increased frequency ensuring that climate change remains a key focus at Management and Board levels.

The following section elaborates on the Group's climate governance structure, detailing respective committees' key responsibilities in relation to climate change, as well as the frequency of meetings in FY2023 where sustainability and climate-related matters were discussed.

- ▲ For further information on RHB's sustainability governance structure, including sustainability-related matters deliberated beyond climate change, please refer to page 30.



## RHB's Climate-Related Financial Disclosures

## Board &amp; Board-Level Committees

## BOARD OF DIRECTORS

Highest governing body responsible for setting the overall strategic direction of the Group's sustainability and climate-related strategy, towards ensuring alignment with the Group's long term goals and corporate strategy, regulatory expectations, government directives and industry best practices.

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

8

## Key Reporting Lines and Methods of Engagement

- Receives updates from the BSC Chairman on the progress of sustainability initiatives and climate-related matters including the progress of GCAP implementation and the progress towards achieving carbon neutral operations by 2030, both of which are part of the Group's Sustainability Strategy and Roadmap. Moving forward, these updates will be further enhanced to include RHB's progress towards achieving Net Zero by 2050.
- These quarterly updates enable the Board to monitor the Group's progress against key sustainability and climate-related targets. In addition, matters pertaining to the Group's sustainability and climate-related strategy and key commitments are tabled to the Board of Directors for approval, as required.

## Climate-Related Matters Discussed

- Approved the Group's Net Zero Commitment, supported by transition pathway and sector-specific decarbonisation strategies for five key high impact sectors
- Group's financed emissions baseline
- Commercial Opportunities and Pipelines to Support the Group's Decarbonisation Strategy
- Quarterly progress updates on the Group's Sustainability Achievements, which includes Climate-related KPIs
- Sustainability and climate-related industry trends and developments, including regulatory requirements and government directives/policies

## BOARD SUSTAINABILITY COMMITTEE ("BSC")

- Assists the Board in providing oversight on the Group's material climate-related issues and matters.
- Assists the Board in driving climate-related strategies and roadmap
- Provides strategic direction on the Group's climate-related disclosures towards ensuring compliance with regulatory requirements as well as international best practices.
- Deliberates and approves:
  - > Group-wide climate-related implementation plans.
  - > Policies, frameworks, position statements, and/or stance in line with the Group's climate-related strategies and the approved priorities (with the exception of matters that relates to sustainability risks, including climate-related risks).

**Number of Meetings with Sustainability and Climate-Related Agenda in FY2023**

6

## Key Reporting Lines and Methods of Engagement

- Meets on a bi-monthly basis and works closely with the Board Risk Committee ("BRC"), Board Nominating & Remuneration Committee ("BNRC") and Board Audit Committee ("BAC").
- Receives bi-monthly updates of the Group's sustainability achievements, allowing it to better monitor RHB's progress against its sustainability and climate-related targets.
- Moving forward, this will include monitoring the Group's progress towards achieving Net Zero by 2050, encompassing financed emissions and mobilisation of green financial services and financing to companies committed to carbon neutrality and have established a transition strategy

## Climate-Related Matters Discussed

- Financed emissions baseline, including data requirements and baselining approach
- RHB's Net Zero Commitment
- Transition Pathway and sector-specific decarbonisation strategies for 5 high impact sectors
- Scenario analysis and model development approach
- Revision of Group's Sustainable Financial Services Commitment
- Status updates on the Group Climate Action Programme
- Sustainability Capability Building Framework and Sustainability Capability Building Progress Updates
- Climate risk dashboard
- RHB Supplier Code of Conduct
- Sustainability reporting and disclosures, including on TCFD
- BNM CCPT Reporting
- Sustainability and climate-related industry trends and developments, including regulatory requirements and government directives/policies

# CLIMATE GOVERNANCE (Cont'd)

## Board & Board-Level Committees (cont'd)

### BOARD RISK COMMITTEE ("BRC")

- Provides oversight on the overall governance of risk across all entities of the Group, including climate-related risks.
- Reviews and approves new and/or changes to policies and frameworks and other significant risk management matters, including those pertaining to climate-related risks and climate change, in line with the approved risk strategy of each relevant entity.
- Reviews and approves Group Disclosures and Reports as required by regulatory authority, including those pertaining to climate change.

Number of Meetings with Sustainability and Climate-Related Agenda in FY2023

2

### Key Reporting Lines and Methods of Engagement

- Works closely with BSC on matters pertaining to Sustainability, including climate-related risk.
- In FY2023, we held one joint BSC and BRC meeting, to discuss matters pertaining to the Group's Net Zero Commitment and decarbonisation strategy, to ensure holistic Board-level oversight on the matter.

### Climate-Related Matters Discussed

- Approved the Group Climate Risk Management Framework & Group Climate Risk Management Policy
- Progress Update on the Group Climate Action Programme
- Net Zero Strategy for selected high impact sectors, including targets and pathways
- Scenario Analysis – Progress of Transition and Physical Risk Model Development
- Gap analysis in relation to the BNM CRMSA, and proposed implementation roadmap and timeline
- Climate Risk Appetite Statement (RAS) – as part of annual RAS review cycle

Note:

While the Board Audit Committee and Board Nominating & Remuneration Committee did not have dedicated discussions on climate-related matters for the year under review, sustainability and climate change are nonetheless integrated into the broader focus and agenda of these committees where appropriate, guided by the Group's Responsible, Accountable, Consulted and Informed ("RACI") Framework for the BSC, BRC, BNRC and BAC.

## Management & Management-Level Committees

### GROUP SUSTAINABILITY COMMITTEE ("GSC")

- Assists the BSC and the Board of Directors in driving the integration of climate-related considerations, into the Group's corporate strategy and decision-making process.
- Assists the BRC in providing oversight on the Group's sustainability risks, including climate-related risks.
- Responsible for driving the strategic execution and implementation of the Group's sustainability agenda, aligned with RHB's Sustainability Strategy and Roadmap.
- Identifies and drives climate-related commercial opportunities, in line with the Group's approved sustainability and climate action strategy.
- Provides guidance, sets targets and oversees the implementation of the GCAP.

Number of Meetings with Sustainability and Climate-Related Agenda in FY2023

5

### Key Reporting Lines and Methods of Engagement

- Meets on a bi-monthly basis, which allows for effective management and monitoring of progress against the Group's sustainability and climate-related targets. Furthermore, GCAP and the Group's progress towards achieving carbon neutral operations by 2030 are permanent items on the agenda

### Climate-Related Matters Discussed

- Financed emissions baseline, including data requirements and baselining approach
- RHB's Net Zero Commitment
- Transition Pathway and sector-specific decarbonisation strategies for 5 high impact sectors
- Scenario analysis and model development approach
- Revision of Group's Sustainable Financial Services Commitment
- Status updates on the Group Climate Action Programme
- Sustainability Capability Building Framework and Sustainability Capability Building Progress Updates
- Climate risk dashboard
- Sustainability reporting and disclosures, including on TCFD
- BNM CCPT Reporting
- Sustainability and climate-related industry trends and developments, including regulatory requirements and government directives/policies

## RHB's Climate-Related Financial Disclosures

## Working-Level Committees

**SUSTAINABLE BUSINESS COUNCIL ("SBC")**

- *Drives the integration of climate-related matters into the Group's business activities at working level, ensuring the effective implementation of the relevant programmes and initiatives in line with the Group's climate strategy.*
- *Responsible for managing the Group's climate-related risks and opportunities from a commercial perspective.*

Number of Meetings with Sustainability and Climate-Related Agenda in FY2023

4

**Key Reporting Lines and Methods of Engagement**

- The SBC Chairperson updates the GSC on matters discussed in the bi-monthly SBC meetings, including progress towards achieving the Group's sustainability and climate-related targets, enabling the Management to monitor the implementation of the Group's sustainability agenda

**Climate-Related Matters Discussed**

- Updates from the Joint Committee on Climate Change
- GCAP Progress Updates
- Revision to the Group's Sustainability KPI 1
- Sustainable Financial Services, including driving growth in green financing – Achievements, challenges and opportunities
- Sustainable financial services pipelines and emerging commercial opportunities
- Client engagement activities, including climate-related matters

**RESPONSIBLE AND SUSTAINABLE PRACTICES COUNCIL ("RSPC")**

- *Promotes the integration of climate-related matters into the Group's operational value chain, practices and decision-making processes, including the Group's operational (own) GHG emissions.*
- *Drives the Environmental stewardship agenda, particularly in reducing the Group's operational (own) GHG emissions.*

Number of Meetings with Sustainability and Climate-Related Agenda in FY2023

2

**Key Reporting Lines and Methods of Engagement**

- Chaired by the Group Chief Sustainability and Communications Officer and meets on a bi-monthly basis
- The RSPC Chairperson updates the GSC on matters discussed in the bi-monthly RSPC meetings, including progress towards achieving the Group's sustainability and we introduced climate-related targets, enabling the Management to monitor the implementation of the Group's sustainability agenda

**Climate-Related Matters Discussed**

- Updates on Carbon Neutral Operations
- Endorsed proposed plan to further reduce Scope 1 and Scope 2 GHG emissions
- Good Business Governance – updates on initiatives related to Integrity and Governance, Cybersecurity, and Data Protection
- Sustainable Supply Chain – Discussed and endorsed the ESG Supplier Code of Conduct and Implementation Plan

**GCAP PROJECT STEERING COMMITTEE ("GCAP PSC")**

- *Steers, coordinates and ensures the effective implementation of the Group's climate transformation journey in line with the Group's strategic direction and commitments and adherence to relevant regulatory guidelines.*
- *Addresses and resolves all operational and programme issues related to the Climate Action initiatives across all divisions in the Group.*

Number of Meetings with Sustainability and Climate-Related Agenda in FY2023

13

**Key Reporting Lines and Methods of Engagement**

- Chaired by the Group Chief Risk Officer and meets on a monthly basis to ensure the Group's climate action is on track

**Climate-Related Matters Discussed**

- Deliberate and recommend the GCAP deliverables for appropriate approving authority's endorsement and approval
- Deliberate key areas related to GCAP, which include business strategies, client engagement risk management, capability building, data management, scenario analysis and climate stress testing, as well as reporting and disclosure.

# CLIMATE GOVERNANCE (Cont'd)

## CLIMATE-RELATED REMUNERATION

Since FY2022, sustainability has been incorporated as a Key Performance Indicator ("KPI") with assigned weightage in the Group's Balanced Scorecard. The five approved Sustainability KPIs, as detailed below, have been integrated into the Balance Scorecard of the relevant members of the Group Senior Management, in addition to the Group's overall Scorecard. Three out of the five KPIs, namely KPI 1, KPI 3 and KPI 5, have direct contributions towards the Group's climate agenda and Net Zero Strategy.

▲ For further information on RHB's Net Zero Strategy, please refer to page 89.

 <b>1</b> <b>Mobilise</b> RM50 billion in Sustainable Financial Services by 2026	 <b>2</b> <b>Empowering</b> over 2 million targeted individuals and businesses across ASEAN by 2026	 <b>3</b> <b>Achieve</b> Carbon Neutral Operations by 2030	 <b>4</b> <b>Diversity, Equity &amp; Inclusion/DEI (Workplace)</b>	 <b>5</b> <b>Group Climate Action Programme</b> Complete 32 initiatives by 2024; and develop the Group's Net Zero 2050 Pathway
--	---	--	---	--

The annual performance incentive reward for Senior Management and key sustainability champions within the Group is tied to their respective Balance Scorecard. This means that sustainability and climate-related considerations have been included into performance assessment, namely via our Sustainability KPI 1: Mobilise RM50 billion in Sustainable Financial Services by 2026, Sustainability KPI 3: Achieve Carbon Neutral Operations by 2030, and Sustainability KPI 5: Complete 32 initiatives by 2024; and develop the Group's Net Zero 2050 Pathway.

## Moving Forward

Towards strengthening accountability for sustainability and climate-related performance, we will adopt a phased approach towards KPI integration. We have further strengthened the Group's Sustainability and Climate-related KPIs, which includes increasing the weightage and distribution of weightage across key SBGs and SFGs.

We recognise that different members of the Group's Senior Management play a more critical role in driving the achievement of the Group's key sustainability and climate-related commitments, and that this must be fairly reflected across their Balanced Scorecard. Furthermore, we also recognise the need to strengthen organisational capabilities, in order to drive these KPIs. As such, the Group will focus on embedding climate-related responsibilities across appropriate Business and Functional Groups in the short term, with a view to enhance our KPI-setting approach as we mature in our sustainability and climate journey.

# RHB's Climate-Related Financial Disclosures

## CLIMATE STRATEGY

In FY2022, the RHB Group 5-Year Sustainability Strategy and Roadmap (2022-2026) was established and implemented as a holistic guide for the Group's sustainability agenda. The Sustainability Strategy and Roadmap encompasses the four pillars of Sustainable & Responsible Finance, Committed to Achieving Net Zero by 2050, Embedding Good Practices, and Enriching & Empowering Communities. Pillar 2, Committed to Achieving Net Zero by 2050, was introduced in FY2023 and represents an enhancement of the Group's prior climate sub-pillar, Pathway to a Climate Resilient Future. This enhancement to our Sustainability Strategy and Roadmap reflects the importance of climate change to the Group, and signals our commitment to drive the just and responsible transition towards a low-carbon economy.

In FY2023, RHB established its commitment to Achieve Net Zero Emissions by 2050, marking a significant step forward in the Group's sustainability journey. With this commitment, the Group is aligned to Malaysia's ambition of achieving Net Zero emissions as early as 2050, as well as the National Energy Transition Roadmap ("NETR"), which drives the nation towards this commitment. Furthermore, the Group's commitment is in line with industry best practices, acknowledging that the financial sector is well-positioned to catalyse the transition to a low-carbon economy by directing financial capital towards sustainable and low-carbon activities. This will be critical to keeping warming levels below 1.5°C, to avoid catastrophic environmental damage including rising sea levels, extreme weather events and biodiversity loss. Moreover, RHB's Net Zero commitment is aligned with regulatory expectations to drive the just, orderly and responsible transition towards a low-carbon economy.

### RHB'S NET ZERO STRATEGY

The Group's holistic Net Zero Strategy will guide our efforts to drive the just and responsible transition to a low-carbon economy.

ACHIEVE NET ZERO EMISSIONS BY 2050			
STRATEGIC OBJECTIVE	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3
	<p><i>Reduction of financed emissions<sup>1</sup> in five high impact sectors within our business:</i></p> <ul style="list-style-type: none"> <li>• Energy Supply</li> <li>• Palm Oil</li> <li>• Oil &amp; Gas</li> <li>• Property &amp; Construction</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Driving growth in our Green Financial Services; and</li> <li>• Supporting companies committed to carbon neutrality with a clear and established transition strategy</li> </ul>	<p><i>Integration of sustainable and low carbon practices into our own operations</i></p>
2030 Targets	Achieve 20% reduction in Financed Emissions for the top five high impact sectors within our business	40% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy	Achieve Carbon Neutral Operations by 2030, covering Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) greenhouse gas emissions
2050 Targets	Achieve up to 96% reduction in Financed Emissions for the top five high impact sectors within our business	90% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy	
Key Enablers			
<ul style="list-style-type: none"> <li>• Group Climate Risk Management Framework &amp; Policy</li> <li>• Sustainable Finance Framework and Guidelines<sup>2</sup></li> <li>• Transition Finance Framework and Guidelines<sup>2</sup></li> <li>• RM Playbooks</li> <li>• Coal Stance and NDPE Commitment</li> <li>• Prohibited Credits</li> <li>• ESG Sensitive Sectors, ESG Risk Assessment Tool &amp; Sector Level Questionnaire</li> <li>• Sustainability Capability Building Framework</li> <li>• Data management and enhancement strategy</li> <li>• Sustainable Finance specialists across sectors</li> <li>• Strategic partnerships with industry players</li> </ul>			

<sup>1</sup> Refers to the GHG emissions associated with RHB Group's business activities  
<sup>2</sup> In development and expected to be completed in FY2024.

Note:  
RHB's Net Zero by 2050 approach will also factor in the progress and development of government policies, directives and incentives, as well as regulatory requirements pertaining to low-carbon transition.

▲ For more information our sector-specific strategies, please refer to page 97.

## CLIMATE STRATEGY (Cont'd)

Our Net Zero by 2050 strategy communicates RHB's approach to decarbonisation, including the key interim and long-term targets to be achieved.

Comprising three Strategic Objectives that complement each other and jointly drive our journey towards Net Zero by 2050, our strategy addresses the Group's Scope 1, Scope 2 and Scope 3 GHG emissions, enabling us to transition towards a low-carbon economy.

### STRATEGIC OBJECTIVE 1

Addresses our existing portfolio exposure, managing the financed emissions arising from the identified five high impact sectors (Scope 3)

### STRATEGIC OBJECTIVE 2

Addresses green commercial opportunities and financial services that support companies committed to carbon neutrality with a clear and established transition strategy

### STRATEGIC OBJECTIVE 3

Addresses the Group's operational (Scope 1, Scope 2 and Scope 3 i.e. Business Travel by Road and Air) GHG emissions

## NET ZERO BY 2050 – STRATEGY DEVELOPMENT PROCESS

The development of the Group's Net Zero by 2050 commitment, as well as our strategy to achieve this commitment, was driven by a robust, extensive and data-driven process, as part of the Group Climate Action Programme.

### Step 01

**Computed the Group's financed emissions baseline**, utilising the Partnership for Carbon Accounting Financials ("PCAF") methodology, which is the widely-accepted industry standard for calculation of financed emissions.

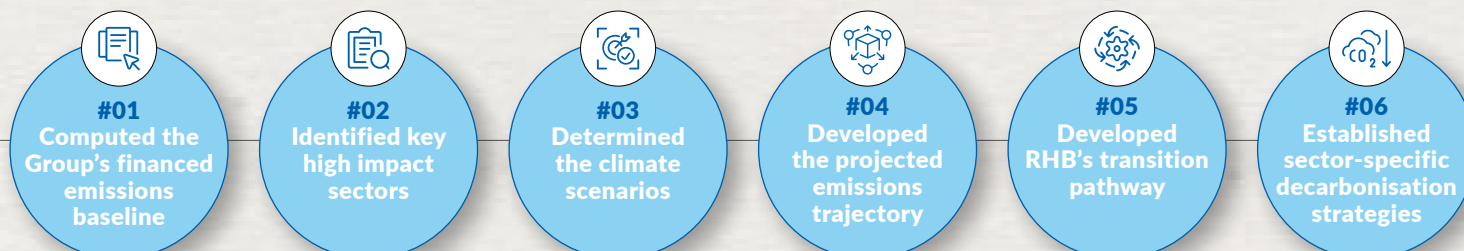
- Establishing our financed emissions baseline is necessary to project RHB's transition pathway and establish a robust decarbonisation strategy.
- Baseline: 31 December 2022**
- Asset classes in-scope for baseline calculation:
  - > **Asset Class 1 ("AC1"):** Listed equity and corporate bonds
  - > **Asset Class 2 ("AC2"):** Business loans and unlisted equity
  - > **Asset Class 3 ("AC3"):** Project finance
  - > **Asset Class 4 ("AC4"):** Commercial real estate
  - > **Asset Class 5 ("AC5"):** Mortgages
  - > **Asset Class 6 ("AC6"):** Motor vehicle loans
  - > **Asset Class 7 ("AC7"):** Sovereign debt
- The Group's financed emissions baseline was calculated using the latest available PCAF methodology and guidance at point of calculation, for the above asset classes.
- Based on this exercise, the Group's financed emissions baseline as at 31 December 2022 amounts to approximately 9.26 MTCO<sub>2</sub>e, covering all asset classes listed above and all sectors which the Group is exposed to.

### Step 02

**Identified key high impact sectors**, to enable strategic prioritisation of the Group's decarbonisation strategy

- The Group's identified five high impact sectors are: Energy Supply, Palm Oil, Oil and Gas, Property and Construction, and Transport.
- These sectors were selected based on the financed emissions arising from these sectors, the Group's exposure to these sectors, the client base size, sector-specific risks and opportunities relating to climate change and decarbonisation, as well as industry best practices.
- The five key high impact sectors were prioritised following a comprehensive assessment of the financed emissions baseline calculation. Based on this assessment, it was deemed that strategically focusing on these sectors would provide clarity to the Group's Net Zero approach, thus enabling better prioritisation of resources and efforts. Furthermore, decarbonisation of these sectors would be sufficient for the Group to achieve its Net Zero commitment.

## RHB's Climate-Related Financial Disclosures


 Step 03

**Determined the climate scenarios** that will be used to forecast RHB's transition pathway

- Selection of climate scenarios is necessary to establish the parameters with which we project the Group's emissions trajectory and subsequently, establish our decarbonisation strategy.
- Selection of climate scenarios was based on a review of available scenarios from established scenario providers, including the Internal Energy Agency ("IEA"), International Renewable Energy Agency ("IRENA") and Network for Greening the Financial System ("NGFS"), assessing their relevance to the Malaysian context and RHB's operating environment.
- With this, we ensured that our scenario selection and projection of future emissions trajectory are aligned with industry practices, using latest available and localised data where possible.

 Step 04

**Developed the projected emissions trajectory**

- Both sector-specific and aggregate emissions trajectories were developed, based on:
  - > *The selected climate scenarios*
  - > *Five identified high impact sectors*
  - > *Financed emissions baseline outcome*
  - > *Industry players' climate-related commitments*
  - > *The Group's climate ambition*
- These projected trajectories provide critical insights into the current and future climate-related risks and opportunities for these sectors, which in turn informs the approach which the Group should take to effectively manage such risks and opportunities.

 Step 05

**Developed RHB's transition pathway**, based on projected emissions trajectory

- Arising from the projected sector-specific and aggregate emissions trajectory, we developed RHB's transition pathway to Net Zero. This exercise took into consideration the key climate-related opportunities that RHB will focus on and leverage to drive towards Net Zero.
- Inputs from key stakeholders across relevant SBGs and SFGs were gathered to ensure relevance to RHB's current and future business strategy.

 Step 06

**Established sector-specific decarbonisation strategies**, based on RHB's transition pathway

- Based on RHB's transition pathway and the projected sector-specific emissions trajectory, we developed sector-specific strategies to facilitate the low-carbon transition for the five identified high impact sectors. These strategies take into consideration sector-specific regulations, key industry players' commitments and sustainability maturity, as well as our client base.
- To facilitate close monitoring of our sector-specific strategies, the Group also established clear interim and long-term targets to achieve its overall Net Zero by 2050 commitment.

*The development of the Group's strategy to achieve Net Zero by 2050 is based on the latest available data and methodology at this time, including in areas such as calculation methodology, data availability, data quality, industry players' climate-related commitments, government policies, directives and incentives in relation to climate change, as well as climate-related regulations. With this in mind, we may further refine, enhance and revise our strategy moving forward. We will closely monitor the developments of the above factors.*

# RHB's Climate-Related Financial Disclosures

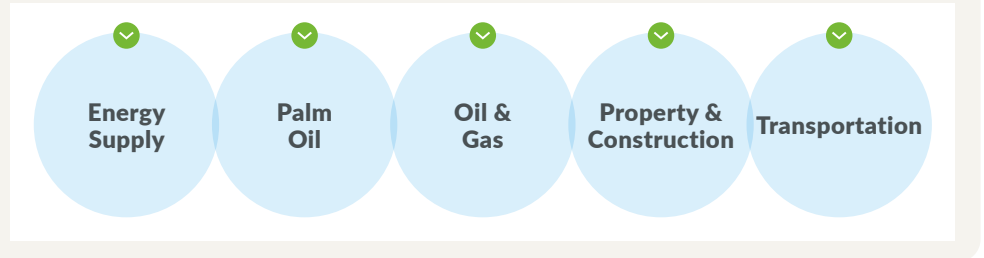
## CLIMATE STRATEGY (Cont'd)

### STRATEGIC OBJECTIVE 1: DECARBONISATION OF EXISTING PORTFOLIO THROUGH FINANCED EMISSIONS MANAGEMENT

<p>✓</p> <p>Decarbonisation across five (5) high impact sectors within our business:</p> <ul style="list-style-type: none"> <li>• Energy Supply</li> <li>• Palm Oil</li> <li>• Oil &amp; Gas</li> <li>• Property &amp; Construction</li> <li>• Transport</li> </ul>	2030 Target	2050 Target
	Achieve 20% reduction in Financed Emissions for the top five high impact sectors within our business	Achieve up to 96% reduction in Financed Emissions for the top five high impact sectors within our business

In FY2023, we completed our financed emissions baseline exercise according to the Group's portfolio as at 31 December 2022. The total absolute financed emissions established at FY2022 baseline year was 9.26 MTCO<sub>2</sub>e based on the PCAF methodology, covering all seven classes under PCAF, and all sectors which RHB is exposed to.

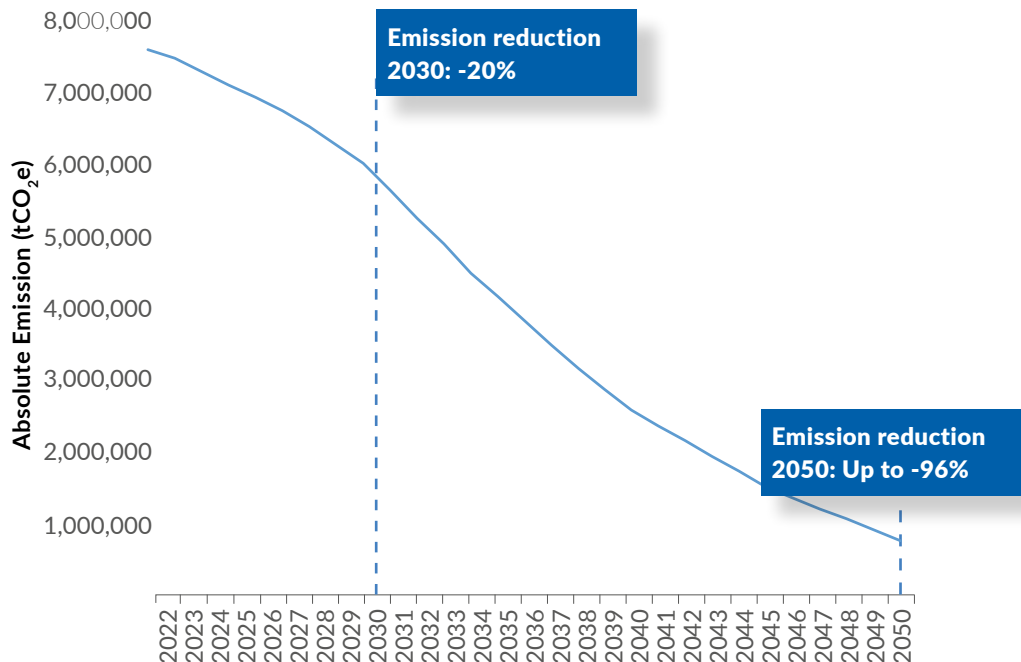
#### RHB Group's Top Five High Impact Sectors



- AC1 Listed equity and corporate bonds
- AC2 Business loans and unlisted equity
- AC3 Project finance
- AC4 Commercial real estate
- AC5 Mortgages
- AC6 Motor vehicle loans
- AC7 Sovereign debt

For further information on how the Group will drive decarbonisation within these sectors, please refer to page 97.

#### RHB Aggregated Future Emissions Trajectory



Note: In regards to financed emissions reduction, some sectors may record an increase in financed emissions in the short-term, before recording an overall reduction in the medium to long-term. This is attributed to the sector's current and gradual transition to net zero, coupled with the maturity and availability of low-carbon technologies.

This short-term increase in financed emissions may be reflected in the Group's overall progress towards our Net Zero commitment moving forward. Nevertheless, we will continue to engage with our clients and support their transition journeys.



## RHB's Climate-Related Financial Disclosures

The Group is committed to achieving Net Zero emissions by 2050. However, the future emissions trajectory is intended as an illustration of our pathway to Net Zero, based on our current assumptions about the future and our expectation of how future events may unfold. Our future emissions trajectory is based on the Group's FY2022 financed emissions baseline, taking into consideration the latest available calculation methodology and data at the point of calculation. Moving forward, the Group may refine or revise its future emissions trajectory, based on factors including, but not limited to, new developments in data availability, new calculation methodologies, change of scope/coverage, regulatory requirements, industry best practices, and key industry players' climate-related commitments and transition strategies.

Based on the aggregated future emissions trajectory of the five sectors, absolute emissions for the five sectors is expected to reduce by 20% in 2030 and up to 96% in 2050. As such, the Group will focus our efforts on these five sectors, to move towards Net Zero by 2050. These five sectors encompass Group Wholesale Banking (Corporate and Commercial customers) and SME customers. They were selected based on the Group's exposure to the sectors, their magnitude of emissions, client-based size and market dynamics, including sector-specific risks and opportunities.

### OUR APPROACH

Strategic Objective 1 seeks to strategically manage the financed emissions arising from our existing portfolio through various measures. This includes continuous engagement with clients across the five high impact sectors to better understand their decarbonisation strategy and roadmap including targets set and the support required to improve or transition to low-carbon practices, especially for companies that have committed to carbon neutrality. We also focus on transition finance by facilitating sustainable transformation for clients facing challenges in reducing their carbon footprint. Additionally, we employ asset replacement through the replacement of brown assets with green assets to offset financed emissions from existing exposure. Our decarbonisation strategy will also factor in and leverage on progress and development of government policies, directives and incentives, as well as regulatory requirements on low-carbon transition.

### The measures to achieve Strategic Objective 1 will be supported by the following key enablers:

#### Internal Factors

- Group Climate Risk Management Framework and Policy
- Prohibited Credits, Coal Stance, No Deforestation, No Peat and No Exploitation ("NDPE") commitment
- ESG Sensitive Sectors Monitoring & ESG Risk Assessment Tool
- Sustainability Capability Building Framework, which involves building capabilities across three lines of defence
- Data management and enhancement strategy to track and monitor our financed emissions more accurately

#### External Factors

- Government policies, directives and incentives in relation to climate change
- Climate-related regulations
- Industry players' climate-related commitments and progress
- Financed Emissions calculation methodology
- Data availability and data quality

# RHB's Climate-Related Financial Disclosures

## CLIMATE STRATEGY (Cont'd)

### STRATEGIC OBJECTIVE 2: FACILITATING COMPANIES IN TRANSITIONING TO A LOW-CARBON ECONOMY

<ul style="list-style-type: none"> <li>✓ Growth in our Green Financial Services; and</li> <li>Supporting companies committed to carbon neutrality with a clear and established transition strategy</li> </ul>	<b>2030 Target</b>	<b>2050 Target</b>
	40% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy	90% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy

Strategic Objective 2 is another key component of our overall Net Zero strategy, playing a crucial role in supporting the decarbonisation of our existing portfolio. It drives us to capitalise on new commercial opportunities towards low-carbon transition, with the aim that by 2030, 40% of our total portfolio will be in green financial services and/or supporting companies which have committed to carbon neutrality with a clear and established transition strategy. We aim for this proportion to increase to 90% by 2050.

As such, we aim to further expand our commitment to supporting projects that are environmentally friendly or contribute to low-carbon practices in Lending and Financing (Corporate, Commercial and SME segments) and Investments (Treasury). This will be delivered through green financial services and neutral financing, which aim to provide companies with financial resources and services they need to achieve their sustainability and climate goals.

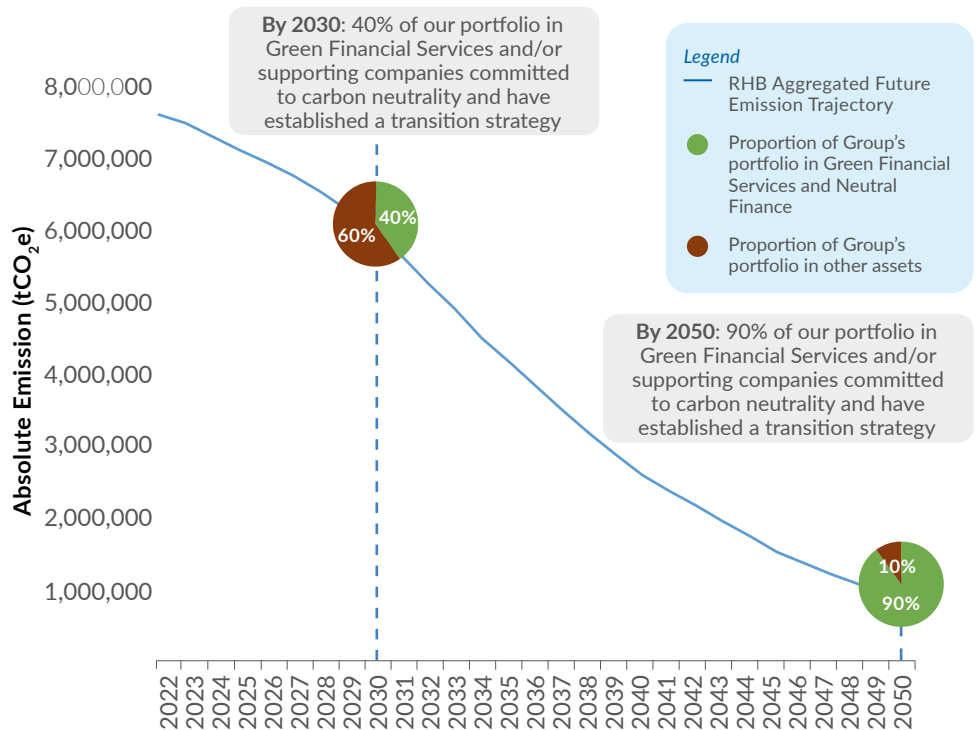
#### Green Financial Services\*

- Guided by the Green Financing Handbook, with a focus on renewable energy projects.
- Will cover lending/financing and investment, and must contribute towards reduction in emissions or demonstrate **zero net emissions generated**, thus displacing the emissions that would have otherwise occurred without the projects' implementation.

#### Neutral Finance

- Refers to lending/financing and investment that supports business/companies that are committed to carbon neutrality with a clear and established transition strategy.
- Involves financing and investment that meet the eligible activities under "Green Financial Services", but are still emissions-generating (i.e. does not fulfil the criteria of "zero net emissions generated").
- By recognising the need and supporting the demand for neutral financing, we are driving a just and responsible transition to a low-carbon economy.

Proportion of Group's Total Portfolio in Green Financial Services and Neutral Finance



Note: The above chart is a projection of how the Group's portfolio may transition as we progress along our Net Zero journey. This projection is based on RHB's future emissions trajectory and hence, is subject to further refinements as we refine, revise or enhance our emissions trajectory and sector-specific decarbonisation approach.

\* Explanation of terms: Green Financial Services refers specifically to the Group's net zero commitment and encompasses financing and investment activities that generate zero net emissions. On the other hand, the term Green Finance is defined in the Group's ESG Eligible Business Activities Guidelines, referring to sustainable financial services mobilised by the Group that is categorised under "Green" categories

## RHB's Climate-Related Financial Disclosures

Going forward, the Group will make a concerted effort to mobilise green financial services and support businesses/companies that are committed to carbon neutrality, which will contribute towards our financed emissions management and align our portfolio with our Net Zero commitment. Targeted engagements to support our clients' transition towards sustainable and low-carbon practices will be key to achieving our targets.

## OUR APPROACH

We recognise the impact of Net Zero strategy to our business strategy and we navigate the impacts through several key measures. These include leveraging the government's drive towards decarbonisation by aligning our initiatives with national policies, directives and initiatives. We are committed to supporting the National Energy Transition Roadmap ("NETR"), Hydrogen Economy & Technology, New Industrial Master Plan 2030 ("NIMP 2030") and the national ambition of achieving net zero as early as 2050. As part of GCAP, we are also currently finalising details to cascade the interim and long-term commitments of our Net Zero strategy across the Group, through KPIs that will be embedded within the Balanced Scorecard of relevant SBGs and SFGs. This will drive accountability and ownership, towards achieving the Group's Net Zero by 2050 commitment.

The Group deploys a targeted client engagement approach across varying levels of ESG maturity (Tier 1, Tier 2 and Tier 3 clients). Sector-specific considerations are embedded into client engagements to align with the Group's overall Net Zero strategy, focusing on promoting green financial services and facilitating clients in hard-abate sectors. To this end, we are supporting companies that have committed to carbon neutrality by 2030 through transition financing to phase down existing brown assets and reduce emissions for hard-to-abate sectors. Our targeted client engagements are based on their decarbonisation maturity and needs:



Our client engagement approach will also leverage on the ground-breaking strategic collaboration we have established with Tenaga Nasional Berhad ("TNB"), which aims to promote the adoption of renewable energy and energy efficiency solutions among our customers, especially SMEs. The collaboration will entail TNB providing technical advisory on energy efficiency and renewable energy solutions, which will be complemented by RHB's Green Financing Solutions to meet customers' financial needs. As part of this collaboration, RHB and TNB will also jointly organise SME engagement roadshows throughout Malaysia, to promote awareness of sustainable business practices, notably in relation to energy efficiency and renewable energy solutions. The first of these sessions took place in November 2023, which saw the participation of over 200 SMEs in the Klang Valley region. Further engagement roadshows are scheduled to take place throughout 2024.

As part of our client engagement strategy, we have developed a Green Finance Handbook as well as RM Sector Playbooks. These will guide our business units and Relationship Managers to have more targeted and meaningful engagements with our clients, thereby facilitating their low-carbon transition more effectively.

## RHB's Climate-Related Financial Disclosures

# CLIMATE STRATEGY (Cont'd)



### Green Finance Handbook

- Sets out our approach in identifying and classifying green financial services, serving as the basis for tracking and disclosing our performance against our commitments; developed a classification decision tree and eligible criteria for green finance
- Supplements the Group's existing ESG Eligible Business Activities Guidelines (EBAG)
- Going forward, the Green Finance Handbook and the EBAG will be incorporated in a new Sustainable Finance Framework and Guidelines, which are currently being drafted. The Framework and Guidelines will outline the Group's approach to govern, manage and disclose our performance in driving sustainable growth against our commitments.



### RM Sector Playbooks

- Developed through focus group discussions with RMs from both Group Wholesale Banking and Group Community Banking, providing a clear guidance for RMs to engage with clients
- Covers a broad overview of each sector, the material sustainability matters and discusses potential financial products
- We have developed five detailed RM playbooks focusing on the five high impact sectors, and an additional six high-level playbooks for other sectors with high ESG risks, namely Steel, Manufacturing, Mining & Quarry, Chemical, Agriculture and Healthcare
- To support the rollout of the playbooks in 2024, an RM training programme will be conducted, covering sustainable financial services, detailed information about the Group's five high impact sectors, the Group's key policies and guidelines relating to sustainable finance including the playbooks

In addition, the Group has bolstered its Sustainable Finance team with the appointment of ESG Sector Specialists with deep expertise in the healthcare and oil palm sector. With their unique insights, expertise and perspectives, these specialists will play a key advisory role in relation to client engagements, thus supporting the Group's net zero commitment.

We will monitor client engagements to ensure accountability and as at December 2023, we are on track to meeting our targets. The progress and outcomes of client engagements and pipeline of commercial opportunities will be periodically tabled to the SBC, GSC and BSC, ensuring robust oversight of our client engagement efforts.

To further ensure a comprehensive approach towards achieving Strategic Objective 2, we will also continue to explore collaborations and partnerships with key industry players to jointly drive the transition to a low-carbon economy. This will include being more pronounced in providing ESG advisory, especially for SME clients as part of our capability-building journey with SMEs. In FY2023, we organised and co-hosted several ESG roadshows with reputable trade associations, including the Malaysian Retail Chain Association ("MRCA"), The Electrical and Electronics Association of Malaysia ("TEEAM") and Federation of Malaysian Manufacturers ("FMM"). We aim to intensify our efforts moving forward, including through our strategic collaboration with TNB, to contribute to the development of the industry and drive the just transition to a low-carbon economy.

▲ For more information on our participation in other associations, please refer to Sustainability Thought Leadership & Advocacy on page 40.

## RHB's Climate-Related Financial Disclosures

## RHB'S 5 HIGH IMPACT SECTORS AND SECTOR-SPECIFIC FOCUS AREAS

In relation to Strategic Objectives 1 and 2, the Group's efforts will focus on clients in the following sectors, leveraging on existing and emerging commercial opportunities to drive towards Net Zero.



# RHB's Climate-Related Financial Disclosures

## CLIMATE STRATEGY (Cont'd)

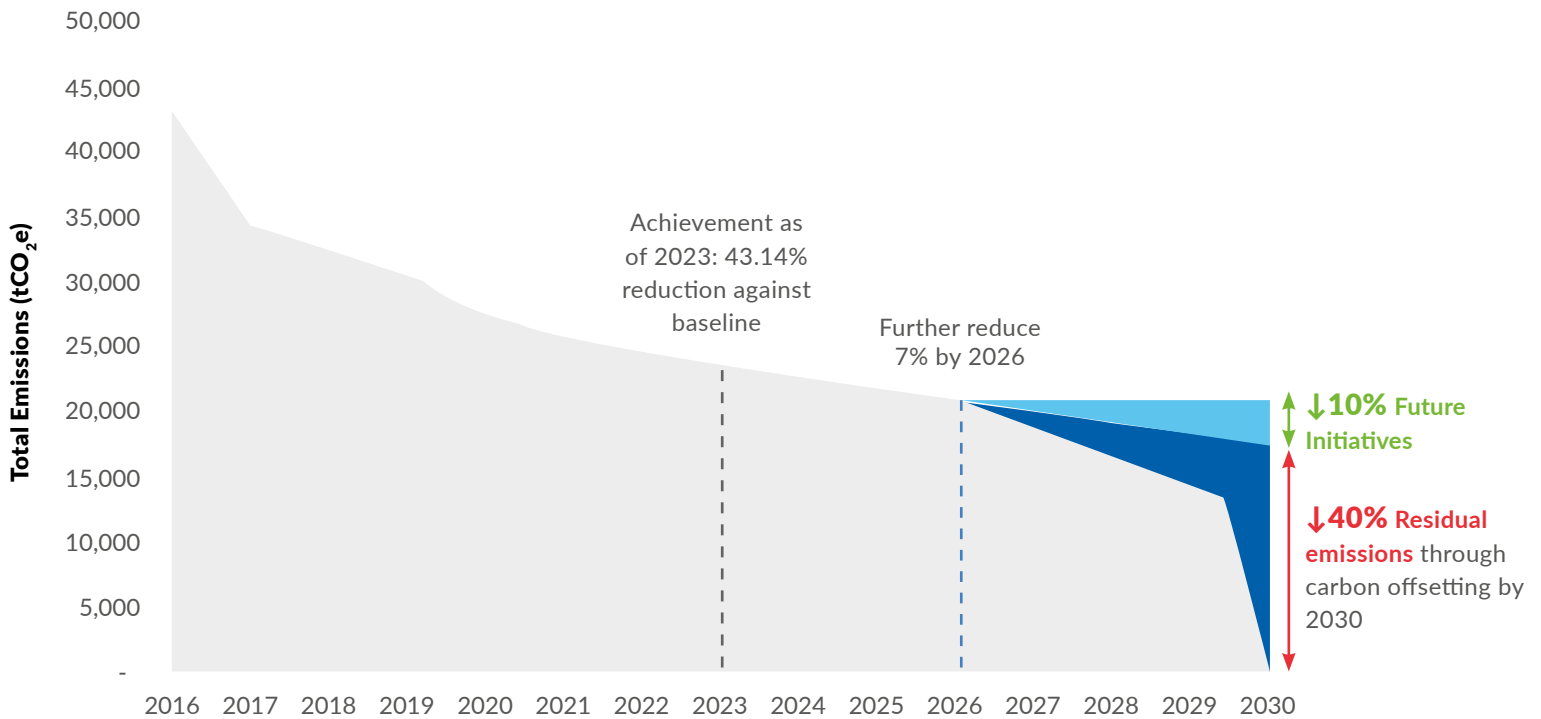
### STRATEGIC OBJECTIVE 3: INTEGRATION OF SUSTAINABLE AND LOW CARBON PRACTICES INTO OUR OWN OPERATIONS

<p>✓</p> <p>Integration of sustainable and low carbon practices into our own operations.</p>	<p><b>2030 Target</b></p> <p>Achieve Carbon Neutral Operations by 2030, covering Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) greenhouse gas emissions</p>
--	--

This strategic objective addresses the GHG emissions arising from our own operational GHG emissions, consisting of Scopes 1 and 2. We aim to achieve Carbon Neutral operations by 2030 through obtaining the following targets:

<p>✓</p> <p><b>By 2026</b> Achieve 45% GHG emissions reduction against 2016 baseline of 43,229 tCO<sub>2</sub>e through internal initiatives</p>	<p>✓</p> <p><b>By 2030</b> Achieve 60% GHG emissions reduction against 2016 baseline through internal and future initiatives</p>	<p>The remaining 40% GHG emissions to be reduced through carbon offsets to achieve Carbon Neutral Operations by 2030</p>
--	--	--

Projected Operational GHG Emissions Trajectory, Towards Carbon Neutral Operations by 2030



- Actual and targeted reduction in operational GHG emissions
- Targeted reduction in residual emissions through carbon offsetting
- Targeted reduction in operational emissions through future initiatives

## RHB's Climate-Related Financial Disclosures

## OUR APPROACH

Our efforts in relation to Strategic Objective 3 are guided by the Group's Carbon Neutral Operations Roadmap, which prioritises internal initiatives to reduce Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) emissions as far as possible, before carbon offsets are considered. To this end, the Group is focusing on the following areas to reduce our operational GHG emissions:

## Ongoing and Completed Initiatives as at 31 December 2023

## Energy efficiency improvements

- Optimisation of lighting efficiency and effectiveness, including transition to use of LED lighting at RHB premises and branches
- Replacement of old air-conditioning units at branches with energy efficient type units
- Use of more energy-efficient equipment in our buildings, including replacement of ageing electrical equipment and appliances

## Optimisation of building energy management

- In June 2023, we had completed the upgrading of the Building Automation System ("BAS") to monitor energy usage more efficiently

## Utilisation of renewable energy, primarily solar panels

- In September 2023, we completed Phase 1 of the Solar installation process, whereby Solar panels have been installed in RHB Complex Bangi as well as ten branches across Malaysia.
- Installation of solar panels at an additional 10 branches nationwide is currently in progress as at 31 December 2023.
- We intend to install additional solar panels at RHB Complex Bangi open ground car park roofing, to increase generation capacity. This project is expected to commence in Q2 2024.
- We are conducting site assessments to identify a further 10-15 suitable branches for solar panel installation.

## Culture-building and Awareness

- Inculcating more sustainable practices among our employees through awareness campaigns, such as internal energy-saving competitions.

▲ For further information on initiatives implemented to drive energy efficiency improvements, please refer to page 202.

Going forward, beginning 2026, we target to offset carbon emissions through Nature Based Solutions ("NBS") or Carbon Credit purchase from clients or carbon exchange platforms such as the Bursa Carbon Market.

## RHB's Climate-Related Financial Disclosures

# CLIMATE STRATEGY (Cont'd)

### STRATEGIC DRIVERS

Recognising the complexities of portfolio decarbonisation to achieve Net Zero, the Group has embarked on several efforts to strengthen our capabilities in sustainable finance, climate change and client advisory. Capability building, data strategy and disclosures & communication provide key support for us in our journey towards Net Zero 2050.

#### Capability Building

Capability building is key to ensuring that the relevant SBGs and SFGs across the three lines of defence, are well-equipped with the relevant knowledge to fulfil their roles in relation to the management of climate-related risks and opportunities. In FY2023, we have identified and approved capability requirements, including a high-level training roadmap for targeted groups that would also be monitored for effectiveness. The Group's Sustainability Capability Building Framework ("SCBF") also guides us in monitoring the progress of our capability building efforts, and updates on the SCBF are tabled to the GSC and BSC on a bi-monthly basis.

#### Sustainability Capability Building Framework

- Over 60 sustainability and climate-related training programmes offered in FY2023
- Nearly 3,300 instances of employee participation recorded
- Covering topics such as energy transition, ESG and climate risk management and sustainable finance

#### GCAP Workshops & Knowledge-Sharing Sessions

- 24 workshops and knowledge-sharing sessions have been conducted as part of the GCAP in FY2023
- These sessions saw the participation of key sustainability and climate champions from Group Risk, Group Credit Management, Group Sustainability Management, Commercial Banking, Group Corporate Banking, Group Asset Management, Group Community Banking and Group Insurance.

▲ For further information on capability building, please refer to Sustainability Capability Building Framework, page 176.

### Data Strategy

Data Strategy is critical to the Group's climate agenda, as many aspects of our Net Zero strategy depend on the availability and accuracy of data. This includes financed emissions monitoring, scenario analysis and stress testing, as well as climate-related disclosures and reporting. Through our GCAP, we are currently developing a plan to enhance the quality of our data, including strengthening data infrastructure and readiness, for deployment in various use-cases in our climate effort, ranging from risk management to strategic decision-making.

In FY2023, following the completion of our financed emissions baseline calculation, we have conducted a review and assessment of data availability and quality and areas for improvement in relation to financed emissions. Notably, this assessment sought to identify areas of improvement to improve the Group's PCAF data quality score and therefore, increase the accuracy and reliability of our financed emissions data. Arising from this review and assessment, the Group is progressively implementing initiatives to address our data requirements. This includes incorporation of necessary data collection fields into the Group's ESG Risk Assessment tool to

facilitate comprehensive data collection, as well as implementing verification processes to ensure that relevant client data for financed emissions calculation is accurately captured in our system. Such information will be critical for climate risk stress testing efforts.

We are also conducting a similar data review exercise in relation to scenario analysis and TCFD reporting, to obtain a holistic view of the Group's data requirements and challenges. These will enable us to formulate a comprehensive data improvement plan to meet our data needs. The data improvement plan will subsequently inform future budgeting exercises, especially on investments in data infrastructure and architecture. We recognise that data improvement is an ongoing journey, and we will progressively enhance our capabilities. Moving forward, we foresee our data needs to continue evolving, as we mature in our sustainability journey and methodologies and industry bases get updated.



## RHB's Climate-Related Financial Disclosures

### Disclosures and Communication

Disclosures and communication are vital for us to effectively cascade our Net Zero strategy across our workforce, as well as ensure that our climate strategy is clearly communicated to key external stakeholders, including customers, investors and shareholders, and regulators. To this end, we have developed a Communication Strategy & Plan, which outlines our approach to climate-related communication, especially in relation to our key climate-related milestones. Encompassing communication to internal and external stakeholders, the strategy and plan includes methods of engagement and key messages or updates to be communicated to the stakeholders. It aims to ensure that our climate communication is holistic as it addresses the interests and expectations of all key stakeholders, ensuring consistency in communication.

Additionally, we have established a TCFD Maturity Roadmap & Implementation Plan, which identifies a phased approach towards enhancement of the Group's TCFD disclosures, in alignment with regulatory expectations and industry best practices. The TCFD Roadmap leverages on the completion of GCAP deliverables to provide key data and updates to be disclosed, in accordance with TCFD requirements, encompassing both Basic and Stretch Requirements, as per BNM's Joint Committee on Climate Change ("JC3") TCFD Application Guide. The TCFD Roadmap also guides us to adopt the relevant disclosure requirements issued under the IFRS, namely IFRS S2: Climate-related disclosures. We are cognisant that initiatives beyond GCAP may be required to enhance our TCFD disclosures to address specific pain points in relation to data readiness and availability. We will progressively address these challenges as the Group matures in its climate and sustainability journey to ensure that holistic and transparent climate disclosures.

## Moving Forward

Moving forward, we will conduct ongoing tracking and monitoring of our sector-specific and overall financed emissions performance to ensure that RHB is on-track to achieve Net Zero emissions by 2050. We will review and, if required, refine our decarbonisation strategy and targets based on periodic assessments, taking into consideration factors such as updates to financed emissions calculation methodology, enhancement to data availability and data quality, government policies, directives and incentives towards net zero, as well as regulatory requirements.

We recognise that progressing towards Net Zero is an iterative process that constantly evolves based on updated estimates and sources of data, as well as enhanced calculation methods and data infrastructure. As such, consistent efforts and adaptation are required for RHB to achieve Net Zero. This includes tracking our financed emissions, continuously enhancing our financed emissions data quality, and identifying commercial opportunities based on emissions reduction targets.

▲ This section should be read in conjunction with the Sustainability and Climate Risk Management section of this report. Please refer to page 46.

# CLIMATE RISK MANAGEMENT

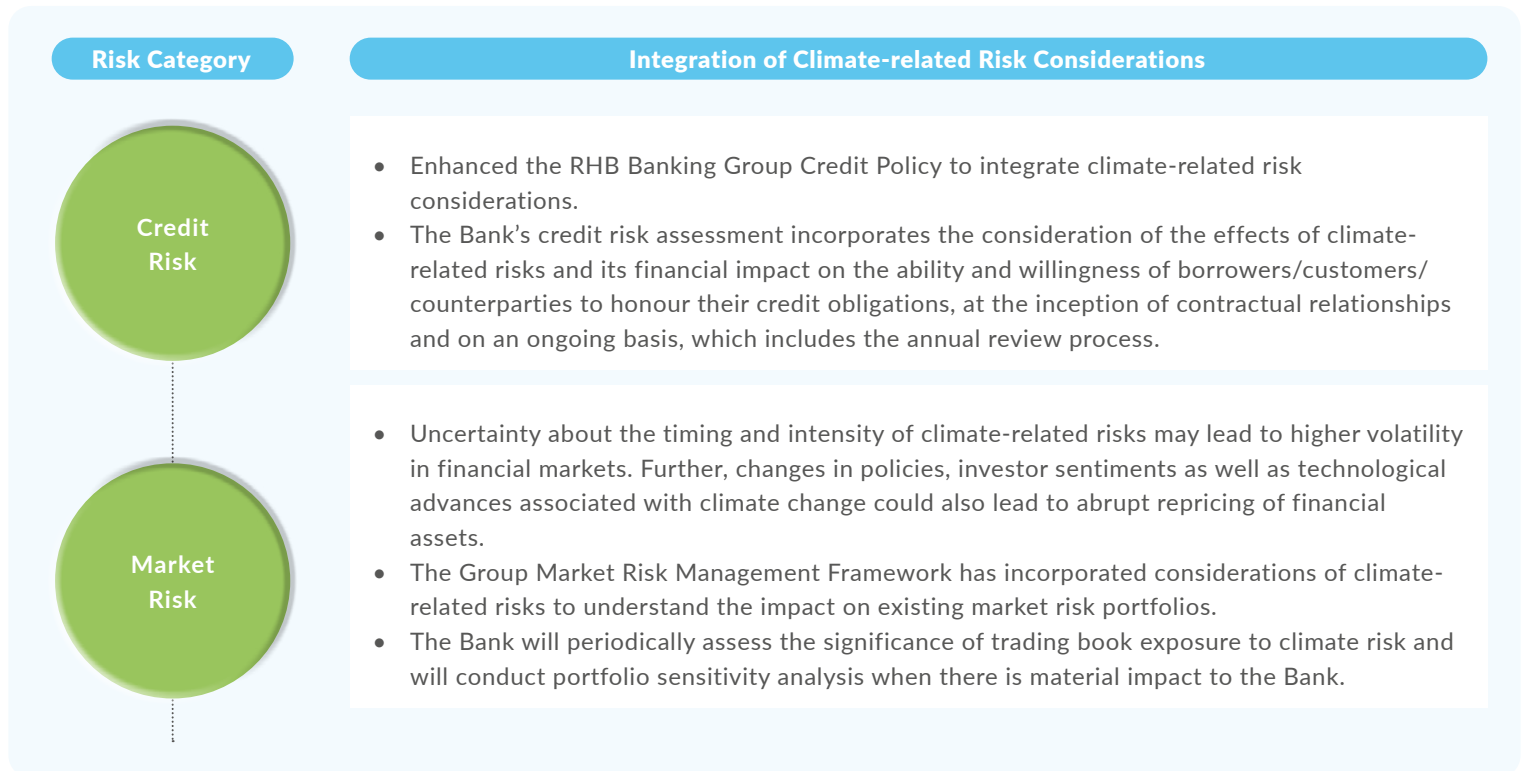
Climate-related risks encompass physical, transition and liability risks that can have significant financial and non-financial consequences. In view of this, the effective identification, assessment and management of climate-related risks and their impact on the Group's business activities and operations is critical to ensure our long-term resiliency, security and competitiveness. In relation to climate risk management, RHB remains guided by existing and emerging regulatory requirements related to sustainability and climate change, which include the BNM Climate Change and Principle-based Taxonomy ("CCPT") and Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document. In addition, our overseas operations are also guided by relevant country regulations, inclusive of the Monetary Authority of Singapore ("MAS") Guidelines on Environmental Risk Management for Banks, Asset Managers and Insurers, respectively. Going forward, we will continue to stay abreast of climate-related regulatory requirements affecting our countries of operations, and will endeavour to incorporate them into our risk management approach, where relevant and as required.

## Group Climate Risk Management Framework and Policy

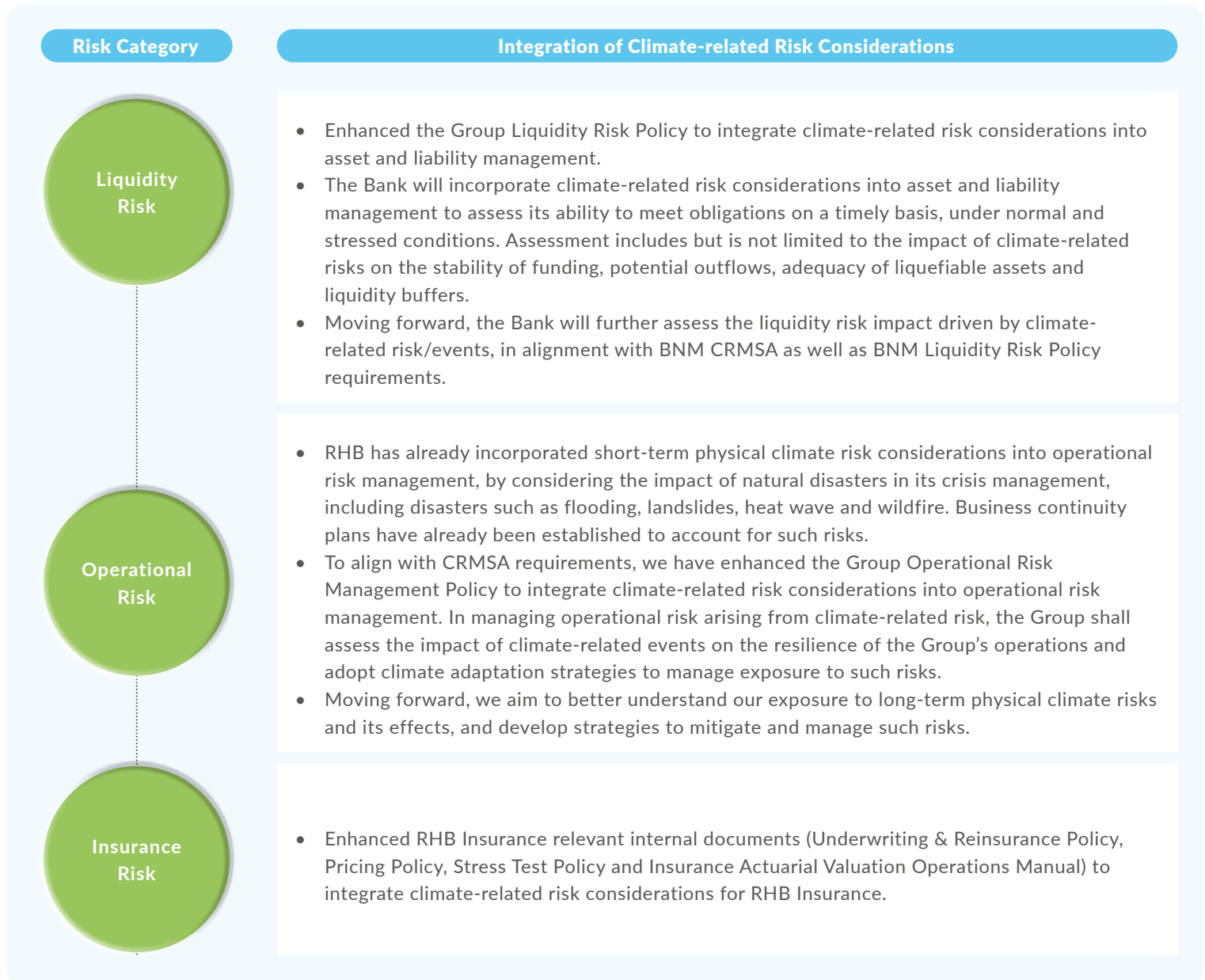
In FY2023, we introduced the Group Climate Risk Management Framework ("GCRMF") and Group Climate Risk Management Policy ("GCRMP"). The GCRMF and GCRMP set out the overarching principles and guiding standards governing the management of climate-related risks throughout RHB Banking Group, in accordance with the BNM CRMSA. The GCRMP also establishes the roles and responsibilities for climate risk management across the 3 Lines of Defence, towards ensuring robust governance. Both documents have been rolled out to our Malaysian and Overseas operations.

## Climate Risk Management for Specific Risk Types

The Group has incorporated relevant BNM CRMSA requirements into internal risk documentation, thus establishing a robust foundation for climate risk management moving forward. In relation to specific risk categories, CRMSA requirements and climate-related risks consideration have been incorporated into the relevant policies governing respective financial and non-financial risks. These are detailed below:



## RHB's Climate-Related Financial Disclosures



**Note:**  
Enhancements to the above policies have been prioritised as part of the Group Climate Action Programme, due to the significance of these risk categories to the Group, and to ensure our compliance with the BNM CRMSA. Moving forward, enhancements to risk documentation governing other risk types which may affect the Group shall be incorporated as and where required, based on the severity and likelihood of climate-related risks and impacts.

The policies listed above will continue to be enhanced moving forward, incorporating inputs from the Group's climate risk stress testing across portfolios. They will also be enhanced in alignment with evolving regulatory requirements and industry best practices, to ensure prudent climate risk management across the Group.

# CLIMATE RISK MANAGEMENT (Cont'd)

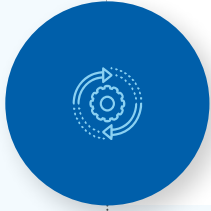
## RISK IDENTIFICATION AND MEASUREMENT

### Climate Change Impact/Related Risks Identification and Assessment

RHB has since year 2019 taken into consideration the climate change impact/related risks in its established Risk Library under risk type namely Environmental Risk, which was then revised to Sustainability Risk in year 2020; comprising of Environmental Risk, Social Risk and Governance Risk. In 2023, we have further reviewed and included liability risk dimension when assessing climate change impact in addition to the existing two dimensions, namely physical and transition risks in our Risk Library.



► **Physical Risk** can arise from acute (event-driven) or chronic (longer-term shifts) climate-related events that damage property, reduce productivity and disrupt trade. These physical risks may have financial implications for Financial Institutions ("FIs") e.g. credit worthiness of borrowers or collateral values.



► **Transition Risk** occurs as a result of transition/adjustment towards a low-carbon economy. Sources of Transition Risk includes Policy, Technology as well as Market and Customer sentiment and each of them has the potential to generate, accelerate, slow or disrupt the transition towards a low-carbon economy.



► **Liability Risk** stems from legal liability exposure, claims on damages and losses, from parties that are seeking compensation for losses they have suffered/incurred from inaction or lack of action that results in the effects of physical and transition risks.

RHB manages climate-related risks by incorporating climate risk considerations into all risk categories/types, where applicable. In addition, transmission channels (i.e. the causal chains linking climate change impacts and/or related risks to other risk categories/types) have been established and are taken into consideration as part of the annual Material Risk Assessment ("MRA") exercise.

► For further information on the MRA, please refer to Sustainability and Climate Risk Management, page 46.

## RHB's Climate-Related Financial Disclosures

Below are some examples of how the above climate risk dimensions are linked to other risk categories/types

Risk Category/Type	Transmission Channels and Potential Impact to RHB	Time Horizon <sup>1</sup>
<b>CREDIT RISK</b>  <b>Climate Risk Dimension</b> <i>Physical Risk</i>	<p>More frequent extreme weather events, such as strong typhoons, extreme rainfall, landslides, flooding, tropical cyclones and inundation.</p> <p>Due to potential damage to properties, valuation of real estate used as collateral may potentially decrease, which will increase the loss given default ("LGD").</p> <p>The default probability of real estate mortgage customers will also increase due to the rise in loan-to-value ratio ("LTV")</p>	Short, Medium to Long Term
<b>MARKET RISK</b>  <b>Climate Risk Dimension</b> <i>Transition Risk</i>	<p>Low-carbon emission policies implemented by regulators may cause a large number of fossil fuel-related high-carbon assets to artificially accelerate their depreciation rate, or be written off early in the life cycle, resulting in a decline in value for these "stranded assets".</p> <p>Companies who hold the "stranded assets" will have lower net assets and consequently, the equities, bond and securities positions on these companies held by the Bank may suffer loss due to lower market valuation.</p>	Medium Term
<b>LIQUIDITY RISK</b>  <b>Climate Risk Dimension</b> <i>Physical Risk</i>	<p>Floods/landslide affecting businesses and household loss of income and assets damage. This may:</p> <ul style="list-style-type: none"> <li>• Increase deposit withdrawal and reduced source of stable deposits.</li> <li>• Increase borrowing from households and businesses for emergency purposes.</li> </ul>	Short, Medium to Long Term
<b>OPERATIONAL RISK</b>  <b>Climate Risk Dimension</b> <i>Liability Risk</i>	<p>Failure of the Bank to deliver on its obligations (e.g. late or failed payment and settlement due to operational disruption caused by climate-related risks), which may potentially result in legal claim or compensation by counterparties.</p>	Long Term
<b>STRATEGIC RISK</b>  <b>Climate Risk Dimension</b> <i>Transition Risk</i>	<p>Low-carbon industries and low-carbon technologies are maturing, and starting to occupy the market share of traditional high-carbon emission industries.</p> <p>The Bank may fail to incorporate such opportunities into its strategic objectives and thus fail to address the opportunities by doing business with firms in these low-carbon industries.</p>	Long Term
<b>INSURANCE RISK</b>  <b>Climate Risk Dimension</b> <i>Physical Risk</i>	<p>Long-term shift in climate patterns such as wind and storm patterns, heatwaves and droughts can increase underwriting risk.</p>	Long Term

Note that the above is intended as illustrative examples only, and does not represent all potential transmission channels to all existing risk types applicable to the Group.

<sup>1</sup> - Short Term: <1 year; Medium Term: 1 to 3 years; Long Term: >3 years

# CLIMATE RISK MANAGEMENT (Cont'd)

## Scenario Analysis

Scenario analysis serves as a tool to understand the impacts and consequences of climate change on businesses. It defines a development path with a particular outcome, which aids the development of climate-related targets and broader climate-related risks. Scenario analysis aims to facilitate long-term strategic thinking on climate-related risks and opportunities, by addressing climate-related risks and opportunities in the context of climate scenarios. The outcomes will help businesses to evaluate and assess the potential impacts of climate-related risks and opportunities across their value chain. Conducting scenario analysis can enhance decision making, and improve business resilience and adaptability.

## Progress of Scenario Analysis and Climate Risk Stress Testing

As part of our Net Zero strategy, RHB is currently developing its scenario analysis capabilities to ensure compliance with the requirements of the BNM CRMSA. In alignment with industry best practices and regulatory requirements for climate risk stress testing, we are considering both physical and transition risk scenarios as part of this ongoing GCAP initiative. As at December 2023, scenario analysis and climate risk stress testing are in progress, and expected to be completed within the first half of FY2024.

Transition Risk Model Development

Physical Risk Model Development

General corporate portfolios are covered by sector-specific bottom-up assessment models for transition risk, whereas top-down assessment models are applied on other portfolios on an aggregated level through climate-adjusted macroeconomic variables to assess credit risk.

As at December 2023, the transition risk models are undergoing review and validation.

RHB has selected three physical perils for physical climate risk modelling. The selected perils could all potentially lead to an interruption to the Bank's business operations and infrastructure, and these hazards are also highly relevant to our countries of operation and our portfolio.

Physical risk models have been developed for the selected perils. These physical risk models are being reviewed and further refined, based on the initial results of the stressed financials for the three risks, including the results of damage ratio and the collateral value assessment impact. The models will be validated once the results are finalised.

## Climate Risk Stress Test

RHB is on track to comply with the requirements of the BNM Climate Risk Stress Test ("CRST") exercise, as outlined in the discussion paper. The Group is working with our appointed consultant to develop transition and physical risk models for our key portfolios. Simultaneously, we are actively working to enhance data collection capabilities and improve data quality.

The availability, sufficiency and accuracy of data – common challenges throughout the financial sector – is one of our key focus areas. As such, we have conducted a data gap analysis and assessment, to gain a better understanding of our existing data availabilities. The outcomes of this assessment will be used to inform our data strategy moving forward, to ensure that the required client data is collected. With the issuance of the Climate Risk Stress Testing methodology paper by BNM in the first quarter of 2024, further assessment is being conducted, with plans in place to continue enhancing our transition and physical risk models.

The outputs and results of the climate risk stress test will subsequently be incorporated into relevant risk documentation, to ensure effective and prudent climate risk management.

# RHB's Climate-Related Financial Disclosures

## RHB GAM ESG PORTFOLIO MANAGEMENT

Across our businesses, climate risks are systematically integrated into risk assessment frameworks to anticipate and manage risks. RHB Group Asset Management ("RHB GAM") uses a Climate Risk Heat Map for ESG-thematic portfolio climate risk identification, assessment, measurement, and monitoring. The heat mapping exercise is designed to focus on climate change transition risks instead of broad ESG risks. It focuses on transition risks because they are the largest driver of climate risks for companies in most sectors. The heat map ranks sectors based on risk drivers such as the emissions from sector-relevant activities and, thus, regulations that may be imposed, as well as changes to consumer demand as consumers shift towards greener alternatives. This differs from any broad ESG risk ranking that assesses social and governance impacts, such as unethical labour practices unrelated to climate change.

The following outlines the design of the heat mapping assessment at the sector level. The assessment rates industries based on GHG emissions and the sector's vulnerability to the energy transition. RHB GAM has identified eight industries that have been identified as having high environmental impact. These are: Oil & Gas, Mining, Auto Production, Petrochemicals & Chemicals, Utilities, Steel and Metallic Ores, Land/Rail/Sea Transport, Warehousing, and Plantations

Rating	Description	Industry examples (non-exhaustive)
Very high	<ul style="list-style-type: none"> <li>Material pressures from climate risks are visible in the sector, or there is a very high likelihood that these will crystallise in the future.</li> <li>Limited scope to adjust to or manage these risks in the near term without significant structural, financial and/or policy agreement.</li> </ul>	<p><b>Oil &amp; Gas</b></p> <ul style="list-style-type: none"> <li>One of the highest carbon-emitting sectors (scopes 1 - 3) globally, with increased exposure to operational and regulatory risks (e.g. carbon taxes).</li> <li>In a net zero 2050 world, both pureplay O&amp;G upstream &amp; downstream will likely not exist in their current state; adjusting business models to low-carbon energy will require material investments on a longer time horizon.</li> </ul>
High	<ul style="list-style-type: none"> <li>Pressures from climate risks are present but are less influential compared to the "very high" rating category.</li> <li>Typically greater scope to adjust to climate risks by adapting business models or changing policies.</li> </ul>	<p><b>Vehicle production</b></p> <ul style="list-style-type: none"> <li>Environmental regulations are expected to continue to tighten in most jurisdictions to drive the shift towards electrification.</li> <li>Capital investments/R&amp;D expenditure for adaptation is already material for most OEMs; smaller part manufacturers across the supply chain will have greater exposure to transition-driven credit risk.</li> </ul>
Medium	<ul style="list-style-type: none"> <li>Pressures from climate risks are less pronounced or less likely to develop in a way that is influential in the future.</li> <li>Sectors have inherent exposure to one or more climate risks, but with the reasonable expectation that these can be adapted to or managed in the medium term.</li> </ul>	<p><b>Construction material</b></p> <ul style="list-style-type: none"> <li>High waste and pollution risks with stricter pollution standards are driving pressure on profitability and cash flow generation; it cannot be passed on to customers (especially for specific construction materials like cement).</li> <li>Relatively moderate carbon transition risk except for cement producers, who are exposed to significant pressures from carbon emissions legislation.</li> </ul>
Low	<ul style="list-style-type: none"> <li>Little pressure from climate risk and the low likelihood that they will manifest in the future</li> <li>Significant scope to adjust to or manage climate risks, e.g. costs can be passed along to customers or regulations are unlikely to become meaningfully stricter</li> </ul>	<ul style="list-style-type: none"> <li>Very low emissions of pollutants and carbon, including the following industries:                             <ul style="list-style-type: none"> <li>- Media and entertainment</li> <li>- F&amp;B, Tourism</li> </ul> </li> </ul>

# CLIMATE RISK MANAGEMENT (Cont'd)

## RISK MONITORING AND CONTROLS

### Climate Risk Dashboard

Effective monitoring and tracking of key climate risk metrics is critical to effective climate risk management. As such, the Group introduced a Climate Risk Dashboard in FY2023, which is reported to the GCRC, BRC and Board on a monthly basis.

We are adopting a phased roll-out of the Climate Risk Dashboard, taking into account the readiness and availability of relevant data. The pilot Climate Risk Dashboard was rolled out in October 2023, consisting of selected key metrics for climate risk monitoring. In this first phase of our climate risk reporting journey, we are leveraging on the Group's existing risk monitoring and reporting approach, which has been further supplemented by templates and tools introduced via the Group Climate Action Programme. The pilot dashboard currently encompasses selected Malaysian operations which represent our key business activities, as well as selected PCAF asset classes, namely AC1, AC2 and AC3<sup>1</sup>.

In Phase 2, which will commence in 2024, we aim to expand the coverage of the Climate Risk Dashboard to encompass AC4, AC5, AC6 and AC7<sup>2</sup>. We will also look to incorporate the outputs of climate risk stress testing and integrate relevant sector-level metrics to facilitate Net Zero monitoring. In Phase 2 and beyond, we also plan to utilise analytics and data visualisation tools to further enhance the dashboard and facilitate more informed decision-making with respect to climate risk management.

<sup>1</sup> - AC1: Listed equity and corporate bonds, AC2: Business loans and unlisted equity, AC3: Project Finance

<sup>2</sup> - AC4: Commercial real estate, AC5: Mortgages, AC6: Motor vehicle loans, AC7: Sovereign debt

### Risk Appetite Metrics for Climate Risk and Sectorial Limit

Effective FY2023, the Bank has implemented risk appetite metrics for climate risk to steer the portfolio towards decarbonisation, manage climate-related risks, and comply with regulatory requirements. These risk appetite metrics for climate risk are included in the Group Risk Appetite Setting ("RAS"), which is conducted on an annual basis and its threshold are monitored and reported to GCRC, BRC and BOD on a monthly basis.

In alignment with regulatory requirements and RAS best practices, the Bank is adopting a phased approach to set risk appetite metrics for climate risk, whereby additional risk appetite metrics for climate risk will be progressively implemented according to the Bank's maturity in data collection and analysis. In the next phase of this journey, we will look to introduce more advanced risk appetite metrics, leveraging on the results from climate risk stress testing. We will also look to explicitly incorporate decarbonisation-related targets across relevant business units, to drive our approach to Net Zero by 2050.

To manage transition risks, RHB is leveraging our existing sectoral limit and incorporating climate-related considerations as a risk driver. We will closely monitor the implementation of this approach, adapting and refining it as our sustainability and climate journey matures.

### Escalation Process

The Bank's credit decisions are guided by customers' ESG risk rating, which is generated via the ERA tool. Borrowers rated as "High Risk" will be classified as Exceptional Credits, whereby approval will be escalated to a higher approving authority.

▲ For further information on the ERA tool, please refer to page 48.

▲ For further information on credit approval escalation, please refer to page 49.



## RHB's Climate-Related Financial Disclosures

**CHALLENGES AND LIMITATIONS**

We recognise that climate risk management is an evolving field and as a result, operationalisation and implementation of such risk management processes has been a challenge. The Group's efforts remain guided by regulatory requirements, industry best practices, as well as relevant frameworks, standards and guidelines in relation to climate risk management. At the same time, to strengthen organisational resilience to, and ability to manage such risks, we are:

- Developing a data improvement strategy to address our data needs in relation to financed emissions calculation. We are also conducting a similar exercise in relation to scenario analysis and TCFD reporting. Enhancing our data infrastructure and data quality will be critical to supporting the Group's climate-related efforts moving forward. For further information, please refer to Data Strategy, page 100.
- Investing in sustainability and climate-related capability building for relevant SBGs and SFGs, to strengthen our workforce capabilities and expertise.

▲ For further information, please refer to the Sustainability Capability Building Framework, page 176.

## Moving Forward

Robust management of climate-related risks is a strategic imperative that supports our commitment of achieving Net Zero by 2050. Hence, the Group will continue to integrate climate-related considerations into our existing risk management framework, towards ensuring comprehensive management of climate-related risks. In the short term, we will focus on addressing the remaining requirements stated in the BNM CRMSA in FY2024, notably those in relation to scenario analysis, risk metrics and targets, and disclosure, towards ensuring our full compliance with all relevant requirements by FY2024. Beyond this, we will continue to enhance our climate risk management framework, taking into consideration evolving regulatory requirements, new government directives and policies, business needs, industry best practices and stakeholder expectations.

## RHB's Climate-Related Financial Disclosures

# CLIMATE-RELATED METRICS & TARGETS

We take a progressive approach to our climate ambitions, setting ambitious milestones along a realistic time horizon. Aligned to the three Strategic Objectives of our approach to Net Zero by 2050, we have established quantified interim and long-term targets that address the key aspects of financed emissions management, client engagement and operational GHG emissions reduction. As we embark on the next phase of our sustainability journey, where we will focus on accelerating the low-carbon transition, the Group will closely monitor our progress in relation to these targets, thus ensuring that we are on-track to deliver on our climate commitments.

### FINANCED EMISSIONS

#### Our Targets

By 2030, achieve 20% reduction in Financed Emissions for Top 5 Sectors<sup>1</sup>

By 2050, achieve up to 96% reduction in Financed emissions for Top 5 Sectors<sup>1</sup>

<sup>1</sup> Energy Supply, Palm Oil, Oil & Gas, Property & Construction and Transport

#### FINANCED EMISSIONS BASELINE

2022 Total Absolute Financed Emissions	9.26 <sup>*</sup> MTCO <sub>2</sub> e	Covering all PCAF asset classes (AC1 – AC7), across all sectors		
		Asset Class	Absolute Emissions (MTCO <sub>2</sub> e) <sup>*</sup>	% of Emissions
		AC1: Listed equity and corporate bonds	0.81	9.15%
		AC2: Business loans and unlisted equity	4.06	45.82%
		AC3: Project finance	0.10	1.16%
		AC4: Commercial real estate	2.43	27.46%
		AC5: Mortgages	1.29	10.01%
		AC6: Motor vehicle loans	0.57	6.38%
		AC7: Sovereign debt	0.00 <sup>**</sup>	0.02%
		<b>Total</b>	<b>9.26</b>	<b>100%</b>
2022 Total Financed Emissions from Key Sectors	7.63 MTCO <sub>2</sub> e	Covering top 5 high impact sectors, i.e. Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport		

<sup>\*</sup> Note that numbers have been rounded to 2 decimal points.

<sup>\*\*</sup> Financed emissions from AC7 amount to approximately 0.0019 MTCO<sub>2</sub>e

Note:  
The Group's financed emissions baseline (as of 31 December 2022) is subject to revision and refinement moving forward, due to factors such as introduction of new and/or enhanced calculation methodology, and improved data availability.

## RHB's Climate-Related Financial Disclosures

## Guiding Principles for Financed Emissions Calculation

Calculation based on PCAF methodology

The Group's financed emissions were calculated based on the industry-recognised and globally accepted PCAF methodology for all seven asset classes. This represents the most comprehensive methodology available for financed emissions calculation, at point of calculation.

Prioritising the highest quality data

We strive to use clients' latest self-reported emissions data as far as possible, as well as latest available data from our internal systems (e.g. in relation to clients' financial information). This ensures that the data we use to calculate our financed emissions is as accurate as possible.

Using proxy data where needed

Where clients' self-reported emissions data is not available (e.g. in cases where the client is not a listed entity), we make use of appropriate proxies such as physical activity data or clients' revenue/assets. The proxies are used to generate the estimated emissions, based on industry average emission factors.

Utilise emissions factors from PCAF database

As far as possible, we make use of the emission factors provided in the PCAF emission factors database to estimate our financed emissions. In the event that an emission factors is not available on PCAF, we utilise an alternative emission factor from a reputable source such as government databases or scientific research papers.

## RHB's Climate-Related Financial Disclosures

# CLIMATE-RELATED METRICS & TARGETS (Cont'd)

### GREEN FINANCIAL SERVICES

#### Our Targets

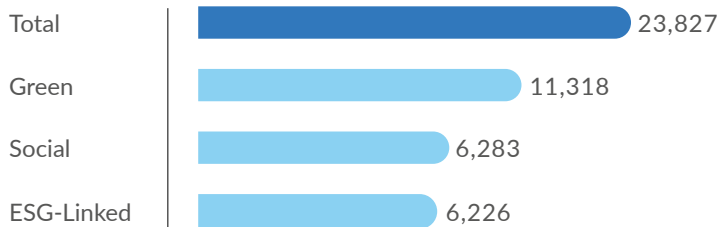
By 2030, 40% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy

By 2050, 90% of our portfolio in Green Financial Services and/or supporting companies committed to carbon neutrality with a clear and established transition strategy

### Group's Sustainable Financial Services

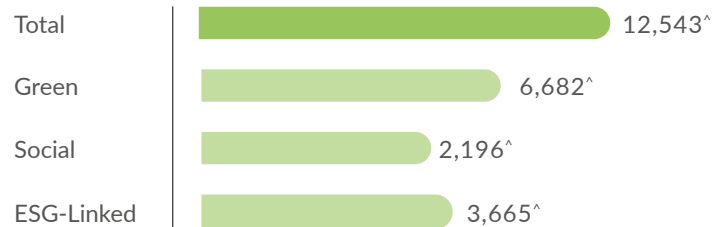
#### CUMULATIVE ACHIEVEMENT

July 2021 – December 2023 (RM million)



#### FY2023 ACHIEVEMENT

January 2023 – December 2023 (RM million)



#### Notes:

- The above covers sustainable financial services under Group Wholesale Banking, Asset Management, Group International Business, Group Community Banking and Group Insurance
- <sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

	Cumulative Achievement, RHB Group, RM million	FY2023 Achievement, RHB Group, RM million
	July 2021 – December 2023	January 2023 – December 2023
Renewable Energy	1,272	654
Energy Efficiency	1,290	823
Pollution Prevention and Control	1,061	585
Environmentally Sustainable Management of Living Natural Resources and Land Use	174	114
Terrestrial and Aquatic Biodiversity Conversation	1	1
Clean Transportation	72	61
Sustainable Water and Wastewater Management	2,416	910
Climate Change Adaption	10	10
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	692	463
Green Buildings	4,330	3,061
<b>Green Activities (Total)</b>	<b>11,318</b>	<b>6,682<sup>^</sup></b>

▲ For further information on the Group's Sustainable Financial Services, please refer to page 117.

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

	FY2022 (Baseline)	FY2023
Proportion of our portfolio in green financial services and/or supporting companies committed to carbon neutrality and have an established transition strategy	3%	3%

# RHB's Climate-Related Financial Disclosures

## OPERATIONAL GHG EMISSIONS

Data collection is integral in the measuring and tracking of the Group's operational footprint. The measurement of our operational GHG inventory is guided by the GHG Protocol: Corporate Accounting and Reporting Standard. Since 2016, we have progressed from monitoring Scope 1, 2 and 3 (Business Travel by Road) GHG emissions by expanding the boundary of Scope 3 (Business Travel by Road and Air) from 2021 onwards, against 2016 baseline. To maintain accuracy and transparency, we continue engaging an independent third-party environmental specialist to ensure the completeness, relevance, consistency, and accuracy of our data and methodology. The following outlines the Group's progress in expanding our reporting boundary for operational emissions, alongside the methodology, consolidation approach, reporting scope, and baseline year.

- Reporting boundary target: Group-wide
- Calculation methodology: GHG Protocol: Corporate Accounting and Reporting Standard
- Consolidation approach: Operational approach
- Baseline year: 2016\* (Operational GHG emissions, i.e. Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air))

\* The baseline year of 2016 was determined during the first reporting period at the outset of RHB's journey towards decarbonisation. The year is determined to be appropriate as the baseline prior to the implementation of all the low carbon initiatives. 2016 was also a year without any unusual events thus suitable to represent business as usual situation.

### REPORTING BOUNDARY

2019

➤ RHB Centre & RHB Complex Bangi

2020

➤ 7 HQ buildings & West Malaysia branches

2021

➤ Malaysia

2022 & 2023

➤ Malaysia and Regional Operations

### REPORTING SCOPE

Scope 1

➤ Owned/controlled generator sets and company-owned vehicles

Scope 2

➤ Purchased electricity and cooling

Scope 3

➤ Business travel by road and air

### OUR TARGETS

Reduce 45% of total GHG emissions by 2026 from the 2016 baseline as per 5-year GHG emissions reduction roadmap; and achieve carbon neutral operations by 2030

## RHB's Climate-Related Financial Disclosures

# CLIMATE-RELATED METRICS & TARGETS (Cont'd)

### GHG Emissions by Country

	2023		2022		2021	
	tCO <sub>2</sub> e	%	tCO <sub>2</sub> e	%	tCO <sub>2</sub> e	%
<b>Malaysian Operations</b>						
Total Scope 1 - Direct Emissions	193 <sup>^</sup>	0.8	183	0.7	159	0.6
Total Scope 2 - Indirect Emissions	22,099 <sup>^</sup>	89.9	23,278	92.1	23,811	93.1
Total Scope 3 - Other Indirect Emissions	2,288	9.3	1,810	7.2	1,615	6.3
<b>Total</b>	<b>24,580</b>		<b>25,271</b>		<b>25,585</b>	
<b>Regional Operations</b>						
Total Scope 1 - Direct Emissions	295	11.2	-	-	-	-
Total Scope 2 - Indirect Emissions	2,218	84.9	-	-	-	-
Total Scope 3 - Other Indirect Emissions	101	3.9	-	-	-	-
<b>Total</b>	<b>2,614</b>		<b>-</b>		<b>-</b>	

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

### Operational GHG Emissions (Malaysia and Regional)

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Scope 1 - Direct Emissions (tCO<sub>2</sub>e)</b>	104	136	203	213	134	159	183	<b>488</b>
Stationary Combustion (generator sets)	104	27	29	30	18	17	10	<b>23</b>
Mobile Combustion (company-owned vehicle)	0	113	176	185	117	141	173	<b>465</b>
<b>Scope 2 - Indirect Emissions (tCO<sub>2</sub>e)</b>	40,891	31,841	29,820	27,605	25,678	23,810	23,278	<b>24,317</b>
Purchased electricity	38,123	29,698	28,542	26,447	24,596	22,825	22,707	<b>23,405</b>
Purchased cooling	2,768	2,143	1,278	1,158	1,082	986	571	<b>912</b>
<b>Scope 3 - Other Indirect Emissions (tCO<sub>2</sub>e)</b>	2,235	2,499	2,429	2,449	1,606	1,616	1,810	<b>2,389</b>
Business travel (car)	2,235	2,499	2,428	2,448	1,606	1,611	1,779	<b>2,158</b>
Business travel (air)	0	0	0	0	0	4	32	<b>231</b>
<b>Total (tCO<sub>2</sub>e)</b>	<b>43,229</b>	<b>34,476</b>	<b>32,452</b>	<b>30,267</b>	<b>27,418</b>	<b>25,585</b>	<b>25,271</b>	<b>27,194</b>

Notes:  
For 2022 and prior years, the Emissions Breakdown by source is for Malaysian operations only. 2023 data is inclusive of Regional operations.

**Global Warming Potential Rates:**

Type of Gas	Global Warming Potential (GWP)
CO <sub>2</sub>	1.000
CH <sub>4</sub>	27.9000
N <sub>2</sub> O	273.000

#### Emissions Factor Source:

##### Stationary Combustion:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4.

##### Mobile Combustion:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Page 1.23 - 1.24, Table 1.4.  
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Page 3.21, Table 3.2.2.  
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4

##### Electricity & Cooling:

- Peninsular Malaysia, Sabah and Sarawak: CDM Electricity Baseline for Malaysia (2017), MGTC  
- Singapore: Electricity Grid Emissions Factors and Upstream Fugitive Methane Emission Factor (2019), National Environment Agency Singapore  
- Indonesia: Faktor Emisi Gas Rumah Kaca (GRK), Sistem Interkoneksi Ketenagalistrikan (2019), Direktorat Jenderal Ketenagalistrikan  
- Thailand: Greenhouse Gas Mitigation Mechanism (2016), Thailand Greenhouse Gas Management Organization  
- Vietnam: Research, Construction of the emissions system (EF) of Viet Nam's grid (2020), Department of Climate Change, Ministry of Natural Resources and Environment  
- Brunei: 2022 The IFI Dataset of Default Grid Factors (v.3.1), United Nations Framework Convention on Climate Change (UNFCCC)  
- Laos: Calculation for the emission factor for electricity generation in Lao PDR (2010), Ministry of Natural Resources and Environment, Lao PDR - BM(0), OM(1)  
- Cambodia: Grid Emission Factors in Cambodia (2016), Institute for Global Environmental Strategies and National Council for Sustainable Development, Cambodia

##### Car Travel:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4.  
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Page 1.23 - 1.24, Table 1.4  
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Page 3.21, Table 3.2.2.

##### Flight Travel:

- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1049346/2021-ghg-conversion-factors-methodology.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049346/2021-ghg-conversion-factors-methodology.pdf)

## RHB's Climate-Related Financial Disclosures

GHG Emissions Intensity (tCO<sub>2</sub>e/employee)

Coverage	2023		2022	2021
	Malaysia Only	Malaysia & Regional Operations	Malaysia Only	Malaysia Only
Total GHG Emissions (tCO <sub>2</sub> e)	24,580	27,194	25,271	25,585
Number of Employees <sup>*</sup>	14,235	16,021	13,865	13,587
GHG Emissions Intensity (tCO <sub>2</sub> e/employee)	1.73	1.70	1.82	1.85

\* The number of employees refers to the total number of RHB staff in Malaysia. However, for RHB Centre and Complex Bangi, the number of employees includes staff, vendors, consultants, and remisiers, as they operate from the office for the most part of the year.

## Distribution of GHG Emissions (Malaysian Operations)

	2023	2022	2021
<b>Distribution of GHG Emissions by Office Type</b>			
Main Buildings	50.1	50.2	54
Branches	49.9	49.8	48
<b>Distribution of GHG Emissions by State</b>			
Perlis	0.3	0.3	0.3
Kedah	3.8	3.7	4.2
Penang	9.5	8.9	8.6
Perak	11.8	11.3	10.6
Selangor	21.8	23.2	24.6
Kuala Lumpur	12.1	12.1	12.1
Negeri Sembilan	3.2	3.2	3.0
Melaka	3.8	3.6	3.3
Johor	15.3	15.2	15.4
Pahang	2.9	3.0	3.4
Kelantan	2.1	2.6	2.5
Terengganu	2.5	2.2	2.4
Sabah	4.9	4.5	4.2
Sarawak	6.0	6.2	5.6

## Moving Forward

Looking beyond the expected completion of GCAP in mid-2024, we will closely monitor our progress across all three Strategic Objectives as we progress along our climate journey. This will include annual monitoring and disclosure of progress against our targets, as well as monitoring of other key climate-related metrics and targets that we have identified and may introduce as we move forward. This includes, but is not limited to metrics such as proportion of portfolio with exposure to physical and transition risks, capital deployment towards climate-related opportunities, green asset ratio, or other such metrics which are required by regulators or which the Group deems relevant, aligned to industry best practices.

Furthermore, we aim to enhance our monitoring of existing climate-related metrics and targets, such as through investment in relevant technology and infrastructure, which will enhance our data availability, completeness and quality. We will also keep abreast of developments in calculation methodologies (e.g. for financed emissions calculations), to ensure that our monitoring practices are aligned to the latest industry best practices.

## ...Driving Sustainable & Responsible Finance

We recognise the pivotal role that we, as a financial services group, play in building a sustainable future. Our commitment in driving sustainable and responsible finance is embedded in our TWP24 corporate strategy. We aim to support our clients in their transition to more sustainable business practices through innovative financial products and services. In view thereof, we have accelerated efforts to embed sustainability and climate-related considerations across all our business activities, namely lending and financing, capital market and advisory, investment, wealth management, and insurance. These considerations are concurrently being integrated into our risk management and governance processes, ensuring a holistic, sound, and strategic approach to mobilising sustainable finance. Further supporting this are our efforts to promote financial inclusion, enhance digital banking services, and deliver a quality customer experience.

### VISION

Integrate ESG considerations into our business strategies and decision-making processes while nurturing customers and communities towards achieving sustainable growth.

### FOCUS AREA

#### 1 Sustainable Financial Services

Create positive impacts through our lending, capital markets, wealth management, deposits, investment, asset management, and insurance businesses

#### 2 Financial Inclusion

Provide financial services to targeted segments of the community (students, new to workforce, the underserved) and businesses (SMEs, microenterprises, etc.)

#### 3 Advancing SMEs Towards Sustainable Business Practices

Nurture and support SMEs in their journey towards building a sustainable business

We embed ESG considerations into our core business activities and decision-making processes, and this is key to achieving the Group's commitment to mobilise RM50 billion in sustainable financial services by 2026, as well as the Group's commitment to achieve Net Zero Emissions by 2050. Our responsible and sustainable finance efforts contribute towards relevant UN SDGs, notably SDG 1 ("No Poverty"), SDG 7 ("Affordable and Clean Energy"), SDG 9 ("Industry, Innovation and Infrastructure"), SDG 11 ("Sustainable Cities and Communities"), SDG 13 ("Climate Action"), SDG 15 ("Life on Land") and SDG 17 ("Partnership for the Goals").

### ENABLING OUR CUSTOMERS' SUSTAINABILITY TRANSITION THROUGH RESPONSIBLE AND SUSTAINABLE FINANCE

As a financial institution, our greatest impact lies in the activities that we enable through our financial services, which encompass our business activities of lending and financing, capital markets and advisory, investment, wealth management, and insurance. We are committed to supporting our clients' transition towards more sustainable and responsible business practices. Ultimately, we aim to create a more sustainable and inclusive financial system that creates shared value for all stakeholders. Here is how we made this possible:

#### Sustainability Focus Area

- Sustainable Financial Services
- Financial Inclusion
- Advancing SMEs Towards Sustainable Business Practices

#### TWP24 Focus Area

- Catalyse Sustainability
- Be the Primary Financial Services Provider

#### RHB Sustainability KPI

- KPI 1: Mobilise RM50 billion in Sustainable Financial Services by 2026
- KPI 2: Empowering over 2 million targeted individuals and businesses across ASEAN by 2026

#### UN SDGs



#### Material Matters

- CC** Climate Change
- FI** Financial Inclusion
- SF** Sustainable Financial Services



## ...Driving Sustainable &amp; Responsible Finance

## SUSTAINABLE FINANCIAL SERVICES

SF

## Why It Is Important

The importance of sustainable finance extends beyond ethical considerations; it ensures resilience, prosperity and stability in the financial ecosystem, both regionally and globally. The growing demand for sustainable finance presents an opportunity for shared value creation between RHB and our clients. We recognise that embracing sustainability not only unlocks new market segments, but allows us to build deeper client partnerships and shared progress towards a sustainable and low-carbon future.

We are committed to supporting our clients on their sustainability journeys, in alignment with regulatory requirements and the strategic blueprint launched by the government, such as the National Energy Transition Roadmap ("NETR"). By actively mobilising sustainable finance across our business activities of lending and financing, capital market and advisory, investment, wealth management, and insurance, we catalyse the just and responsible transition to a sustainable and low-carbon economy. In doing so, we advance the Group's overarching purpose of Making Progress Happen for Everyone.

## OUR APPROACH

Our business segments work towards the common goal of integrating ESG considerations into their business activities and operations. This is achieved via decentralised methods adapted to each business segment guided by the Group's policies, frameworks and stance as well as prevailing domestic and regional regulations. Our approach is driven by the Sustainable and Responsible Finance pillar of the Group's Sustainability Strategy and Roadmap, and further supported by our aspiration and KPI of mobilising RM50 billion in sustainable financial services by 2026.

## RHB's Journey to Promote Sustainable Finance

## Year Established

## Commitment

2019

**Green Financing Commitment**

target to mobilise RM5 billion in non-retail green financing by 2025

2021

**Sustainable Financing Programme**a green financing product bundling in 4 categories - Green Energy, Green Buildings, Green Products and Green Processes, with target to provide RM1 billion in green financing for **SMEs and retail** customers by 2025

2022

Expanded our commitment - to **mobilise RM20 billion in sustainable financial products and services by 2026** across our core business activities of lending and financing, capital market and advisory, investment, asset management and insurance

2023

This sustainable financial services commitment was revised to RM50 billion by 2026 in FY2023, from the previous RM20 billion. This revision was made in view of the outstanding progress we have made thus far, mobilising over RM23.8 billion as of 31 December 2023.

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## FRAMEWORKS AND GUIDELINES

Comprehensive frameworks, policies and guidelines are necessary to ensure that appropriate controls for sustainable financial services are put in place. However, the absence of a universal framework for sustainable finance presents several challenges for financial institutions. The lack of clear definitions, methodologies and metrics as well as inconsistencies across jurisdictions make it more challenging to harmonise sustainable finance mobilisation across countries.

Nevertheless, the Group remains committed in aligning our practices with developments in international sustainable finance standards, adhering to the latest regulatory requirements, and adopting sustainable finance industry best practices.

To facilitate the mobilisation of sustainable financial services, the Group is guided by the following:

Frameworks, Policies and Guidelines	Description
<b>ESTABLISHED</b> <b>ESG Eligible Business Activities Guidelines ("EBAG")</b>  <b>Green Finance Handbook</b>	<ul style="list-style-type: none"> <li>Introduced in 2022, the EBAG facilitates the identification and classification of green, social and sustainable financial services across the Group's business segments, and across all countries that we operate in</li> <li>Introduced in FY2023, as part of the Group Climate Action Programme</li> <li>Intended as a supplement to the EBAG, serving to further support our sustainable finance efforts in relation to green eligible business activities to spur sustainable growth and drive the transition towards low-carbon and sustainable practices.</li> <li>Ensures that robust internal controls, guidelines and decision-making processes are established to guide our business units</li> </ul>
<b>IN DEVELOPMENT</b> <b>Sustainable Finance Framework and Guidelines ("SFF-G")</b>  <b>Transition Finance Framework ("TFF")</b>	<ul style="list-style-type: none"> <li>The Group is in the midst of developing an overarching Sustainable Finance Framework and Guidelines ("SFF-G") and Transition Finance Framework ("TFF"), which will be introduced in 2024 respectively.</li> <li>The SFF-G is an enhancement of the existing EBAG, and will incorporate the guidance contained within the Green Finance Handbook. Thus, the SFF-G will be the Group's primary guidance and reference in relation to sustainable financial services moving forward.</li> <li>The TFF will guide our efforts to support our clients in adopting low-carbon practices and process, particularly in hard-to-abate sectors.</li> </ul>

## SUSTAINABLE FINANCE EXPERTISE AND CAPABILITIES

### Uplifting Our Capabilities in Sustainable Finance

#### Challenges Faced

The integration of sustainability and climate considerations into our financial services is hampered by, among others, a shortage of sustainable finance expertise. Addressing this challenge will be crucial to our long-term success, and to unlocking the full potential of sustainable finance to accelerate progress towards a more sustainable future.

## ...Driving Sustainable &amp; Responsible Finance

SF

## Uplifting Our Capabilities in Sustainable Finance (cont'd)

Our Response in  
FY2023

- Appointed two **ESG Sector Specialists**, with deep expertise in the oil palm and healthcare industry respectively. These specialists will collaborate with relevant business units to support our customers' sustainability journeys.
- Conducted 14 knowledge-sharing sessions with Relationship Managers ("RMs"), covering topics such as sustainability-linked loans and sustainability performance targets, green/social loans, the EBAG, materiality, climate change/net zero, carbon credit and trading, Green Building Index, limited assurance and the National Energy Transition Roadmap.
  - These sessions reached over 100 RMs, particularly those covering Corporate, Commercial, and SME segments, equipping them with the skills and knowledge required to support our clients to implement and incorporate sustainable practices

## Moving Forward

- We will be rolling out a holistic training programme in 2024, targeting our RMs, front liners and other key business and functional units, to strengthen their knowledge of ESG principles, sustainable finance products and solutions, regulatory requirements and sector-specific ESG considerations. The training programme will also encompass the Group's relevant internal policies, frameworks and guidelines, in relation to sustainable financial services.

For further information on sustainability-related capability building, please refer to the Sustainability Capability Building Framework on page 176.

## MOBILISING RM50 BILLION IN SUSTAINABLE FINANCIAL SERVICES BY 2026

	Cumulative Achievement (RM million) July 2021 – December 2023	FY2023 Achievement (RM million) January 2023 – December 2023	FY2022 Achievement (RM million) January 2022 – December 2022
<b>RHB Banking Group (total)</b>	<b>23,827</b>	<b>12,543<sup>^</sup></b>	<b>8,180</b>
Group Wholesale Banking	13,272	5,337	4,272
Asset Management (AUM Basis)	1,387	1,387	1,262
Group International Business	4,124	2,614	1,107
Group Community Banking	5,032	3,198	1,535
Group Insurance	12	7	4

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## BREAKDOWN BY TYPE OF ACTIVITY

Green Activities (RHB Group, RM million)	Cumulative Achievement	FY2023 Achievement	FY2022 Achievement
Renewable Energy	11% 1,272	10% 654	15% 442
Energy Efficiency	12% 1,290	11% 823	16% 469
Pollution Prevention and Control	9% 1,061	9% 585	16% 475
Environmentally Sustainable Management of Living Natural Resources and Land Use	2% 174	2% 114	2% 59
Terrestrial and Aquatic Biodiversity Conversation	<1% 1	<1% 1	0% 0
Clean Transportation	<1% 72	<1% 61	1% 12
Sustainable Water and Wastewater Management	21% 2,416	14% 910	17% 501
Climate Change Adaption	<1% 10	<1% 10	0% 0
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	6% 692	7% 463	6% 185
Green Buildings	38% 4,330	46% 3,061	27% 762
<b>Total</b>	<b>11,318</b>	<b>6,682<sup>^</sup></b>	<b>2,905</b>







## ESG-Linked Activities (RHB Group, RM million)

Cumulative Achievement	FY2023 Achievement	FY2022 Achievement
<b>6,226</b>	<b>3,665<sup>^</sup></b>	<b>2,435</b>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## ...Driving Sustainable &amp; Responsible Finance

SF

Social Activities (RHB Group, RM million)	Cumulative Achievement	FY2023 Achievement	FY2022 Achievement
 Affordable Basic Infrastructure	17% 1,044	14% 311	25% 696
 Access to Essential Services	3% 204	7% 158	2% 46
 Affordable Housing	66% 4,129	72% 1,573	58% 1,646
 Employment Generation	1% 37	2% 36	<1% 1
 Food Security and Sustainable Food Systems	2% 123	5% 112	<1% 11
 Socioeconomic Advancement and Empowerment	11% 746	<1% 6	15% 440
<b>Total</b>	<b>6,283</b>	<b>2,196<sup>^</sup></b>	<b>2,840</b>

## Total Sustainable Financial Services Mobilisation (RM million)

Cumulative Achievement	FY2023 Achievement	FY2022 Achievement
<b>23,827</b>	<b>12,543<sup>^</sup></b>	<b>8,180</b>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## GROUP COMMUNITY BANKING

### Sustainable Financing Programme

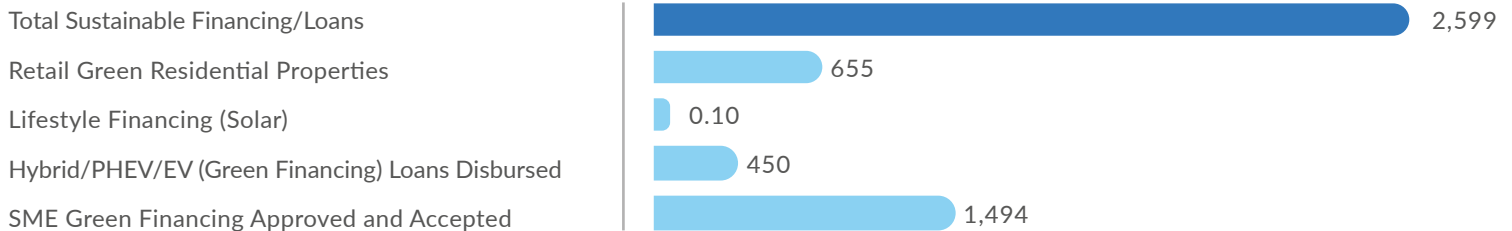
The Sustainable Financing Programme was established in 2021 to offer green product bundles to SME and Retail Customers. Towards supporting a just and responsible transition, we target to provide RM1 billion in green financing by 2025, supporting four categories of SFP:

<p><b>GREEN ENERGY</b></p> <p>➤ Promotes the adoption of renewable energy through the financing of solar panels for business and residential premises.</p>	<p><b>GREEN BUILDING</b></p> <p>➤ Promotes the adoption of environmental considerations and eco-friendly features in the design, construction, operation and maintenance of buildings.</p>	<p><b>GREEN PRODUCTS</b></p> <p>➤ Promotes the purchase of eco-friendly products such as hybrid, plug-in hybrid and electric vehicles.</p>	<p><b>GREEN PROCESSES</b></p> <p>➤ Aims to reduce environmental impacts through enhancements in processes, equipment and machinery towards supporting customers' decarbonisation.</p>
--	--	--	---

The sustainable financial services mobilised via the Sustainable Financing Programme are detailed below:

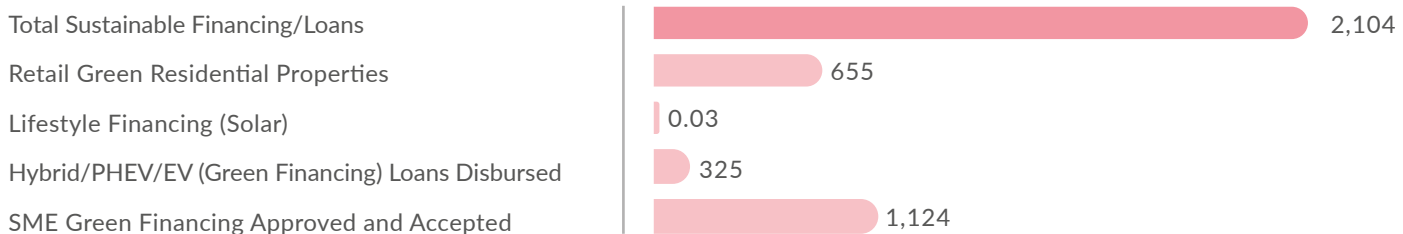
### CUMMULATIVE ACHIEVEMENT

September 2021 - December 2023 (RM million)



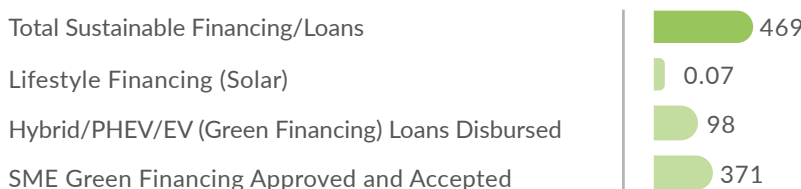
### FY2023 ACHIEVEMENT

January 2023 - December 2023 (RM million)



### FY2022 ACHIEVEMENT

January 2022 - December 2022 (RM million)



...Driving Sustainable & Responsible Finance

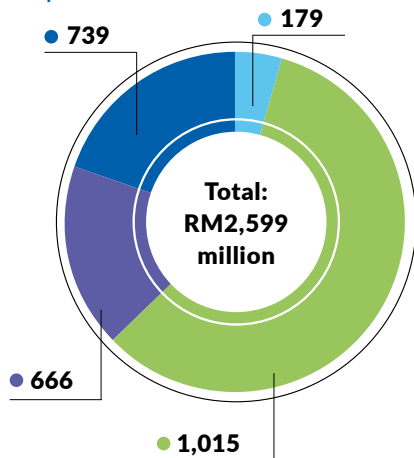


Breakdown of SFP Mobilisation by SFP categories

CUMULATIVE ACHIEVEMENT

(RM million)

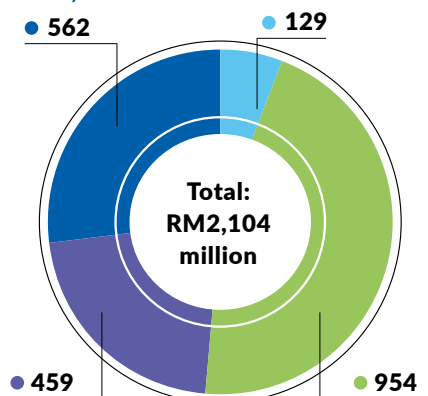
September 2021 - December 2023



FY2023 ACHIEVEMENT

(RM million)

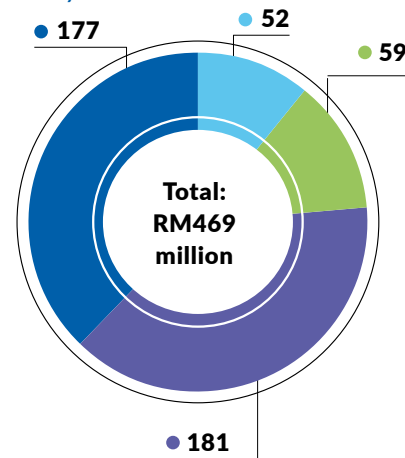
January 2023 - December 2023



FY2022 ACHIEVEMENT

(RM million)

January 2022 - December 2022



Green Energy Green Buildings Green Products Green Processes

A portion of the funds mobilised as part of the SFP was mobilised via Bank Negara Malaysia's Low-Carbon Transition Facility ("LCTF"), which aims to further accelerate ESG adoption amongst SMEs.

Breakdown of LCTF Mobilisation by SFP categories

FY2023 Achievements as at December 2023



Green Energy

RM27 million



Green Buildings

RM145 million



Green Products

RM11 million



Green Process

RM76 million

Total: RM259 million

For further information on the LCTF, please refer to page 126.

To support the uptake of sustainable financing, we have undertaken the following initiatives:

Auto Finance

- Partnered with Tesla Malaysia as panel bank to provide financing for new Tesla vehicles with the added benefit of a complimentary home charger for every successful purchaser
- Hosted an event in collaboration with our business partner, Volvo Car Malaysia, to promote Electric Vehicle (EV) and PHEV as well as our Green Vehicle Financing amongst customers and employees of the Group
- Complimentary one-year ChargeEV membership worth RM240 for every new PHEV/EV financing with RHB
- Extended Green Financing preferential pricing till 30 June 2024

SME

- Partnered and collaborated with TNB on financing of solar panels and energy efficient solutions.

## SUSTAINABLE FINANCIAL SERVICES (Cont'd)

### PROMOTING GREEN SOLUTIONS TO SMEs AND INDIVIDUALS

**In August 2023, RHB Banking Group and Tenaga Nasional Berhad (“TNB”) forged a groundbreaking collaboration to expedite the adoption of renewable energy and energy efficiency solutions among small and medium enterprises (“SMEs”) and individuals.**

This collaboration is aimed at empowering businesses, particularly SMEs, and individuals with the knowledge, tools and solutions needed to transition to greener practices. This collaboration is the first of its kind in Malaysia, and aligns with RHB’s Sustainability Strategy and Roadmap to help SMEs build a sustainable business by adopting greener practices.

The collaboration entails TNB providing technical advice on energy efficiency and renewable energy solutions, including supplying and installing Solar PV systems to SMEs, prioritising RHB’s SME customers and TNB’s clients and business partners. Complementing this, RHB will offer Green Financing Solutions to meet customers’ financial needs.

As part of this collaboration, RHB and TNB hosted the inaugural engagement session with more than 200 SMEs from the Klang Valley region in November 2023, and will continue to jointly organise sustainability roadshows to engage SMEs in other states nationwide throughout 2024. These engagement sessions aim to promote awareness of sustainable business practices, introduce energy efficiency and renewable energy solutions, and provide advisory services and green financing solutions that support SME’s transition journey in alignment with the nation’s decarbonisation aspirations towards becoming a low-carbon economy by 2050.

### Retail Banking

#### Enabling Homeownership of Green Residential Property

RHB supports homeownership of green residential properties primarily among Malaysians, mobilising a total of RM654.64 million (including the Green Residential Financing programme below) in 2023, whereby home loans/financing were offered to 1,163 customers.

**The Bank introduced the Green Residential Financing programme in September 2023, in close collaboration with preferred developers to offer financing up to 95% of the residential property value for selected projects with the following green certification from:**

- Green Building Index (“GBI”)
- Green Real Estate (“GreenRE”)
- Leadership in Energy and Environment Design (“LEED”)

In the year under review, there were four green properties projects onboarded in the programme and the effort is to continuously on-board green projects in accordance to our preferred developers’ green properties project plans.



## ...Driving Sustainable &amp; Responsible Finance

SF

**Promoting EV Adoption**

RHB has supported the adoption of electric vehicles ("EV") since introducing our Green Financing programme in September 2021. Despite multiple revisions to the Overnight Policy Rate ("OPR") over the past two years, we continued to maintain the low financing rate for Green Financing to play our part in supporting the growth of the EV market.

RHB's ongoing collaboration with **ChargeEV** offers customers with new plug-in and EV cars free charging service for one year, with the partnership being extended till 30 June 2024. In line with the evolving landscape where the Malaysian government has further encouraged EV takeup, we enhanced our offerings to include free charging from chargeEV for a year for customers who obtain financing for an EV or Plug-in Hybrid Vehicle from RHB. In addition, we are also offering insurance coverage on the EV and home charger through RHB Insurance, and a 0% instalment plan for the purchase of a home charger. Hence, in addition to preferred pricing on RHB auto insurance for electric and hybrid vehicles, consumers are provided the flexibility of insuring their car based on mileage consumption with greater savings for lower mileage thus encouraging lower carbon emissions.

The Group also aims to provide financing for 1,000 green vehicles by end of 2023, amounting to a total financing of RM200 million, as part of the Group's SFP, offering preferential rates for the financing of Eco-Friendly Vehicles which includes complimentary access to Malaysia's largest public EV charging network. As of December 2023, the Group has provided financing for 2,037 green vehicles, amounting to RM325 million.

**No. of green vehicles financed**

<b>FY2023 Target</b>	<b>FY2023 Achievement</b>
1,000	2,037

**RM value of green vehicles financed**

<b>FY2023 Target</b>	<b>FY2023 Achievement</b>
RM200 million	RM325 million

To further raise awareness and address consumer concerns regarding EVs, RHB collaborated with various dealers and car brands to organise the inaugural 'RHB PREMIUM & EV ROADSHOW 2023' at Pavilion Bukit Jalil in June 2023. This roadshow attracted a total of 10,033 walk-in visitors, resulting in 27 EV car bookings and 31 financing submissions over three days.

Our efforts to encourage the adoption of EVs has resulted in a positive outcome with Green Financing disbursement reaching RM449.2 million as of December 2023, over 350% more than the RM98.2 million recorded in 2022.

## SUSTAINABLE FINANCIAL SERVICES (Cont'd)

### Advancing Small and Medium Enterprises (“SMEs”)

SMEs play a pivotal role in the global and national economy, and their adoption of sustainable practices can have a significant impact on environmental conservation, social development and economic resilience. “Advancing SMEs Towards Sustainable Business Practices” is one of the focus areas under the Sustainable and Responsible Finance pillar of the Group’s Sustainability Strategy and Roadmap. We recognise that while larger companies have been able to progressively integrate ESG into their business, many SMEs struggle in their journey to do the same, due to a lack of technical skills, knowledge and capital.

The Group aims to provide SMEs with actionable steps to integrate sustainability into their operations, paving the way for a greener future by:

#### 1 Supporting SMEs in Building Climate Resilience

RHB is actively supporting SMEs in building climate resilience. This includes providing financial tools and solutions that empower SMEs to withstand and adapt to the challenges posed by climate change.

#### 2 Forging Strategic Partnerships and Collaborations

Enabling SMEs to access resources and expertise essential for sustainable business practices. These partnerships aim to create a network that fosters shared knowledge and sustainable solutions.

#### 3 Investing in Capacity Building among SMEs

Advancing the agenda of sustainable business through targeted initiatives that seek to enhance the skills and capabilities of SMEs, empowering them to integrate sustainability into their core business practices. For more information on our SME capability building programmes, please refer to the Sustainability Thought Leadership & Advocacy section.

#### 4 Providing SME-specific Sustainable Finance Solutions

The SME Green Financing Solutions, which are part of the Group’s Sustainable Financing Programme, are a suite of green product offerings comprising five financing schemes. The available financing facilities allow access to working capital of up to RM10 million with a repayment period of up to 10 years at preferential rates. This includes the following facilities:

- SME Green Renewable Energy Financing
- SME Green Commercial Property Financing
- SME Green Working Capital Financing
- SME Green CAPEX Financing facilities
- SME Green Technology Financing

Between September 2021 to December 2023, SME Banking has cumulatively mobilised RM1.49 billion through the above schemes.

The Group also mobilises funds through Bank Negara Malaysia’s Low-Carbon Transition Facility (“LCTF”) to further accelerate ESG adoption amongst SMEs. The LCTF was established by BNM to encourage and support SMEs in their adoption of sustainable and low-carbon practices, which includes obtaining green certifications, improving energy efficiency, and increasing the use of renewables. As of December 2023, approximately RHB has mobilised RM258.80 million via LCTF, against a target of RM500 million. Uptake for the LCTF has been slow due to SMEs’ currently low understanding and awareness of ESG, which is why the Group places emphasis on capability-building SMEs on ESG and climate-related concepts in order to accelerate the financing of SMEs’ transition journey.

## ...Driving Sustainable &amp; Responsible Finance

SF

## SME Customers' Testimonials



**“I must thank RHB for giving us invaluable advice on our financial needs and supporting us financially via the term loan as well as the business loan for us to embark on this solar energy system and business expansion into the green industry.”**  
**– Leong Lup Yan, Director, Jotech Metal Fabrication Industries Sdn Bhd**

RHB Bank has been instrumental in enabling Jotech Metal Fabrication Industries Sdn Bhd's to embark on its sustainability journey. Through financial advisory services and sustainable financing options, RHB's services and support allowed Jotech to adopt eco-friendly practices and transition to a greener business model.

In this context, RHB Bank supported Jotech by facilitating access to crucial capital for green initiatives. Offering term and business loans, RHB empowered Jotech to enhance production capacity and enter the solar energy industry. This support has propelled Jotech's transformation from a metal supplier to a renewable energy solution provider.

Moreover, RHB Bank has demonstrated a deep understanding of Jotech's products and services, initiating discussions to explore how best to align sustainable financial solutions with the company's green objectives. RHB ensured that the company had the resources required to pursue its sustainability goals effectively by offering extended business loans and fixed-rate term loans tailored to Jotech's capital expenditure needs.

Additionally, RHB's commitment to promoting sustainable practices among SMEs through initiatives like SME Sustainable Financing further bolstered Jotech's efforts. By introducing specialised financing facilities such as SME Green Renewable Energy Financing and SME Green Capex Financing, RHB provided Jotech with access to the Low Carbon Transition Facility (“LCTF”) funds to support in transitioning to low-carbon operations.

**“RHB personnel are well-versed in ESG and can give valuable advice on this topic. The Bank also provides facilities that will help us embark on our transformation into a more ESG focused company.”** – Chan Lye Yew, Chantika Kelang Sdn Bhd

Chantika Kelang Sdn Bhd's commitment to sustainability has been greatly bolstered by the invaluable support of RHB. RHB has helped their transition to an eco-conscious operation by financing solar panel installations in its factories. This aligns with their environmental values and cuts both their carbon footprint and costs. Moreover, RHB's ESG expertise has guided the company's sustainability efforts by giving invaluable advice for impactful and sustainable initiatives. RHB offers tailored facilities that have empowered them to implement energy-efficient manufacturing processes and regularly maintain their equipment, further enhancing their environmental performance.

One of the standout features of RHB's support is their commitment to cost reduction. Through their financing scheme for solar PV systems, the company's clients have witnessed a remarkable 55% decrease in energy costs post-installation. This substantial reduction not only contributes to the company's bottom line but also underscores the financial viability of sustainable practices.

In addition to financial assistance, RHB has played a pivotal role in fostering their stakeholders' engagement. Despite the challenges of educating diverse stakeholders on the importance of ESG, RHB has provided resources and guidance to effectively communicate the benefits of sustainable practices. This collaborative approach has helped garner support from employees, customers, and the wider community, strengthening their position as a responsible corporate citizen.

## SUSTAINABLE FINANCIAL SERVICES (Cont'd)

### SME Customers' Testimonials



**“RHB has proven to be more than just a financial institution for us; they have been a trusted partner. Their deep commitment to our business success and sustainability goals has created a strong, supportive relationship that has been invaluable to our journey towards becoming a green business.” – Tan Tang Seong, Hutan Melintang Power Plant Sdn Bhd**

RHB has played a pivotal role in supporting Hutan Melintang Power Plant Sdn Bhd’s transition to a green business model. The Group’s green financing options have enabled the company to invest in sustainable technologies, such as converting palm oil waste to renewable energy, without straining their finances. Additionally, RHB has facilitated valuable networking opportunities with other green businesses, fostering collaboration and knowledge-sharing. Through the government’s SJPP Guarantee Scheme, RHB offered favourable financing conditions, supporting their expansion in green energy production.

By adopting RHB’s green products and services, Hutan Melintang Power Plant saw significant benefits in their business operations, including cost savings, risk mitigation, enhanced brand reputation and support for future growth. Moreover, their partnership with RHB has been characterised by strong collaboration, exemplary customer service, streamlined processes and comprehensive solutions tailored to their needs. Overall, RHB’s support has been integral to the company’s journey towards sustainability, positioning them as a responsible and forward-thinking company in their industry.

## ...Driving Sustainable &amp; Responsible Finance

SF



**“RHB understands our green product features and provides valuable ESG advisory services, which benefit our business operations. It also offers extensive trade facilities to support our working capital.” – Jack Teo, Managing Director, Topmix Resources Sdn Bhd**

Topmix Resources Sdn Bhd, a leader in the lamination industry since 2011, prioritises sustainability alongside its commitment to quality and design. The company embarked on its sustainability journey in 2015, obtaining certifications like UL Greenguard and Singapore Green Label.

RHB Bank Berhad’s support proved instrumental in enabling the organisation to overcome challenges ranging from cost implications to scarcity of eco-friendly materials. Through the RHB SME Sustainable Financing programme, RHB provided tailored financial solutions and essential ESG advisory services, enabling Topmix to accelerate its adoption of sustainable practices. The multi-trade line (“MTL”) facilities offered by RHB further facilitated smoother procurement processes, particularly for overseas purchases.

With RHB’s support, Topmix strengthened its position as an environmentally responsible business while meeting customer expectations. Leveraging RHB’s services and certifications helped Topmix to stay true to its commitment to sustainability, demonstrating the importance of strategic partnerships in driving positive change.

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## GROUP WHOLESAL BANKING

### Group Corporate Banking and Commercial Banking

We continue to support our corporate and commercial customers in their transition to sustainable and low-carbon practices by providing green, social and ESG-linked solutions to help them advance their respective sustainability goals.

Below are some of the selected key green, social and ESG-linked projects financing completed in FY2023 by our Group Corporate Banking and Commercial Banking teams:

Facility Type	Approved Limit (RM'000)	Customer	Category*
Green Unrated Medium Term Note	200,000	Corporate	Green Buildings
Bridging Loan	100,000	Corporate	Green Buildings
Commodity Murabahah Revolving Credit Facility-i	100,000	Corporate	Sustainability-Linked Financing
Commodity Murabahah Revolving Credit Facility-i & Term Financing	31,800	Corporate	Renewable Energy (Solar)
Term Loan ("TL"), Bank Guarantee ("BG"), Bridging Loan ("BL")	452,500	Commercial	Energy Efficiency

\* Based on EBAG categories

### Commercial Banking Customers' Testimonials

*"The Team at RHB were extremely supportive in aiding us in achieving this objective of providing quality homes at a great location at affordable prices to the B40 Community." - Potensi Lestari Sdn Bhd*

The RHB Team played a crucial role enabling Potensi Lestari Sdn Bhd to achieve its goal of providing high-quality homes in a prime location at affordable rates to the B40 Community. Their assistance was invaluable, particularly in securing crucial lines of credit for the completion of community-based facilities and ancillary buildings within the project. These amenities include various sports facilities such as a swimming pool, badminton court and basketball court.

Thanks to RHB's support, Potensi Lestari Sdn Bhd successfully completed the construction of these essential facilities and buildings, allowing them to deliver Phase 1 to buyers even during the challenging post-COVID period. With RHB's support, the company expedited the delivery of vacant possession to the respective owners, many of whom are from the B40 community and are first-time homeowners. Additionally, RHB's online banking platform significantly reduced the need for paper printing and minimised physical visits to the bank, enhancing customer experience and efficiency for all parties involved. Furthermore, the expediency in loan administration facilitated by RHB enabled Potensi to pay their contractors promptly, contributing towards improved supply chain management and relationships with suppliers.

*"With RHB's financing support, we could launch more affordable developments to serve our community." - SkyWorld Development Berhad*

RHB has played an indispensable role in extending support beyond infrastructure financing for SkyWorld's community empowerment projects, such as the MSN Sports Complex in Nilai and SkyArena Sports Complex in Setapak. Their commitment is demonstrated through tailored products, expert advisory services and proactive engagement, empowering SkyWorld to navigate challenges and seize opportunities effectively.

By tackling issues such as costing and incentivising development, RHB facilitates impactful initiatives that uplift communities and promote long-term prosperity. With RHB's backing, SkyWorld has gained more than just financial assistance; they have found a committed partner dedicated to their success, facilitating sustainable development and community enrichment. This holistic approach demonstrates that RHB's impact extends far beyond mere financial transactions.

## ...Driving Sustainable &amp; Responsible Finance

SF

## GROUP INVESTMENT BANKING

## Sustainable and Responsible Investment

In 2023, RHBIB has advised and arranged several SRI/ESG securities, including:

Sustainable Financial Services	Company	Eligible Green Activities	Amount (RM mil)
Perpetual Sukuk	Cypark Renewable Energy Sdn Bhd	Renewable Energy	8.45
Sustainability-linked Sukuk	Cenviro Sdn Bhd	Pollution Prevention and Control	21.6
Sustainability-linked Sukuk	Cenviro Sdn Bhd	Pollution Prevention and Control	15.0
Sustainability Sukuk	Small Medium Enterprise Development Bank Malaysia Berhad	Eligible Sustainability Activities	250.0
Sustainability Sukuk	Solarvest Holdings Bhd	Renewable Energy	25.0
Sustainability Sukuk	Cypark Renewable Energy Sdn Bhd	Renewable Energy	100.0
Sustainability Sukuk	Cypark Renewable Energy Sdn Bhd	Renewable Energy	165.0
Sustainability Sukuk	Bank Pembangunan Malaysia Berhad	Green Sukuk Eligible Sustainability Activities	250.0
ASEAN Social SRI Sukuk	Cagamas Berhad	ASEAN Social SRI Sukuk Affordable Housing	325.0

\* Based on EBAG categories

Going forward, we plan to expand the origination and distribution of ESG-related securities in Malaysia, and to explore new deals in the ASEAN region, especially in Singapore, Thailand and Cambodia.

## ESG Research

Since 2020, we have embedded ESG and climate, sustainability and climate considerations into our equity research reports in the Malaysian market, which are subsequently utilised by retail investors when making their investment decisions. To produce more robust reports, we have established an internal sustainability analyst team, which includes personnel who is accredited with the Chartered Financial Analyst ESG certification. In 2023, we issued 14 thematic reports, covering topics such as ESG, carbon emissions and net zero.

## Awards &amp; Recognition

The Asset Triple A  
Islamic Finance Awards 2023Best Sustainability  
Sukuk - Transport in  
Malaysia

Amanat Lebuhraya Rakyat's RM5.5 billion Sustainability Sukuk Murabahah - Bookrunner and Lead Manager



> Best in Sustainable  
Finance  
> Best Sustainability-  
linked Sukuk  
(Malaysia)

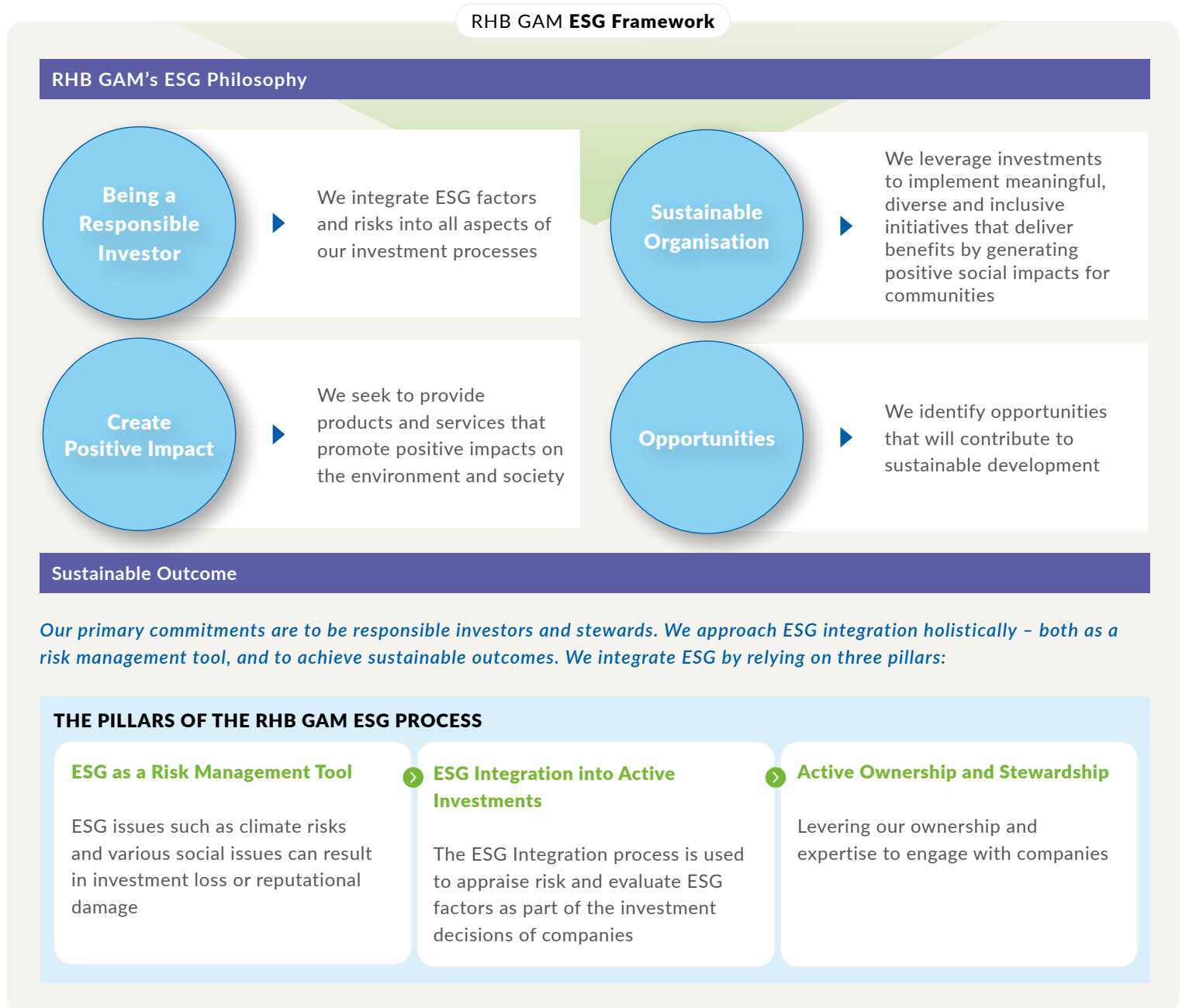
Cenviro's RM82.8 million Sustainability-linked Wakala Sukuk - Sole Principal Adviser, Lead Arranger and Lead Manager

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## Group Asset Management

At the heart of RHB GAM’s investment philosophy is the integration of sustainability and climate considerations.

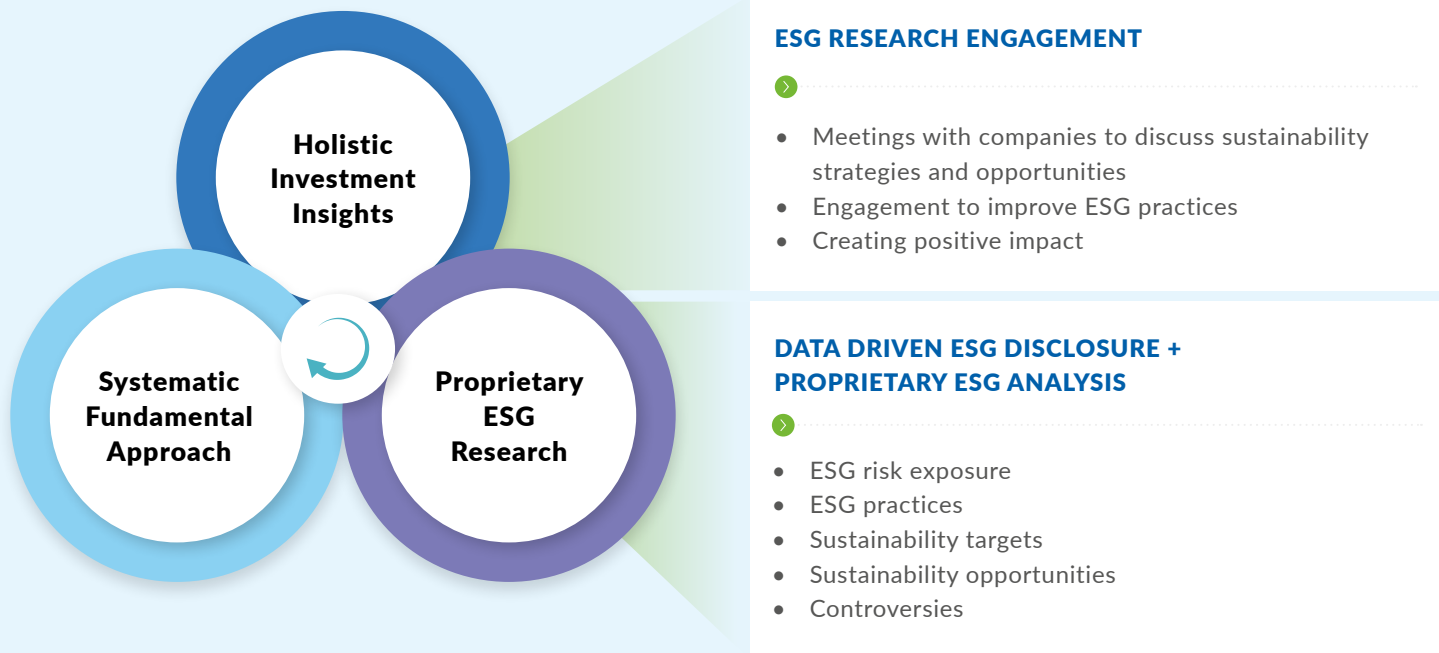
We diligently incorporate ESG factors and risks into all aspects of our investment processes. This approach is not just about risk mitigation; but also about fulfilling our fiduciary duty. We firmly believe that promoting sustainable practices is synonymous with acting in our clients’ best interests.





**...Driving Sustainable & Responsible Finance****SF**

*Our proprietary in-house ESG Research Process deploys Fundamental Analysis to integrate ESG risks into investment decisions. This is complemented by using an ESG Scorecard to deliver stronger sustainable returns to our customers*

**Approach to Active Stewardship**

**In line with the growing calls by investors for corporations to incorporate good sustainability practices, Group Asset Management - as the custodian of the funds of our clients - has decided to adopt an active stewardship approach in engaging with our investee companies. We believe that as an active investor, we can make a tangible impact in influencing our investee companies to adhere to ESG practices.**

In December 2023, we published our stewardship approach on the RHBAM MyInvest website. The RHB GAM stewardship approach is guided by the local stewardship code implemented by the Institutional Investors Council Malaysia. Our stewardship approach is two-pronged in that we will utilise a 'soft engagement' approach when engaging with investee companies over ESG concerns and proxy voting to shape positive corporate behaviour and investment outcomes. Through these two methods, we believe our investee companies will be compelled to strongly consider the advantages of taking a long-term value creation approach that prioritises ESG considerations which is then aligned with our fiduciary responsibilities to act in the best interests of our clients.

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

In particular, the RHB GAM stewardship approach recognises the pressing need for climate action. Hence, we are prioritising eight sectors that have been identified as having a high environmental impact.

The eight sectors, which are aligned with the Group's ESG sensitive sectors, are:

### The eight sectors are:



**Oil & Gas**



**Utilities**



**Mining**



**Steel, metal & ores**



**Auto production**



**Land/Rail/Sea transport & warehousing**



**Petrochemicals & chemicals**



**Plantations**

### Driving ESG Fund Growth

**As of 2023, RHB GAM has eight ESG Sustainable and Responsible qualifying theme funds with a total AUM of RM1,386.80 million against our target of RM5 billion by 2026.**

These funds enable investors to contribute to long-term impacts through climate change, healthcare, empowerment, and sustainable infrastructure investments.

No	Fund Name	AUM @ 31 Dec'23
1	RHB i-Global Sustainable Disruptor Fund	207
2	RHB Global Impact Fund	46
3	RHB Sustainable Global Thematic Fund	258
4	RHB Asia Sustainable Leaders Fund	26
5	RHB Climate Change Solutions Fund	15
6	RHB SRI Income Plus 2 (existing fund converted into a SRI fund)	800
7	RHB ESG Multi-Asset Fund	9
8	RHB i-Sustainable Future Technology Fund	26
<b>Total</b>		<b>1,387</b>

### Awards & Recognition

#### The Edge Malaysia ESG Awards 2023

**Best Fund Based on Asset Class – Allocation (Gold)**

RHB ESG Multi-Asset Fund RM-Hedged

**Best Impact – Resource Security (Silver)**

RHB Climate Change Solutions Fund RM-Hedged

#### Citywire ASEAN Awards 2022/23

**Best Sustainable Investments**

#### Bond Pricing Agency Malaysia (BPAM)

**Top ESG – Malaysian Trustees Berhad**

(Top ESG Trustee)

#### Malaysian Trustee Berhad

Malaysian Trustee Berhad, an entity within RHB GAM was appointed trustee for a Sustainability Sukuk with an issuance size of

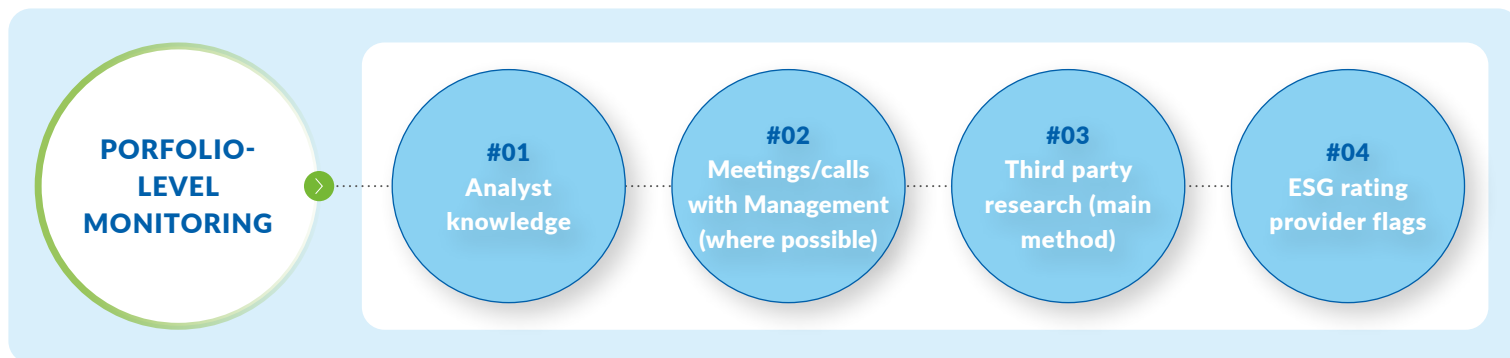
**RM390 million**

## ...Driving Sustainable & Responsible Finance

SF

### Group Treasury & Global Markets

We utilise an ESG rating model developed by Group Treasury & Global Market ("GTGM") to categorise eligible investments based on BNM's CCPT, aligning with our commitment to incorporate ESG factors and risks throughout the investment process. The integration of identified ESG concerns influences the final investment decision and the evaluation of relative value. The comprehensive investment decision-making process implemented by GTGM is illustrated in the table below.



Since its introduction in January 2022, the model has been applied to classify our investment portfolio. Subsequently, GTGM collaborated with Group Credit Risk Management to establish a new credit risk parameter, in accordance with BNM's CCPT and in alignment with GTGM's ESG objectives. All new credits are required to carry a minimum rating of C3 or better (i.e., C1, C2, or C3).

As of now, our entire portfolio has been rated 100% according to CCPT criteria. Since July 2021, GTGM (Domestic) has mobilised a cumulative total of RM7,980.67 million in sustainable financial services by the end of December 2023. Of this, RM3,104.72 million was mobilised in FY2023.

### RHB INSURANCE

Insurers play a crucial role in the transition towards a sustainable and low-carbon economy, as their unique position allows them to influence and facilitate sustainable practices across various sectors. Guided by the Group's Sustainability Strategy and Roadmap, and in line with regulatory expectations, Group Insurance integrates sustainability and climate-related considerations into its business activities, operations and risk management processes. In addition, a portion of Group Insurance's investment portfolio is invested into ESG-compliant assets, further enhance the positive impact created by its business activities. Beyond this, Group Insurance offers a range of ESG-related insurance products that support the Group's overarching ambition of driving the just and responsible transition to a low-carbon economy.

Since July 2021, Group Insurance has cumulatively mobilised RM12 million in sustainable insurance products as at December 2023, which included:

#### EV/Hybrid insurance



to promote the uptake of greener vehicles

#### Motor Saver



a product that allows customers to pay lower premiums from reduced mileage due to the current market trend of hybrid working structures. At the same time, this product promotes reduction of emissions from commuting and car travel

# SUSTAINABLE FINANCIAL SERVICES (Cont'd)

## RHB Insurance FY2023 Achievement

**RM6.67million**  
(Gross Written Premium basis)

## RHB Insurance FY2022 Achievement

**RM4.45million**  
(Gross Written Premium basis)

RHB Insurance launched the RHB Insurance Sustainability Roadmap in 2023. With this, RHB Insurance strives to strengthen its alignment to the Group's sustainability agenda, and further embed ESG considerations into its business and decision-making processes. The RHB Insurance Sustainability Roadmap will come into effect in 2024 and moving forward, RHB Insurance will monitor its performance against set KPIs that are in alignment with the Group's key sustainability KPIs.

### RHB INSURANCE SUSTAINABILITY ROADMAP

#### SUSTAINABILITY PURPOSE

**TO BE A SUSTAINABLY RESPONSIBLE GENERAL INSURANCE PROVIDER  
BY PROMOTING SUSTAINABLE AND INCLUSIVE GROWTH AND NURTURING CUSTOMERS, EMPLOYEES AND COMMUNITIES,  
WHILE UPHOLDING GOOD GOVERNANCE TO CREATE VALUE**

#### OUR ASPIRATIONS:

Sustainable insurance product positively impacting **110,000** policies by 2026

**50%** of our invest assets meet internal ESG criteria by 2026

Better life for **20,000** Malaysians by 2026

Achieve **Carbon Neutral Operations** by 2030

#### SUSTAINABLE & RESPONSIBLE INSURER

##### FOCUS AREAS

##### Financial Inclusion

Promote financial inclusion by providing affordable and quality insurance products to underserved individuals and businesses.

##### Sustainable Insurance Services

Create positive impacts through our investment and insurance businesses.

##### Sustainable Business Practices

Align underwriting criteria on customers in non-ESG activities.

#### EMBEDDING GOOD PRACTICES

##### FOCUS AREAS

##### Ethics & Conduct

Uphold integrity, ethics and compliance through robust policies and practices.

##### People & Workplace

Promote employee development and nurture a fair, diverse and inclusive workforce.

##### Sustainable Supply Chain

Promote responsible and sustainable practices across the entity's supply chain.

#### ENRICHING & EMPOWERING COMMUNITIES

##### FOCUS AREAS

##### Nurturing Future Generations

Promote growth with environmentally-friendly individuals and businesses through learning and eco programmes.

##### Lifting Communities

Drive awareness through engagement, cooperation and partner collaboration.

### PATHWAY TO A CLIMATE RESILIENT FUTURE\*

#### ENABLERS\*\*

\* Aligned to the RHB Group Sustainability Strategy and Roadmap Committed to Achieving Net Zero by 2050 pillar

\*\* Aligned to the RHB Group Sustainability Strategy and Roadmap identified enablers

## ...Driving Sustainable &amp; Responsible Finance

SF

## RHB Insurance Sustainability KPIs

**KPI 1: Sustainable and Responsible Insurer**

- 50% of our investment assets meet internal ESG criteria by 2026
- Sustainable insurance product positively impacting 110,000 policies by 2026

**KPI 2: Better life for 20,000 Malaysian by 2026**

- Promote awareness for the community, progressing 20,000 Malaysians towards a better life

**KPI 3: Achieve Carbon Neutral Operations by 2030**

- Managing our environmental footprint to reduce our GHG emissions

**KPI 4: Diversity, Equity and Inclusion**

- Encouraging inclusion of more women in senior leadership

**KPI 5: Group Climate Action Programme**

- Climate risk management and accurate climate-related reporting to regulators

Moving forward, Group Insurance will focus on the execution of its Sustainability Roadmap, working towards the KPIs and aspirations that have been established. Through these efforts, Group Insurance will also support and drive the Group's overall sustainability agenda, thereby accelerating the just and responsible transition towards a low-carbon economy.

**GROUP INTERNATIONAL BUSINESS****RHB Singapore**

RHB Singapore made significant strides towards advancing the Group's sustainability goals, particularly in the realm of sustainable financing. In 2023, RHB Singapore surpassed expectations by achieving an impressive 430% of GIB's 2023 target, recording sustainable financing of over SGD751 million well above the targeted SGD214 million.

Within Corporate and Investment Banking, RHB Singapore took proactive measures to identify suitable clients for ESG-related loans. This included exploring opportunities to transition existing non-ESG loans into ESG-compliant ones. Additionally, RHB Singapore successfully onboarded new customers with specific ESG loan requirements, achieving SGD779 million in ESG loans, surpassing the set target of SGD154 million. In the Treasury domain, RHB Singapore demonstrated a commitment to directing investments toward increasing ESG assets wherever feasible.

**Notable Deals (FY2023)**

Sustainable Financial Services/Facility Type	Amount (SGD million)	Category*
<b>Term Loan</b> Acquisition of property to achieve NABERS	<b>110</b>	Green Building
<b>Term Loan</b> Acquisition of property with a BCA Greenmark	<b>90</b>	Green Building
<b>Sustainability Linked Loans</b> Carry a sustainability-linked feature with Sustainability Performance Targets linked with reduction of the combined Scope 1 and 2 GHG emission for the REIT's Singapore properties	<b>65</b>	Energy Efficiency
<b>Green Bonds</b> To finance and/or refinance, in whole or in part, new or existing Eligible Green Projects including Clean Transportation, Energy Efficiency	<b>13</b>	Clean Transportation

\* Based on EBAG categories

Looking ahead, RHB Singapore remains committed to fostering sustainable practices in Retail Banking. This involves ongoing training for sales staff on ethical considerations and product appropriateness, as well as continuous efforts to onboard ESG-compliant mutual funds. In Investment Banking, the focus will remain on identifying clients suitable for ESG-related loans, exploring opportunities to refinance existing non-ESG loans into ESG-compliant ones, and onboarding new customers with ESG loan requirements.

# FINANCIAL INCLUSION

## Why It Is Important

**Financial inclusion goes beyond providing access to financing services; it is about empowering individuals and businesses for economic improvement and stability.**

Moreover, by offering financial services to targeted community segments and businesses, such as students, entry-level workforce, the underserved, SMEs, and microenterprises, we are building resilient economies, reducing inequality, and improving the overall quality of lives of the local communities. Ultimately, our end goal is to enhance long-term financial well-being and foster economic empowerment in our communities.

The benefits for these segments are substantial, ranging from poverty alleviation and entrepreneurship to business growth, risk mitigation, and social development. With financial inclusivity, businesses gain improved access to essential credit and capital, crucial for the growth of startups and small enterprises. Entrepreneurs, in return, can invest in their businesses, create jobs and contribute meaningfully to local economies.

## OUR APPROACH

At RHB, we are driven to empower over two million targeted individuals and businesses across ASEAN by 2026. Our commitment extends to targeted groups, including students, youths, new entrants to the workforce, the underserved, SMEs and micro-enterprises. At the core of our sustainability strategy lies a pivotal focus on financial inclusion, representing our steadfast commitment to democratising financial literacy among diverse demographic segments. Through targeted programmes, we address critical topics such as financial security and awareness, the importance of saving, investment strategies and protecting against financial fraud. Our commitment underscores our adherence to ethical governance principles and our passion for advancing financial inclusion.

## IMPACTS OF THIS MATERIAL MATTER

### Inclusive Financial Solutions

#### SME Online Financing

SME Online Financing is a mobile application for Malaysian SMEs to submit working capital financing applications anytime, anywhere, within minutes—all through their mobile phone. Applicants are also able to view updates of their application status. This platform is meticulously designed to simplify the borrowing process for SMEs, enabling easier access to vital funds.

**Number of working capital financing applications in 2023:**

**3,834** SME Customers

#### Supporting First Homeownership Among Malaysians

In our aspiration to support homeownership among Malaysians, we have introduced the Skim Jaminan Kredit Perumahan (“SJKP”) Home Financing-i prior to discontinuation of the Skim Rumah Pertamaku (“SRP”) in April 2023. In the year under review, we revised the product features and target segment eligibility according to SJKP criteria. The revisions are qualifying monthly income of RM11,000\*\*, financing up to 100% + 10%\* (\*to finance MRTT and/or legal fees and valuation fees) or up to RM500,000 whichever is lower, enabling the Bank to support M40 Malaysians to own their first home. As of December 2023, the Bank has offered a total of RM778.60million to 2,705 customers.

\*\* Under the prior scheme, qualifying monthly income was capped at RM10,000

#### RHB Supplier and Vendor Financing Programme

In 2023, the Group launched the RHB Supplier and Vendor Financing Programme in collaboration with Syarikat Jaminan Pembiayaan Perniagaan (“SJPP”) that aims to empower SMEs with working capital financing totalling RM450 million by end-2023. This programme targets Malaysian SMEs that are contracted to provide goods and services to the Federal and State Governments and selected government-linked companies (“GLCs”). Eligible SMEs can receive up to RM10 million of financing. Furthermore, SMEs experience a swift and hassle-free loan application and quick fund disbursement, significantly improving their business cash flow. This, in turn, enabled them to tender for more projects and grow their business quickly. As of December 2023, RM66.9 million of financing was approved and accepted through the programme, benefitting approximately 30 SMEs.

## ...Driving Sustainable &amp; Responsible Finance

FI

**Affordable Insurance Products**

Affordable general insurance, is essential for individuals and businesses alike. It provides protection against various risks and uncertainties, offering financial security in case of unexpected events like accidents, theft, or property damage. Affordable general insurance policies help mitigate potential financial losses, enabling individuals and businesses to recover and rebuild without facing significant financial strain. Moreover, it promotes confidence and stability in daily activities, encouraging economic growth by safeguarding assets and investments.

*RHB Insurance currently offers the following affordable insurance products, which are catered to meet the needs of targeted individuals, notably from the B40 segment:*

- **Perlindungan Hero** – Launched in October 2023, Perlindungan Hero replaces our former Perlindungan Tenang Personal Accident Insurance. This product provides affordable yearly renewable basic protection that is accessible to all. Through this product, we strive to provide the B40 segment with access to insurance coverage that is affordable and well-suited to their needs.
- **RHB Rahmah Personal Accident Insurance** – Launched in 2023, this provides affordable personal accident protection of not more than RM11 a year to the B40 segment, to promote financial inclusion among the underprivileged community.

**Advancing Financial Inclusion****MySISWA Project**

MySISWA is a collaborative initiative between RHB and the Ministry of Higher Education (“MOHE”), universities, Yayasan Kebajikan Mahasiswa and Perbadanan Tabung Pendidikan Tinggi Nasional, whereby students from 20 public universities are able to open a MySISWA savings account with us and use their debit card as their student card/ID. The programme allows students to manage their own funds, instills financial saving habits, promotes a cashless and smart campus, and a better financial ecosystem for students and the public universities participating in the programme. Since 2022, over 600,000 students have opened a ProSavings-i account through the programme and issued a MySISWA debit card.

**MySISWA TESTIMONIALS****Ummi Mardhiah**

Student



I used to always prefer using cash. But after learning about and using the RHB MySISWA Debit Card-i, I have embraced a cashless lifestyle. Using the debit card is easy and highly convenient and I am even able to improve my saving habits. I will always use RHB's card!

**Muhammad Emir Danish**

Student



Nowadays, I only use one card wherever I go, and that is the RHB MySISWA Debit Card-i. I use my MySISWA savings account for all my financial needs, and I appreciate its convenience. I believe that it has made my life much more seamless, especially in an increasingly digital and cashless economy.

**Nurhaziq Haikal Najmie**

Student



I feel that there are many advantages to the RHB MySISWA Debit Card-i and the MySISWA programme. For one, the card functions as our student ID card throughout the campus. At the same time, it makes life more convenient for myself and other students, because we can use the same card for our daily spending. On top of this, we are able to take advantage of RHB-exclusive promotions and discounts, which can ease the burden in relation to purchasing student needs.

# FINANCIAL INCLUSION (Cont'd)

## RHB #JomBiz

RHB #JomBiz is a social empowerment programme that aims to uplift micro, small, and medium enterprises (“MSMEs”) with annual sales turnover of not more than RM300,000 through capability-building, mentorship and provision of seed funding. Through this programme, we aim to boost their businesses, whilst also equipping them with business acumen, empowering them to sustain and grow their business moving forward.

470  
microbusinesses have participated in RHB #JomBiz since 2022

Granted seed funding to  
60 MSMEs in  
FY2023

### RHB #JOMBIZ PARTICIPANTS' TESTIMONIALS



#### Hamidah Binti Abu Kasim

Founder of Mayaleo Enterprise

Top 30 Consolation winner of Cohort 3 (RM2,000 seed funding recipient)



RHB #JomBiz has given me many opportunities in developing my business, especially through participating in the #JomBiz Bazaar at RHB Centre. Apart from that, through this programme as well, I was able to establish business relationships with other entrepreneurs who were very positive, and the programme has also helped to increase my income. Thank you, RHB!



#### Muhamad Hafiz Bin Muaham Ahyat

Founder of Perdagangan Ahmaz

RHB #JomBiz Cohort 3 Champion (RM15,000 seed funding recipient)



To me, RHB #JomBiz is a great programme. In addition to the seed funding, we also got something quite extraordinary which is networking, which I feel has benefitted us a lot. This programme provides us with a grant, allow us to meet new friends, and most importantly, provides us with knowledge to improve our business performance. I hope that this programme will continue to be successful so that it can provide more benefits to the public.



#### Ahmad Safwan bin Mohd Azam

Founder of Saff One Laundry Services

Top 30 Consolation winner of Cohort 3 (RM2,000 seed funding recipient)



While everyone who participates in this programme wishes to receive seed funding, the most important benefit from the programme is the knowledge gained from the trainers during the virtual classes. I can assess what needs to be improved in terms of my business management. By participating in this RHB #JomBiz programme, I have opened a new service that I had never thought of before and managed to get my first laundry tender with PLUS Malaysia.

▲ For further information on RHB #JomBiz, please refer to page 216.

## RHB Money Ma\$ter Programme

Since 2018, the RHB Money Ma\$ter Programme, endorsed by the Ministry of Education, has consistently provided financial literacy programmes to school-going youths nationwide.

10,828 students at  
45 secondary schools in 2023,  
*an increase compared to 10,165 students in 2022*

Over 44,000  
school students reached to date

▲ For further information on the RHB Money Ma\$ter Programme, please refer to page 214.



## ...Driving Sustainable &amp; Responsible Finance

FI

**Financial Literacy through Community Engagement**

Driven by our commitment to promote financial inclusion, we also conducted the following additional initiatives in 2023:

**COMMUNITY DAYS**

In FY2023, we held 32 community days at our branches, welcoming both customers and the public. Collaborating with partners like ASNB and KWSP, these events offered a fun atmosphere while providing opportunities for individuals to learn about our products, including insurance and wealth management, in an accessible manner.

**ADVOCACY, AWARENESS AND SHARING SESSION**

We have continued to prioritise advocacy and awareness sessions on financial literacy and sustainable investing for our affluent and retail investors. We have achieved this through a range of mediums, from articles and podcasts to videos. We have also hosted a sharing session titled "Investing for Gen Z" at Sunway University as part of our efforts.

**SINGAPORE FINANCIAL LITERACY PROGRAMME**

Aligned to the Group's efforts to promote financial literacy, RHB Singapore conducted three rounds of its financial literacy programme in FY2023, reaching 304 youths.

**RHB SINGAPORE FINANCIAL LITERACY TESTIMONIALS****Dede Tham**

*Education Manager, Chen Su Lan Methodist Children's Home*



The Financial Literacy Programme proved to be both engaging and beneficial for our residents. It effectively utilised gamification processes to keep the youths continuously engaged, using real-life situations to facilitate easier understanding. We extend our gratitude to RHB for offering this valuable opportunity to our residents

**Illa Haziqin**

*Volunteer Management and Programmes Executive, Chen Su Lan Methodist Children's Home*



While some Financial Literacy Programmes tend to be dull, RHB has managed to make this one engaging for both youths and younger children, tailoring it to suit their specific needs. The execution was commendable and brought substantial benefits to them.

**Mr Hoon Yeng Wei**

*HOD Character and Citizenship Education, Boon Lay Secondary School*



The programme not only addresses the needs of students, but also equips them with essential life skills that will undoubtedly shape their financial futures. The content is presented in a clear and engaging manner, ensuring that even students find it accessible and relevant. The use of gamification further enhances the practicality of the lessons, making complex financial concepts easy to grasp.

**Moving Forward**

RHB remains committed to bridging socioeconomic gaps and improving quality of life by driving financial inclusion. Moving forward, the Group remains committed to expanding access to financial products and services for underserved individuals and businesses. This will involve us continuing to develop innovative and accessible financial solutions tailored to the specific needs of our communities, leveraging digital technologies to enhance financial literacy and accessibility, and collaborating with strategic industry partners to further maximise our positive impacts. Through these ongoing efforts, RHB aims to empower individuals and businesses, promote economic growth, and contribute to a more inclusive and equitable society, embodying our purpose of Making Progress Happen for Everyone.

## ...Driving Sustainable & Responsible Finance

### LEVERAGING DIGITALISATION FOR VALUE CREATION

The rise of digital technologies has profoundly impacted how customers engage with and utilise financial services. RHB recognises the need to accelerate our digital agenda for us to remain relevant in the face of steep competition. Guided by the Group's TWP24 corporate strategy, we are driven to make financial services more efficient, convenient and accessible, bringing together the best digital experiences to help customers address their financial needs.

We continue to invest in systems, technologies and analytics capabilities to enhance our digital offerings, thereby ensuring that the Group can provide tailored products and services to meet customers' evolving needs. This approach not only elevates customer experience but also ensures that RHB remains competitive in the dynamic financial sector.

#### Sustainability Focus Area

- Financial Inclusion
- Advancing SMEs Towards Sustainable Business Practices

#### TWP24 Focus Area

- Employ Cutting Edge Technology
- Accelerate Intelligent Banking Services

#### UN SDGs



#### Material Matters



**Digitalisation and Investment in Technology**

## DIGITALISATION AND

### Why It Is Important

RHB's strategic investment in digitalisation and technology is integral to future-proof our business and operations, ensuring we remain competitive and adaptable amidst the rapidly evolving financial services landscape. Embracing digitalisation not only creates value for our customers through enhanced services and broader reach, but also empowers our employees by increasing productivity, contributing to our long-term success.

Continued investment in digitalisation and technology enables operational efficiency, cost reduction, and innovation, ultimately creating a smoother experience for customers. We are also able to quickly adapt to market changes and effectively respond to customer demands by delivering next-generation solutions. We also strive to forge strategic partnerships within the industry to create new ecosystems with a view to enrich the customer experience by making the banking experience more seamless and intuitive.

### OUR APPROACH

Digitalisation and investment in technology form a cornerstone of RHB's TWP24 corporate strategy, directly supporting our strategic objective of "Prioritising Customer Experience". By employing cutting-edge technology, accelerating intelligent banking services and cultivating a future-ready workforce, RHB aims to deliver exceptional digital experiences that cater precisely to our customers' evolving needs. Furthermore, our digitalisation efforts support the Group's sustainability agenda by promoting financial inclusion. This ensures that our financial services remain accessible and relevant to everyone, including SMEs and underserved communities.

Our digitalisation strategy is centred on a mobile-first approach, ensuring our platforms are intuitive and anticipatory to meet the diverse and evolving needs of our customer segments in a secure manner. Recognising the distinct requirements of various customer groups, our digital initiatives are tailored to deliver a seamless and personalised experience. Underpinning our digital strategy lies our ongoing commitment to ensure a safe and secure digital environment for all users, especially with rising cyber threats.

▲ Further information on cybersecurity and data protection is detailed on page 169.

...Driving Sustainable & Responsible Finance

# INVESTMENT IN TECHNOLOGY



## DIGITAL TRANSFORMATION PROGRAMME

RHB's Digital Transformation Programme ("DTP") was implemented in 2017, to seamlessly integrate digital experiences into our customers' lifestyle and business requirements. Through the programme, we have been able to create a robust digital banking ecosystem, elevating our customers' experience and enhancing our delivery.

Within the framework of our DTP, we harness digital ecosystem partnerships via four key areas:

### EMBEDDING DIGITAL EXPERIENCES IN OUR CUSTOMERS' LIFESTYLE AND BUSINESS NEEDS

#### EMBEDDING FINANCIAL SERVICES THROUGH DIGITAL ECOSYSTEM PARTNERSHIPS

##### DIGITAL CUSTOMER



Innovative customer-centric experience

##### CUSTOMER ENGAGEMENT & ACQUISITION



Frictionless digital experience

##### ACCELERATING DIGITAL PAYMENTS



Enabling lifestyle and business tools towards a cashless society

##### DIGITAL ENABLEMENT OVERSEAS



Expanding digitalisation to key home markets (Cambodia & Singapore)

Data Analytics and Artificial Intelligence-Driven

Next Generation Technology Capabilities

#### PROGRESS TOWARDS TWP24 TARGETS

##### TWP24 Digital, IT & Analytics Targets



≥65%  
Systems Modernised by 2024

≥50%  
Processes Automated by 2024

>95%  
Digital Transactions in 2024

RM480 million  
Analytics Benefits in 2024

##### FY2023 Achievements



61.6%

45%

89.4%

RM363.1 million

# DIGITALISATION AND INVESTMENT IN TECHNOLOGY (Cont'd)

DTP Achievements since its implementation in 2017	2017 Baseline	2023 Achievements
Transactions made via digital channels, including ATM (%)	64.2	89.4
(a) Internet Banking Penetration (%)	38.9 <sup>1</sup>	40.3
(b) Mobile Banking Penetration (%)	10.3 <sup>1</sup>	53.4
Total digital users (million)	1.5	>2.4
RHB Internet Banking users (%)	38.91	40.3
RHB Mobile Banking app users (%)	10.3	53.4
Digital Transaction (%)	64.2	89.4
Digital Business Origination (%)	<1	21.4

<sup>1</sup> Based on older version of platform

## IT INVESTMENT ALLOCATION

To achieve our digitalisation targets and goals, the Group continues to allocate its resources towards digital and IT modernisation:

- **Funds allocated for Digital and IT investment (2020 - 2023):** RM1.35 billion, utilised 86.03% as of December 2023
- RM314.2 million for **IT Modernisation Programme from 2020 -2023**, to ensure future readiness, incorporating modern structures such as Cloud and DevOps between 2020-2022

<sup>1</sup> Some projects are still ongoing as at December 2023, hence the allocated amount has not been fully utilised at year end. Additionally, due to effective negotiations and agreements with our suppliers and service providers, some projects may have been completed at a lower cost than expected.

## RHB Innovation Roadmap

The RHB Innovation Roadmap aims to strategically introduce initiatives in phases, fostering scalable innovation and positioning ourselves ahead of competitors.

We have identified three phases for our execution:



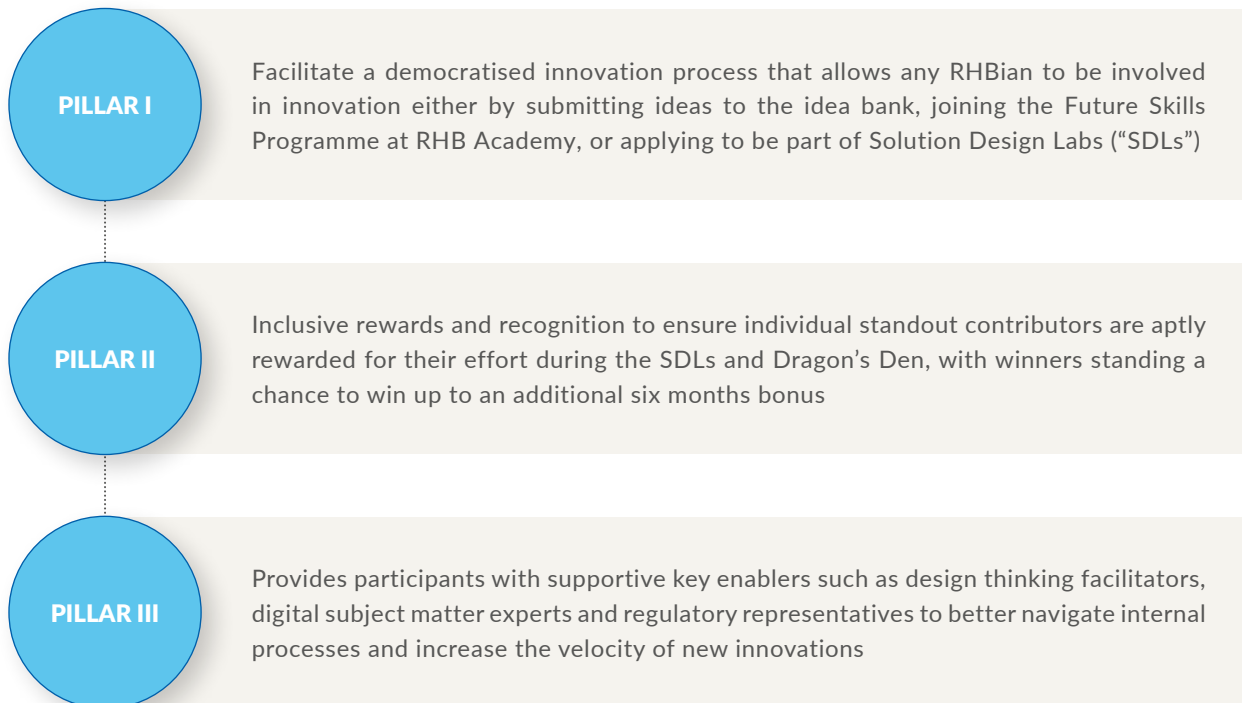
## ...Driving Sustainable &amp; Responsible Finance

DI

Under our roadmap, we have initiated programmes such as:

#### RHB Innovation Community of Excellence ("RICE")

The RHB Innovation Community of Excellence ("RICE") serves as a hub for innovative ideas, encouraging open contributions and recognising top-notch innovations, structured around three pillars:



Under RICE, we have developed programmes such as:

- > **RHB Dragon's Den** - inspired by the TV show, the programme offers teams a platform to pitch ideas to senior management
- > **Learn, Earn & Progress ("LEAP")** - a volunteer-led initiative that empowers RHB employees to ideate and execute solutions related to TWP24's Programme 11: Build Leading and Next-Generation Customer Experience
- > **RHB Xcelerator** - a three-month accelerator programme aimed at nurturing fintech and adjacent vertical startups. The programme also assists in addressing challenges in support of the theme "Together We Progress for Financial Inclusion"
- > **RHB Get Your Hack On ("GYHO")** - a regional hackathon programme focused on solving customers' pain points through co-creation and co-experimentation within the wider tech ecosystem
- > **Workforce of the Future ("WOTF")** - a capability upskilling programme which ensures that our workforce embrace digitalisation

# DIGITALISATION AND INVESTMENT IN TECHNOLOGY (Cont'd)

## INITIATIVES

### BOOST-RHB DIGITAL BANK CONSORTIUM

Together with Boost, a regional fintech leader, we have successfully secured the approval from Bank Negara Malaysia (“BNM”) and the Ministry of Finance (“MOF”) to launch operations as a digital bank.

As of the time of writing (March 2024), the digital bank, formally known as Boost Bank, is currently going through its Alpha Testing Phase with selected customers/users to ensure optimal user experience before public launch.

The consortium is notably the first primarily Malaysian-owned digital bank, introducing an innovative embedded digital bank app focused on addressing financial inclusion gaps for underserved populations, marking a significant step towards fostering a more inclusive financial ecosystem in the country.

Boost Bank will start with an innovative savings proposition and will progressively enhance its offerings to cater to the diverse needs of Malaysians. With this, we aim to advance the nation’s financial inclusion agenda, towards creating shared value for all.

## Enhancing Customer Experience

### Retail Banking

#### PLATFORM: RHB ONLINE & MOBILE BANKING

##### Key Updates

- In FY2023, we completed the migration of “RHB Now” mobile and internet services to the new Internet and Mobile Banking platform, creating a seamless omnichannel experience for customers
- The platform recorded a total unique customer growth of 43.9% YoY
- The overall penetration rate against the eligible base grew 15.3% YoY

##### Performance in 2023

- In line with BNM directives, we have implemented the following to combat online fraud occurrences:
  - > **Kill Switch feature** - Customers can lock the access to their banking account when fraudulent activity is detected
  - > **Secure Plus** - A transaction authorisation feature for RHB Mobile Banking and RHB Internet Banking platforms for customers to bank safely through Device Binding
  - > **Authorised Device** - Restriction of usage according to only one authorised device linked to customers’ RHB Mobile Banking app
  - > **Cooling off period** - Introduced during first-time enrolment to allow time for fraud mitigation action
  - > **Removal of SMS** - The SMS one-time password (“OTP”) has migrated to the Secure Plus feature for enhanced security
- Self-serve service request – allowing customers the accessibility to directly submit their request and track their savings, debit and credit card request

#### PLATFORM: MYHOME APP + PARTNERS APP

##### Key Updates

- Developed as an ecosystem that offers a comprehensive range of services to guide homebuyers through their homeownership journey
- Consists of the RHB MyHome App, designed for mortgage loan/financing application and processing; the RHB MyHome Web Platform, offering resources and services to transform a house into a home and the RHB Partners App, facilitating developers and real estate professionals in recommending home loan/financing offers to their clients

##### Performance in 2023

- Digital mortgage sales acceptance via MyHome and Partners app contributed 83% of total direct sales mortgages, stood at RM7.4 billion YTD Dec 2023.

## ...Driving Sustainable &amp; Responsible Finance

DI

## SME Banking

## PLATFORM: SME ONLINE FINANCING

## Key Updates

- Customers are able to fully apply for loans online instead of physically visiting the branch, thus simplifying the applications process

## Performance in 2023

- Surpassed RM1.2 billion for our SME online financing mobile app portfolio value, indicating a noteworthy growth rate of 5%. The average approval in principle time for TaT decreased to the same day, showcasing our commitment to service excellence and achieving commendable efficiency milestones
- RM477 million loans were approved

## PLATFORM: SME E-SOLUTIONS

## Key Updates

- Delivers management solutions for SMEs, encompassing operations, human resources, and accounting system
- This collaborative initiative operates in conjunction with seven solution providers

## Performance in 2023

- 4,297<sup>^</sup> customers onboarded with total customers of 22,252 since inception
- 19% increase in average deposit balance for SME e-Solutions customer

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## WATCH THE VIDEOS BELOW TO LEARN MORE ABOUT OUR SME E-SOLUTIONS



RHB SME e-Solutions: How it all began  
<https://youtu.be/Os61vwD6AYg?si=CvKwUT1h9EWtXt9C>



RHB SME e-Solutions: Every business has a story to tell  
<https://youtu.be/t6uWMHyO9JA?si=W0hl35th61oX0zwE>

# DIGITALISATION AND INVESTMENT IN TECHNOLOGY (Cont'd)

## RHB Singapore

Retail Banking	Business Banking
<ul style="list-style-type: none"> <li>• Adoption of digital banking – approximately 98% of customer accounts are opened digitally through Mobile Banking or Branch eForms. Both platforms feature automated screening, customer data creation and risk profiling capabilities.</li> <li>• Digital platform for automated screening, customer data creation and account opening at branches (Branch eForms) – achieved 83% reduction in customer waiting time at the branches and seamless account creation with 99% reduction in human errors.</li> <li>• Expansion of Mobile Banking account – online banking integration with 68% of deposit accounts completed through the mobile app.</li> <li>• Access to electronic statements for both local and foreign currency accounts – 85% of mobile banking clients have transitioned from paper statements.</li> <li>• Facilitation of straight-through Foreign Currency Conversion and Foreign Currency Fixed Deposit Placement through Mobile Banking – service is available 24/7 with real-time conversion.</li> </ul>	<ul style="list-style-type: none"> <li>• Successful launch of PayNow Corporate, the equivalent of DuitNow, in June 2023 – service proposition expanded to non-retail customers.</li> <li>• Implementation of biometric recognition on the Reflex mobile app – user experience is further enhanced in terms of accessibility and security.</li> </ul>

## Wholesale Banking

RHB Reflex is a comprehensive banking platform catering to businesses across various sizes and sectors, offering convenient access to diverse products and services. It is designed to empower business owners in effectively managing their cash flows, covering aspects such as account management, payment processes, collection, and liquidity management. This, in turn, aids customers in sustaining long-term business growth and fortifying governance.

The platform integrates digitalisation by featuring RHB Reflect Mobile app, DuitNow QR integration, and RHB LiveFX. Through these enhancements, the RHB Reflex platform is utilised by 165,956 customers in FY2023 against 149,503 customers in FY2022, an increase of more than 11%

### Driving Operational Efficiency

**Investing in digitalisation and technology to improve operational efficiency leads to reductions in costs and human error and an improved digital experience for customers. Thus, RHB continues to streamline our processes and systems, allowing us to better serve our customers.**



## ...Driving Sustainable &amp; Responsible Finance

DI

## Retail Banking

**PLATFORM: BRANCH DELIVERY SYSTEM (“BDS”) EVO****Key Updates**

- We have enhanced our Branch Delivery System “BDS” EVO to improve our client onboarding experience through digitalisation and going paperless for seamless processes in MVP1.
- The MVP2 includes enhancement in our transaction processes and an upgrading of the Branch Delivery System (“BDS EVO”) with web-based solution to improve the customer journey and experience. Additionally, it also solves critical issues and reduces TAT for customer and branch processes through the digitisation of key processes and centralisation of key controls
- Since its launch in 2022, we have saved 11.0 million minutes, which is a reduction of 60% in average account opening time, translating to cost savings and avoidance of RM12.4 million

**Performance in 2023**

- Product catalogue with multiple onboarding, enabling a straight-through process to onboard customers with products of their choice. This feature allows the selection of multiple products in a single journey, which improves the serving time and customer experience.
- Key data validation (such as mobile number) allows a real-time mobile number confirmation through an OTP SMS, hence eliminating the potential of mule account registration
- Paperless and digital signature, which was developed to reduce extensive printing and storage usage
- Straight-through journey that benefits both customer and branch process through digitisation, i.e. SMS, email and dual screen confirmation

**PLATFORM: CENTRALISED CUSTOMER STATEMENTING SOLUTION (“CCSS”)****Key Updates**

- The solution provides in-house statementing to mitigate outsourcing risk, improve overall customer experience, enhance operational effectiveness and reduce operational costs
- We have implemented statements for Current Accounts, Savings Accounts, Fixed Deposits, Multi-Currency Accounts, Unit Trusts and Direct Bonds in the year under review. The rest of the statements and notices will be implemented in 2024
- Besides the refreshed statement appearance, our support staff (i.e. branches and CCC) now have access to all customers statements to provide better customer service.

**Performance in 2023**

- Cost savings of RM1.7 million from ePull and ePush

## SME Banking

**PLATFORM: iSMART SOLUTION****Key Updates**

- Enhances the efficiency of our Relationship Managers in assessing and approving loan applications by facilitating virtual meetings and expediting digital processing

**Performance in 2023**

- Efficient turnaround time for Retail SME loan and financing approvals, maintaining an average approval turnaround time of 0.6 days, consistent with FY2022 performance
- Year-on-year productivity from the Retail SME sales channel remains consistent with FY2022 performance
- SME's productivity experienced a marginal decrease of 1.30% year-on-year due to a more challenging business environment
- 2.1% increment in SME productivity year-on-year from the iSmart SME RM digital tool solution, which empowers greater relationship management and loan application process

# DIGITALISATION AND INVESTMENT IN TECHNOLOGY (Cont'd)

DI

## RHB Singapore

### Retail Banking

- Shift towards paperless statements – FD eAdvices are now sent to customers via email or retrievable on the Mobile Banking platform as part of our commitment to go green.
- Enabled the update of FD Maturity Instruction via Mobile Banking – customers can perform self-service updates without the need for submitting physical forms at the Branch or contacting their Relationship Managers.

### Business Banking

- Shift towards paperless statements – as part of our sustainability initiative to promote environmental responsibility, Reflex SG now provides access to e-statements for CASA, FD, and Loans. This initiative aligns with our commitment to go green.

### Awards & Recognition

#### Asian Banking & Finance Retail Banking Awards 2023

Domestic Retail Bank of the Year

Millennial Product Initiative of the Year

#### 17th Annual Southeast Asia Best Financial Institution Awards 2023

Best Digital Bank in Malaysia

#### Retail Banker International Asia Trailblazer Awards 2023

Excellence in SME Banking (Winner)

Best Mortgage Offering (Winner)

Best Debit Card Initiative (Winner)

Excellence in Loan Origination Process (Winner)

Trailblazing Use of AI or Machine Learning in Financial Services (Highly Commended)

## Improving Employee Productivity

### Operational Efficiency and Employee Productivity Initiatives

#### Agile@Scale

In recent years, we have embraced the concept of “Agile” across the organisation. The primary focus of this transformative shift is to consistently embed the Agile practices, accelerating the benefits through robust execution and emphasising customer-centric products, internal process improvement, innovation, and quality growth. Agile@Scale prioritises the values of “Doing Agile” and “Being Agile” by focusing on Agile Product Management, Change Management and Process Transformation. We are currently executing several Agile projects and improvement initiatives such as cost optimisation and processes and strategic system enhancements, all gearing towards elevating productivity at the Group level.

#### MyApp2HR

Enhanced features for MyApp2HR list of functions. The app is an innovative platform for RHB employees that consolidates people-related matters.

#### Workforce of the Future (“WOTF”)

- A capability upskilling programme which ensures that our workforce embrace digitalisation
- In FY2023, we retained our retained our Digital, IT and Analytics (“DIA”) workforce mix at 7.7% of total employees from 2022
- Over 600 employees registered for the Future Skills Programme in 2023, of which 494 employees successfully completed the programme

## Moving Forward

The Group will continue to actively steer the development of a comprehensive digital ecosystem, leveraging the Group's existing partnerships with key players in the industry. This initiative is aimed at improving customer experience and accelerating speed and accessibility as well as positioning the Group strategically to remain competitive. By leveraging digital technologies, we seek to create innovative solutions that cater to the evolving needs of our customers, ensuring a seamless and cutting-edge experience.

...Driving Sustainable & Responsible Finance

# CUSTOMER EXPERIENCE



## PRIORITISING EXCELLENCE IN CUSTOMER EXPERIENCE

In today's highly competitive business landscape, prioritising excellence in customer experience has emerged as a critical differentiator that can set us apart from the rest. Our strategic focus goes beyond delivering mere customer service; it encompasses every interaction and touchpoint our customers have with us as a financial services group. We always strive to exceed expectations by embedding a customer-centric approach across the Group, implementing initiatives to improve the end-to-end customer experience and drive customer satisfaction.

As a financial institution, we place a strong focus on upholding customers' trust and confidence in us, and act with the highest level of integrity. Further, in meeting our customers' diverse needs, we ensure that all customers are treated with respect and fairness, regardless of customer profile or needs. By fostering meaningful connections with our customers and creating positive experiences, we can build mutually beneficial partnerships that drive shared success in the long term.

### Sustainability Focus Area

- Financial Inclusion

### TWP24 Focus Area

- Be the Primary Financial Services Provider

### UN SDGs



### Material Matters

- CX** Customer Experience
- FC** Fair Treatment of Financial Consumers

## Why It Is Important

**Customers are an essential stakeholder to us as they contribute towards our business success and form the foundation for long-term stability and sustainability.**

In line with our aspiration to be a Leader in Service Excellence, we build robust customer relationships by delivering excellent customer experience. We believe that by serving our customers beyond their expectations, we can gain customer satisfaction, which will continue to strengthen our reputation.

## OUR APPROACH

Aligning with our Customer Service Charter, we aim to continuously build trust and confidence with our customers by empowering them to attain their personal and business objectives through our services. Our key priorities in customer experience management include:

- 1 Thinking ahead for our customers by understanding their needs and preferences so we can develop products and services based on their requirements
- 2 Creating a seamless banking experience through prompt responses and clear and transparent processes
- 3 Ensuring that our knowledgeable workforce is able to equip our customers with relevant and precise information
- 4 Enhancing accessibility through a multi-channel engagement approach

# CUSTOMER EXPERIENCE (Cont'd)

To ensure that customer feedback is appropriately managed and addressed, we have established the RHB Group Complaint Management Policy, which is applicable to the Group's Malaysian operations. The Policy provides direction based on guidelines issued by regulators, such as:

- BNM Complaints Handling Guidelines
- BNM Fair Treatment of Financial Consumers Policy Guidelines
- BNM Guidelines on Management of Customer Information and Permitted Disclosures

This Policy ensures that the Group has established an effective system that allows customers to provide feedback and make complaints easily and that our employees address any complaints in a prompt, courteous and efficient manner. Our overseas operations are governed by respective localised policies and regulatory requirements on the matter.

Additionally, our existing Service and Operational Excellence Council ("SOEC"), presided over by key leaders from Functional and Business Groups, is tasked with developing the strategic direction to enhance customer service at RHB. The SOEC also collaborates to provide solutions for significant complaints, issues affecting customers, associated risks and service efficiency, as well as evaluate reports and proposals related to strategic programmes and projects.

This year, the SOEC convened 11 times.

## SOEC

### Chairperson



**1** Group Chief Operations Officer

### Alternate Chairperson



**2** Managing Director, Group Community Banking

### Members



**3** Group Chief Marketing Officer

**7** Head, Group Retail Distribution

**11** Head, Investment Banking Operations

**4** Group Chief Strategy & Innovation Officer

**8** Head, Commercial Banking

**12** Head, Marketing & Customer Experience, RHB Insurance or Alternate (Head, Operational Excellence Circle)

**5** Group Chief People Officer

**9** Head, GCB Strategy CoE

**13** IT Area Lead for GCB

**6** Chief Digital Officer

**10** Head, Group Customer Experience ("GCX")

## ...Driving Sustainable &amp; Responsible Finance

CX

Our front-line customer service team is dedicated to providing an exceptional and quality customer experience ("CX"), adhering to the RHB Way and the Service Standards outlined in the Service Playbook. The RHB Way, introduced to our regional branches last year, serves as our core service culture and revolves around three primary service commitments:



Building Trust



Delivering Convenience



Creating Value

Additionally, our seven CX principles were developed to reinforce our customer journey by ensuring seamlessness, consistency and competitiveness across our operations:

- 01 ▶ I listen, understand, and validate my customer's needs
- 02 ▶ I know the impact and final outcome for my customers
- 03 ▶ I consider customer journey for all touchpoints
- 04 ▶ First contact resolution is desired. I design the easiest process
- 05 ▶ I include a clear reference point and SLA should escalation be needed
- 06 ▶ I include a timely communication plan for both current and future customer impact in the process
- 07 ▶ I deliver MVPs fast and continue to refine them based on customers' feedback

# CUSTOMER EXPERIENCE (Cont'd)

## INITIATIVES IN 2023

During the year, we proactively served our customers in three aspects through various initiatives:

### PROACTIVE SERVICE CULTURE

#### RHB Way - Uplift Our Service Nationwide Tour

- We completed the tour at 202 branches between May and June 2023 to create awareness, engaging and motivating our staff to continue providing the best service to our customers and community
- As a result, the Branch Google Review score has increased from 2.9 stars to 4.8 stars, and all RHB branches now have a rating of more than 4.5 stars

#### RHBWay Rewards & Recognition Programme

- RHB Way Awards Gala - Recognised 77 RHB staff and 40 service awards given out to recognise employees who have demonstrated service and operational excellence across the RHB service chain
- RHB Way Achievers & Champions Club - Organised a service immersion programme to KL Hilton Hotels, Maxis and Gold Coast Australia for the top performers, where they gained insights about how top-rated companies in the service industry create experiences for their customers/guests beyond monetary values. Participants were also given back of the house tour sessions to observe how customers are served and employ these learnings in their day-to-day roles.

#### RHB CX Design Principles

- 124 Squad/Circle leads were certified in the RHB CX Design Principles for Customer Journeys and Communications across the Bank's Strategic Business and Functional Groups, an increase of 552% from the 19 individuals certified in FY2022
- This led to a deep understanding of the key concepts and use of RHB CX Design Principles, which will drive innovation

### ELEVATING SERVICE LEVELS

#### Qualtrics Experience Management ("XM")

- We implemented the Qualtrics XM platform to further enhance our Voice of Customer ecosystem by utilising advanced analytics and intelligence to better understand customer sentiments, enabling us to more quickly respond to our customers

#### Generative AI Chatbot

- We rolled out a generative AI Chatbot to support our frontline staff in providing responses and answers to customers' enquiries, which not only saved time but also increased consistency in the quality of service provided
- In the next phase of development, we aim to further scale the number of users and introduce additional capabilities to the Chatbot, enabling us to address our customers' needs and enquiries more efficiently and effectively

### DIGITAL & HYPER-PERSONALISED CUSTOMER EXPERIENCE

#### RHB e-QMS App

- Launched in March 2023, our customers can book their branch appointments digitally by obtaining their virtual queue ticket and monitoring the queue status anywhere
- The app is available for download from the Apple Store and Google Play Store
- Since its launch, the app has been downloaded more than 27,000 times

#### Premier Service Managers

- Introduced a cadre of Premier Service Managers ("PSM") that focuses on providing fast and personalised service to our Premier customers
- These PSMs are easily accessible via a virtual service platform, which attends to regular enquiries and fulfils transactions requests

## ...Driving Sustainable &amp; Responsible Finance

CX

## IMPACTS OF THIS MATERIAL MATTER

As a result of our ongoing customer service enhancement efforts, in 2023, we recorded improvements in our NPS compared to the previous year:

	2021	2022	2023
RHB Bank Berhad's (Malaysia) Net Promoter Score ("NPS")	15	12	20
RHB Bank Berhad's NPS Industry Ranking	4	3	2

**RHB Group is pleased to have improved its overall industry ranking. As of 2023, we are currently ranked 2<sup>nd</sup> place in the industry. This is complemented by an improvement in our NPS score which improved from +12 to +20. Our NPS score also demonstrated a more significant improvement compared to the overall industry, with an increase of 8 points (compared to an Industry increase of 6 points).**

## OUR RHB HEROES

Our frontline staff build meaningful relationships with our customers on a daily basis. Connecting with individual stories inspires them to act and drives them to exceed expectations in their service. Embracing the human side of banking, these dedicated employees consistently deliver exceptional service, positively impacting more significant our customers' lives daily.

*These are our everyday heroes working tirelessly to deliver exceptional customer service.*

### 1 Going the Extra Mile

Our RHB Heroes from the Taman Tun Aminah branch worked together to prevent a customer from losing a large sum of money in a scam by spotting a suspicious detail in the customer's telegraphic transfer transaction. Our team made repeated attempts to confirm the transaction with the customer and although the customer initially insisted to proceed with the transfer, the insistence of our RHB Heroes eventually alarmed and prevented the customer from being a victim.

### 2 Finding a Solution

Faced with a customer complaint about a banking statement containing the information of another customer, an RHB Hero from the Centralised Complaints Resolution ("CCR") team swiftly recognised the potential for widespread errors and compliance issues. The RHB Hero's proactive thinking, critical thinking, customer-focus mindset, and compliance awareness led to escalation, further investigation, and swift action by Management. As a result, the problem was contained to just 22 statements, preventing a crisis of wrongly exposing the statements of over 20,000 customers and causing a severe risk to our market reputation.

### 3 Being There When it Matters

An RHB Hero at the Meru branch noticed a customer struggling at the ATM as she had a sudden severe stomach ache. The RHB Hero, recognising the urgency of the situation, went above and beyond the call of duty and drove the customer to a clinic and then to a hospital based on the recommendation of the clinic's doctor, even assisting the customer with registration.

# CUSTOMER EXPERIENCE (Cont'd)



## Awards & Recognition

### Digital CX Awards 2023



## Best CX Business Model

### Contact Centre Association Malaysia (CCAM) Industry Excellence Awards 2023



## Best Large In-House Inbound Contact Centre

(Silver Award)



## Best Contact Centre Professional (IT Partner)

(Gold Award)

# Moving Forward

We will continue to drive an active RHB Way service culture by adopting a holistic approach encompassing training empowerment, recognition and leadership. These will ensure that our employees can deliver exceptional service, and are motivated and committed to consistently doing so. Our focus areas will encompass:

We will continue to focus on re-energising the RHB Way service culture, be proactive in elevating our service levels for our customers and the TWP24 target segments, delivering market-leading service differentiation:

Re-energise RHB Way Service Culture & Be Proactive to Serve	Elevate Service Levels for TWP24 Target Segments	Deliver Market Leading Service Differentiation
<ul style="list-style-type: none"> <li>Targeted engagements with Premier Centres, Branches and CCC to eliminate service-related complaints</li> <li>Reinforce our Winning in Service culture within our HQ, taking a targeted approach with specific departments with lower ICES scores</li> <li>Continue the momentum of the RHB Way Winning In Service programmes such as WIS Star Awards, WIS Role Model Award, RHB Way Achievers &amp; Champions Club, Service Talk</li> <li>Institutionalisation of RHB CX Design Principles with Design tools, checklist, guidelines and change management communications</li> </ul>	<ul style="list-style-type: none"> <li>Expand our XM Platform with real-time surveys and analytics and close the loop for key touchpoints and episodes</li> <li>Improvements in Branch Process &amp; Service level</li> <li>Implementation of Live Chat/Chat bot implementation on MBK</li> <li>Expand on Generative AI used cases</li> </ul>	<ul style="list-style-type: none"> <li>Expand Premier Service RM to all 21 Premier Centres</li> <li>Launch branch appointment via RHB MBK and RHB Website</li> <li>Leverage data analytics to recommend suitable solutions to our customers</li> <li>Continue to apply design thinking to map and identify CX differentiation solutions for our customers</li> </ul>



# FAIR TREATMENT OF FINANCIAL CUSTOMERS

FC

## WHY IT IS IMPORTANT



**As a financial services provider, it is our responsibility and obligation to communicate and educate our customers with transparent and accurate information on our range of products and services.**

This enables them to make informed choices that align with their financial goals. Any misinformation or ambiguity in communication could lead to regulatory breaches, legal liabilities and reputational damages. Thus, ensuring transparency and accuracy in our product disclosures is paramount for compliance, customer satisfaction and fair treatment of our consumers.

## OUR APPROACH

At RHB Banking Group, our foremost commitment is to ensure the Fair Treatment of Financial Consumers ("FTFC") in all aspects of our operations. We are committed to fostering a culture of fairness, transparency and accountability in all our dealings with financial consumers, ensuring their trust and satisfaction remain our top priority. To this end, we remain guided by the following set of guidelines and policies:

- RHB's Fair Treatment of Financial Consumers Charter
- Orderly and Fair Market Guidelines
- RHB Banking Group Complaints Management Policy

RHB's Fair Treatment of Financial Consumers Charter sets out our approach to ensure that we are committed to the fair treatment of financial consumers when conducting our business. We prioritise the consistent delivery of fair dealing outcomes to our customers at all times. We believe in building long term and mutually beneficial relationships with our customers. The Charter is applicable to our Malaysian operations, covering all business entities. Our overseas operations are governed by their respective policies. The Group's guidelines and policies are aligned to relevant regulatory requirements across our markets of operations. These include:

- BNM Complaints Handling Guidelines
- BNM Fair Treatment of Financial Consumers Policy
- BNM Reporting Requirements on Statistical Report of Complaints Statistics Policy
- Bursa Malaysia Participating Organisations' Directives & Guidance Directives on Conduct of Business (No. 5-001)

# FAIR TREATMENT OF FINANCIAL CUSTOMERS (Cont'd)

We are also directed by a set of principles, namely:

## 1 Non-discrimination

We are strongly against unfair discriminatory practices and ensure that financial consumers are not impacted negatively by contract terms that are unjust or disadvantageous to them

## 2 Information transparency

We provide financial consumers with clear, relevant, and timely information, empowering them to make informed decisions regarding costs, risks and limitations at every stage of their interaction with us

## 3 Professionalism and diligence

We exercise due care, skill and diligence in all dealings with financial consumers, ensuring their interests are paramount. This includes our staff, representatives and agents

## 4 Personalised services

We offer tailored advice and recommendations that consider the unique financial needs and circumstances of each consumer

## 5 Effective complaint resolution

We handle all complaints and claims from financial consumers promptly, fairly and effectively, reflecting our commitment to accountability and customer satisfaction

### INITIATIVES IN 2023

Throughout the year under review, RHB has proactively implemented various initiatives to strengthen our commitment towards the fair treatment of financial consumers across the Group. These include:

#### Customer Complaints Handling and Resolution

- Implemented full rollout of the Centralised Complaints Resolution ("CCR") team to support end-to-end management of complaints resolution, in line with the Group Complaints Management Policy, and also build a pool of subject matter experts in handling complaints across Branches and Customer Contact Centre
- Conducted Post-Resolution Surveys to determine customers' satisfaction with complaint resolutions
- Performed Root Cause Analysis to identify issues, prevent the recurrence of complaints and understand customer pain points to frame action plans
- Established a Branch Service Taskforce to deliberate service-related complaints at Branches
- Empowered frontlines to Win Back customers

#### Customer Service Training and Upskilling

- Upskilled our frontline and support teams on Customer Centric Writing Training through the British Council. The programme focused on teaching communication strategies which have a positive effect on the customer, to better meet their needs
- This ensures that our employees are better able to communicate with our customers, ultimately building stronger connections built on trust and fairness

#### Customer Awareness and Experience Enhancement

- Conducted customer education and awareness on fraud and scams through weekly postings on the corporate website and social media, developed RHB's Fraud Handbook and created a 'Fraud Education' page with assessments and quizzes. In FY2023, we were able to reach over 15,000 employees across the Group
- Implemented CX Design Principles to develop customer-centric products and processes

## ...Driving Sustainable &amp; Responsible Finance

FC

## IMPACT OF THIS MATERIAL MATTER

As a result of our ongoing customer service enhancement efforts, in 2023, we recorded improvements in our NPS compared to the previous year:

As a result of our initiatives, we have seen the following impact throughout the year:

- 01 Achieved a Complaint Resolution SLA of 98.9%, (FY2022: 97.65%) ensuring timely and effective resolution of customer issues
- 02 The CCR has contributed to the increase in our complaints resolution satisfaction from 82.60% in FY2022 to 86.48% in FY2023
- 03 In 2023, an additional 19 employees completed the British Council's Customer Centric Writing Programme, enhancing communication skills and fostering a customer-focused approach
- 04 Recorded an increase in our Net Promoter Score, from 12 in FY2022 to 20 in FY2023, signalling our customers' satisfaction with our efforts to align products and processes with their needs and preferences

Our customers are able to share their feedback and raise complaints on multiple platforms such as QR codes at branches, customer surveys, online feedback forms, call centres, email and social media. The following are our complaints resolution performance:

	2021	2022	2023
Feedback Volume	167,332	401,866	475,887 <sup>1</sup>
Complaints Volume	3,012	4,068	4,969
Compliments Volume	14,447	50,036	198,281 <sup>2</sup>
Resolved Complaints/Feedback within Service Level Agreement	99.56%	97.65%	98.97%
Complaints Resolution Satisfaction	61.90%	82.60%	86.48% <sup>3</sup>

## Notes:

- 1 We observed an increase 18% increase in Feedback Volume between FY2022 to FY2023, as we made it a service standard to invite every customer to provide feedback.
- 2 We observed a nearly threefold increase in Compliments Volume between FY2022 to FY2023, due to the incentive provided by the Role Model Award, which encourages staff to go the extra mile in providing service to customers.
- 3 Complaints Resolution Satisfaction has been on an uptrend since 2021, which is attributed to our ongoing customer service enhancement efforts.

## Moving Forward

In our ongoing commitment to ensure fair treatment of our customers, enhance customer satisfaction and optimise complaint resolution processes, we will implement several strategic initiatives. To ensure that customer feedback is addressed appropriately and transparently, we plan to streamline our feedback mechanisms with automatic post-resolution surveys, enabling us to promptly gauge customer satisfaction levels and identify emerging trends. This initiative will empower us to swiftly address recurring issues and refine our services to meet evolving customer expectations. Additionally, we are cognisant of the pivotal role of subject matter expertise in efficiently handling complaints, particularly towards ensuring fair dealings with customers throughout the resolution process. Hence, we aim to bolster the expertise of our CCR through targeted training and development programmes. By equipping our team with comprehensive knowledge and skills, we ensure they can resolve issues promptly, effectively and ethically, ultimately enhancing the overall customer experience. These initiatives underscore our unwavering dedication to delivering exceptional service and fostering lasting relationships with our valued customers.

## ...Embedding Good Practices

Our commitment to sustainability begins by ensuring that we build a solid foundation for our operations across every level of our organisational structure. Integrity, transparency and accountability are not only principles, but practices that are embedded in every decision we make and every interaction we have with our stakeholders.

Integrity in all aspects of our business is paramount to long-term success. RHB embeds good practices across our business and operations through tangible initiatives that uphold the highest standards of ethical business practices and responsible behaviour. Our unwavering commitment is reflected in our robust corporate governance framework, inclusive workplace culture, sustainable supply chain management, and environmentally-conscious operations. We endeavour to ensure that the impact of these efforts on our employees, senior management, business partners, suppliers and other stakeholders across our value chain are measurable, transparent and collaborative. We strive to be a leader in corporate stewardship, shaping a responsible future for all.

### VISION

Foster responsible practices and nurture a sustainable culture within our organisation

### FOCUS AREA

#### 1 Ethics and Conduct

Uphold integrity, ethics and compliance through robust policies and processes

#### 2 People and Workplace

Promote employee development and nurture a fair, diverse and inclusive workforce

#### 3 Sustainable Supply Chain

Promote responsible and sustainable practices across the Group's supply chain

To maximise the wider impact of our efforts, our initiatives are aligned and contribute to the relevant UN SDGs, notably SDG 4 ("Quality Education"), SDG 5 ("Gender Equality"), SDG 8 ("Decent Work and Economic Growth"), SDG 12 ("Responsible Resource Consumption and Production"), and SDG 16 ("Peace, Justice & Strong Institutions").

### BUILDING TRUST

As a financial services group, we recognise the importance of trust in cultivating a lasting relationship with our customers, ensuring the sustainability of our business, and maintaining our competitive edge in the market. Trust is at the core of these relationships, encompassing the quality of our customer interactions, the integrity of our data protection, the stability of our operations and our commitment to transparency and ethical behaviour.

#### Sustainability Focus Area

- Ethics and Conduct

#### TWP24 Focus Area

- Be the Primary Financial Services Provider
- Employ Cutting Edge Technology

#### UN SDGs



#### Material Matters

- GB** Good Business Governance
- DC** Data Protection and Cybersecurity

#### Relevant Bursa Common Sustainability Matters

- Anti-corruption
- Data privacy and security

# GOOD BUSINESS GOVERNANCE



## WHY IT IS IMPORTANT

Our commitment to fair and transparent practices aligns with our brand promise, “Together We Progress,” creating value for shareholders, customers, employees, and other stakeholders. Establishing a foundation of compliance, integrity, trust and professionalism is imperative for ensuring the long-term viability of our organisation as we are entrusted with the responsibility of managing public funds. We acknowledge the highly regulated landscape we operate in and that any non-compliance may affect our financial stability and expose us to legal and regulatory repercussions, and could significantly jeopardise our reputation.

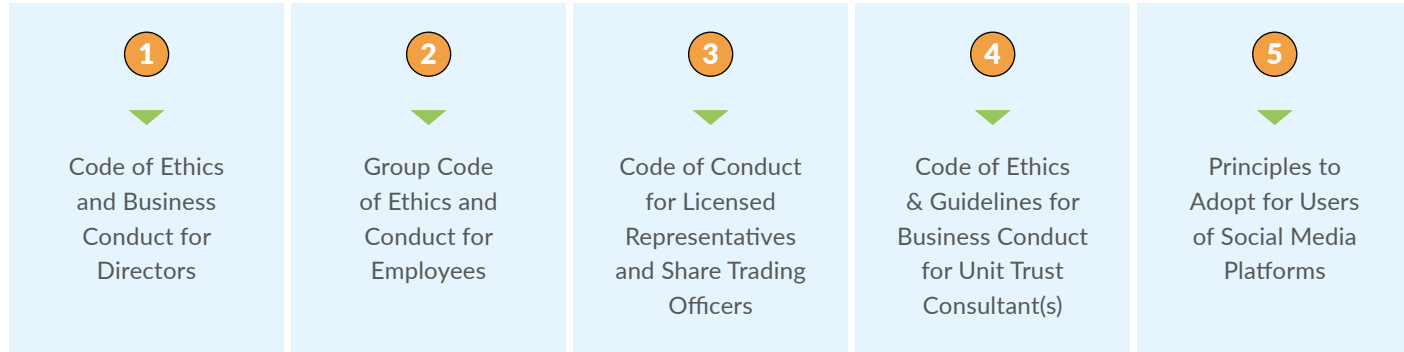
## OUR APPROACH

RHB remains steadfast in its pursuit of exemplary business conduct, emphasising ethical business practices, stringent regulatory compliance and proactive management of risks associated with bribery, corruption and fraud. Through the implementation of robust policies and governance, we aim to maintain the trust built among shareholders and other stakeholders, paving the way for long-term value creation and sustainable business growth. We strive to nurture a unified, results-oriented and customer-centric culture guided by the enduring principles encapsulated in our P.R.I.D.E. core values.



## GOOD BUSINESS GOVERNANCE (Cont'd)

Recognising the profound impact that our business practices have on our stakeholders, we are proud to highlight our comprehensive ethical business practice codes designed to guide our actions and ensure we comply with regulatory and legal requirements, and operate in alignment with our P.R.I.D.E. core values. The adherence to these codes is facilitated by Key Internal Controls integrated into our operational processes across the entire organisation. These include:



▲ For further information to the list of relevant governance-related policies and guidelines, please refer to page 164.

Central to our commitment to uphold the highest level of integrity is our Board of Directors, who hold the critical responsibility of fulfilling their fiduciary duties to our stakeholders. The Board actively oversees the implementation of all frameworks, codes, policies and guidelines to ensure their effective integration into our business operations. Furthermore, the Board rigorously monitors financial performance, emphasising robust risk management, deep-rooted compliance culture, effective leadership, robust talent management, and the integration of sustainability throughout our business and decision-making processes.

Decision-making involves transparency and collaboration with Senior Management to address concerns before reaching final decisions. The Board is committed to fostering a culture of transparency and open communication with our employees and key stakeholders, including clear and accurate reporting on ethical business practices, governance-related matters, and financial performance. The Group's governance structure allows the Board to delegate decision-making authorities to the Group's Senior Management, maintaining ultimate control and continuous oversight. Governance activities are guided by the Board Charter, whilst specific Terms of Reference govern the duties of the respective Board committees. Both are regularly evaluated to ensure adherence to industry standards and legal obligations. The Board, aided by the Board Nominating & Remuneration Committee ("BNRC"), periodically reviews and assesses the Board's performance and committee compositions, ensuring continuous improvement through new appointments or rotations as needed.

The Board Governance Handbook ("BGH") comprises key Group policies and guidelines, including but not limited to:

- Board Charter
- Nomination Framework for RHB Banking Group
- Remuneration Framework & Policy
- Code of Ethics and Business Conduct for Directors
- Terms of Reference for Board Risk Committee
- Terms of Reference for Board Nominating & Remuneration Committee
- Terms of Reference for Board Audit Committee
- Terms of Reference for Board Credit Committee
- Terms of Reference for Board Sustainability Committee
- Group Policy on Conflict of Interest
- Boardroom Diversity Policy
- Guideline on Directors' Expenses for RHB Banking Group
- Guideline on Tenure of Appointment/Re-Appointment of Non-Executive Directors of RHB Banking Group
- Standard Procedures for Directors to Have Access to Independent Professional Advice
- Standard Procedures on Directors In-House Orientation and Continuous Education Programme
- Group Fit and Proper Policy
- Group Anti-Bribery And Corruption Policy
- Group Whistleblowing Policy

...Embedding Good Practices

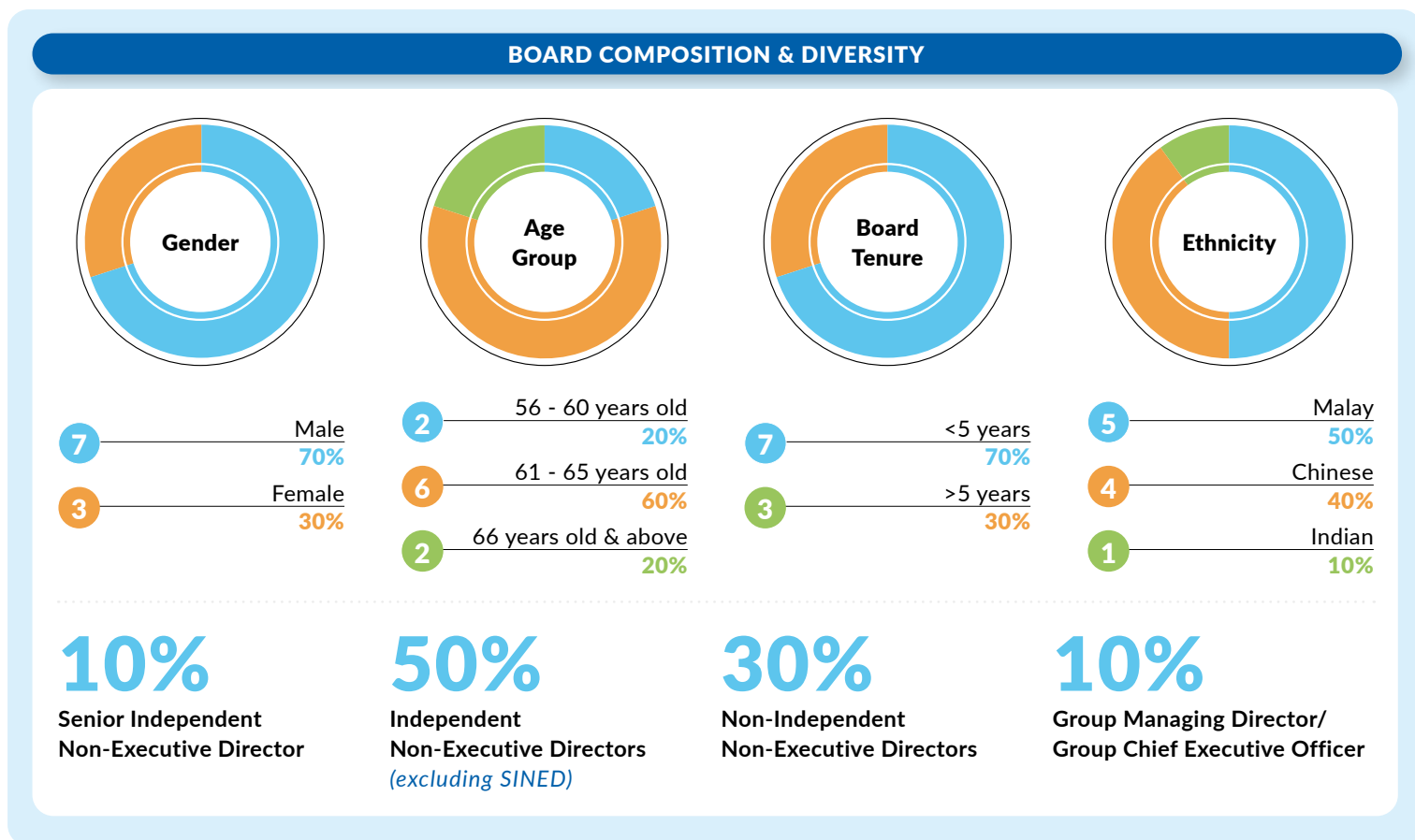


**BOARD COMPOSITION AND DIVERSITY**

The Board has always drawn value from its composition, which is diverse in its broadest sense. A varied and well-composed Board of Directors is crucial to achieving sustainable success and innovation. Our commitment to diversity and inclusion at the Board level reflects our belief in the power of varied perspectives to enhance decision-making and foster innovation.

Recognising the value of diversity, our Board includes members who represent a broad spectrum of demographics, including gender, ethnicity, age, experience, skills, geographical expertise, and educational and professional background. This multi-disciplinary composition ensures we can to address the complex challenges and opportunities the Group encounters from a holistic and informed perspective. The Board composition complies with the Bursa Malaysia Securities Berhad's Listing Requirements, which calls for 1/3 of the Board to be Independent Directors and Practice 5.2 of the Malaysian Code on Corporate Governance ("MCCG"). The Board has six (6) Independent Non-Executive Directors ("INED"), three (3) Non-Independent Non-Executive Directors ("NINED") and one (1) Executive Director who is also the Group Managing Director/CEO, ensuring the Board has a majority of INEDs.

▲ For details on our Boardroom Diversity Policy, please refer to our Integrated Report 2023 and Practice 5.10 of our Corporate Governance Report 2023.



# GOOD BUSINESS GOVERNANCE (Cont'd)

## ANTI-BRIBERY AND CORRUPTION

The Group Integrity & Governance (“GIG”) division assumes the critical role of overseeing anti-bribery and corruption concerns. GIG operates under the guiding principles of the Integrity & Governance Charter and is responsible for forwarding complaints or reports for assessment to the Information & Complaints Assessment Committee at the Management level. The decisions of the committee are evaluated by the Board Audit Committee. All stakeholders, including employees, customers and affiliates, are required to uphold integrity and good governance practices that are aligned with the Group’s Anti-Bribery & Corruption Policy when conducting business with the Bank.

To encourage stakeholders to report any wrongful conduct or bad practices without fear of reprisals, the Group has implemented various whistleblowing channels, including [speakup@rhbgroup.com](mailto:speakup@rhbgroup.com), published on RHB’s corporate website. This measure is strategically put in place to empower individuals to report concerns without hesitation and with confidence that their reports will be treated confidentially.

FY2023 Initiatives	Outcome and Impact
<b>RHB Banking Group’s Integrity Day in conjunction with the National Integrity Month in November</b>	<ul style="list-style-type: none"> <li>• Employees at the Group’s HQ in RHB Centre benefitted from the following:                             <ul style="list-style-type: none"> <li>- Exhibition booth</li> <li>- Interactive quiz event</li> <li>- Forum: Bicara Santai Integrity</li> <li>- Crossword puzzle contest</li> <li>- GIG opened an information booth on the Group’s policy on anti-bribery &amp; corruption, gifts and hospitality as well as whistleblowing.</li> </ul> </li> <li>• GIG organised an integrity clinic by opening a booth for staff to seek clarification on matters relating to anti-bribery and corruption, gifting, hospitality and whistleblowing</li> <li>• Objective: To demonstrate the Group’s ongoing commitment to inculcating a culture of integrity and continuous efforts in combating corrupt practices at the workplace across the organisation</li> </ul>
<b>Renewed the Group’s commitment by renewing the ‘Corruption Free Pledge’ during the Group’s Integrity Day programme</b>	<ul style="list-style-type: none"> <li>• Group Chairman and GMD participated in the session and led the renewal of the Group’s Corruption Free Pledge amongst Senior Management and the Group’s employees</li> <li>• Integrity Crossword Puzzle Competition was held for staff to participate</li> </ul>
<b>Performed the Group’s annual corruption risk assessment through the Material Risk Assessment (“MRA”) exercise Group-wide</b>	<ul style="list-style-type: none"> <li>• Overall MRA result for RHB Bank Berhad was “Moderate”. The assessment took into consideration historical cases and Corruption Perception Index scores and ranking</li> </ul>
<b>Conducted 24 awareness and knowledge-sharing sessions on anti-bribery and corruption, including mandatory e-learning</b>	<ul style="list-style-type: none"> <li>• The training topics included the following:                             <ul style="list-style-type: none"> <li>- Anti-Bribery &amp; Corruption Laws</li> <li>- Internal Control Policies</li> <li>- T.R.U.S.T. Principles</li> <li>- Whistleblowing</li> <li>- Gift &amp; Hospitality</li> </ul> </li> <li>• 5,831 employees were trained across the sessions</li> </ul>



## ...Embedding Good Practices

GB

FY2023 Initiatives	Outcome and Impact
<b>Circulated monthly e-publication on the Group's zero-tolerance stance against bribery &amp; corruption to internal stakeholders</b>	<ul style="list-style-type: none"> <li>101 declarations on Gifts &amp; Hospitality recorded in FY2023</li> </ul>
<b>Participated in GLIC Integrity Day 2023 - Sustaining Integrity Governance &amp; Culture</b>	<ul style="list-style-type: none"> <li>RHB was represented by GMD and the Group Chief Integrity &amp; Governance Officer at the event</li> <li>2<sup>nd</sup> annual event hosted by Permodalan Nasional Berhad ("PNB) and several other GLCs, including our significant shareholder, Employees Provident Fund ("EPF"), to assemble investee members from a myriad of industries and establish a uniform mindset as a collective to fight and abhor corruption</li> </ul>

**Training & Communication on Anti-Bribery and Corruption**

## Training on Anti-Bribery and Corruption

Stakeholder Group	% of Stakeholder Group Trained	Training platforms and methods
<b>BOARD OF DIRECTORS</b>		
<b>Board of Directors</b>	<b>47%</b>	<ul style="list-style-type: none"> <li>The Board supported the RHB Integrity Day on 14 November 2023 with the required budget and its endorsement.</li> <li>Group Chairman and GMD participated in the session and led the renewal of the Group's Corruption Free Pledge.</li> </ul>
<b>EMPLOYEES*</b>		
<b>Management</b>	<b>11.7%</b>	<ul style="list-style-type: none"> <li>Mandatory Anti-Bribery and Corruption e-learning for new joiners in the year recruited. For existing staff, the e-learning module is made mandatory once every two years. It will be mandatory for all RHB Banking Group staff (excluding those within the exemption status) in 2024.</li> <li>Group Integrity &amp; Governance conducted 24 training programmes which included over 5,000 RHB staff in 2023. These targeted training programmes focused on the Group's operational areas where many of the audience included customer-facing individuals such as branch staff.</li> </ul>
<b>Executive</b>	<b>22.4%</b>	
<b>Non-Executive</b>	<b>7.0%</b>	
<b>General Workers</b>	<b>0.6%</b>	

\* Note: In FY2022, the e-learning module was mandatory for all staff and had a 96.3% completion rate.

## GOOD BUSINESS GOVERNANCE (Cont'd)

### Communication on Anti-Bribery and Corruption

Stakeholder Group	% of Stakeholder Group	Communication platforms and methods
<b>BOARD OF DIRECTORS</b>		
<b>Board of Directors</b>	100%	<ul style="list-style-type: none"> <li>Board &amp; Board-level Committee meetings</li> <li>Online platforms, including email and Workplace</li> </ul>
<b>EMPLOYEES</b>		
<b>Senior Management</b>	100%	<ul style="list-style-type: none"> <li>Group Operations &amp; Method carries out weekly email communication on updates to the Group's Policies and Guidelines.</li> <li>Code of Ethics and Conduct which is to be adhered to by all new employees.</li> <li>GIG continued its integrity strengthening initiative through Bulletins and Flyers on anti-bribery and corruption, gifts and hospitality and whistleblowing. These communication materials are informative and provide awareness and guidance to staff.</li> <li>Specific addendums are also in place for regional operating entities, ensuring the local laws and regulatory requirements are observed.</li> </ul>
<b>Management</b>	100%	
<b>Executive</b>	100%	
<b>Non-Executive</b>	100%	
<b>VALUE CHAIN</b>		
<b>Suppliers and Vendors</b>	100%	<p>To ensure our zero-tolerance stance over bribery and corruption is communicated through our supply chain, we hosted an 'Engagement Session with Suppliers for Integrity Strengthening' on 3 May 2023. During this event, we also launched our Group Anti-Bribery &amp; Corruption Handbook, to serve as a guide to all RHB staff, our business partners and associates to practice lawful, professional and ethical behaviour, including preventing bribery and corruption from taking root in our organisation.</p> <p>The Group also introduced a RHB Supplier Code of Conduct ("Code") which requires all suppliers registered with RHB to abide by its strict requirements, which also includes adhering to RHB's anti-bribery and corruption principles and policy. The Code along with the ABC Handbook were emailed to all suppliers registered with RHB.</p> <p>The Group communicates with stakeholders through its Corporate website which hosts its ABC Policy, ABC Handbook, Whistleblowing Policy and Corporate Integrity Statement. There are also specific terms and conditions included within agreements/contracts entered by the Group with business partners which requires strict compliance to anti-bribery and corruption laws.</p>

## ...Embedding Good Practices

GB

**Operations**

Percentage of operations assessed for corruption-related risks (%) 100%

Confirmed incidents of corruption and action taken No. incidents: 1  
Actions taken: Disciplinary Action taken against staff amounting to dismissal.

**Whistleblowing and Non-Whistleblowing Reports**

	2021	2022	2023
Whistleblowing Cases	17	13	11
Non-Whistleblowing Cases	11	3	4
Total Complaint Cases	28	16	15 <sup>1</sup>
Founded Cases (after investigation)	11	4	10

\*Note: <sup>1</sup> In FY2023, a total number of 18 complaint cases were investigated. This comprises 15 cases raised in FY2023, as well as 3 cases that were carried forward from 2022. Out of the 18 total cases investigated:

- 10 cases were founded, of which 8 were reported to HR for appropriate disciplinary action, whilst 2 were referred to other departments for further action
- 6 cases were unfounded, whereby 2 required no further action, whilst the remaining 4 were referred to other departments for further action, including proposed enhancement of SOPs, policies and manuals
- 2 ongoing cases are still undergoing investigation as of 31 December 2023

▲ For further information on our whistleblowing avenues, please refer to RHB Bank Berhad's Group Whistleblowing Policy available on the corporate website.

**ANTI-MONEY LAUNDERING AND COUNTER FINANCING TERRORISM POLICY**

The Group's Anti-Money Laundering and Counter Financing of Terrorism Policy ("Group AML/CFT Policy") is our cornerstone for managing financial crime risks, encompassing money laundering, terrorism and proliferation financing and sanctions. Its primary aim is to foster a culture of AML/CFT compliance within the Group in accordance with applicable laws and regulations. In addition, the policy outlines the fundamental principles of the Group, with the Board of Directors, Senior Management and all Group employees jointly accountable for ensuring the effective implementation of compliance initiatives.

The AML/CFT Compliance Programme, outlined in the policy, spans various components such as Customer Due Diligence ("CDD"), transactions monitoring, suspicious transaction reporting, record-keeping, AML/CFT training and mechanisms to manage money laundering and terrorism financing risks. The Group Sanctions Policy further strengthens these efforts by ensuring comprehensive screening of clients, connected parties and transactions and defined limits to manage the risk of sanction violations. Moreover, our AML/CFT Skills Enhancement ("RACE") programme was successfully completed to elevate RHB's AML/CFT risk management capabilities aligned with our Three Lines of Defence Principles.

**Key Initiatives Undertaken by Group Compliance in 2023**

Initiatives	Outcomes
<b>Innovation</b> <ul style="list-style-type: none"> <li>• Further enhancements made to AML systems for SWIFT-Rentas applications</li> <li>• Enhanced AML data governance and data management, transaction monitoring scenario coverage and calibration, as well as screening rules and threshold</li> </ul>	<ul style="list-style-type: none"> <li>• Completed automation of the generation of AML systems dimension reports for data quality purpose</li> <li>• Completed enhancement and automation for effective end-to-end digital workflow for case investigation</li> </ul>
<b>Support Business Resilience</b> <ul style="list-style-type: none"> <li>• Continuous review and revision of the Compliance Risk Assessment ("CRA") and the AML Risk Assessment ("AMLRA")</li> </ul>	<ul style="list-style-type: none"> <li>• Completed enhancement of CRA and AMLRA metrics and reporting dashboard</li> <li>• Embedded ESG-related requirements in reviews</li> </ul>

# GOOD BUSINESS GOVERNANCE (Cont'd)



## Key Initiatives Undertaken by Group Compliance in 2023

Initiatives	Outcomes
<b>Assurance</b> <ul style="list-style-type: none"> <li>Review of policies, circulars and guidelines to ensure that the Group's operational and business processes are updated where required, including updating of policies, circulars and guidelines in regional entities</li> <li>Performed annual compliance and AML risk assessments</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of AML/CFT Transaction Monitoring</li> <li>Monthly AML/CFT RAS reporting to Board Risk Committee</li> </ul>
<b>Compliance Culture</b> <ul style="list-style-type: none"> <li>Completed approximately 130 compliance culture programmes</li> <li>Issued various learning publications throughout the year</li> <li>Continued the "A Branch Compliance Day Programme" in 2023, in line with the Group's efforts to build a positive compliance culture</li> </ul>	<ul style="list-style-type: none"> <li>Rolled out compliance-related trainings, including bite-size training, boot camps, knowledge sharing, AML system training.</li> <li>Issued compliance learning publications on a regular basis.</li> <li>In 2023, over 40 branches benefitted from the "A Branch Compliance Day Programme", developing their awareness of various compliance issues and enhancements.</li> </ul>

▲ For further information on compliance initiatives undertaken in 2023, please refer to the Corporate Governance Overview Statement in the Integrated Report 2023.

## TAX TRANSPARENCY

Transparent communication with stakeholders is integral to our corporate philosophy and commitment to responsible financial practices. Our Tax Transparency Commitment Statement, accessible on RHB Bank's website, is a comprehensive resource for stakeholders seeking insights into our tax commitments and contributions. We aim to foster trust and understanding among our stakeholders by openly sharing our approach to tax compliance.

In 2023, our total tax contribution amounted to RM1,167,241,000 across all our operating markets. Group Tax is entrusted with overseeing risk management pertaining to taxation affairs. Group Tax conducts periodic risk assessments with third-party tax specialists and advisors.

## Moving Forward

Our dedication to ethics is a pledge to uphold the highest level of integrity and honesty, ensuring that we meet and exceed the expectations of our customers, employees, and key stakeholders. As such, we will continue to strengthen our governance framework and practices in alignment with regulatory requirements and best practices, foster a culture of integrity and accountability across our workforce, and proactively mitigate risks associated with corruption and other unethical conduct. These efforts, coupled with ongoing education and training of our employees so they stay informed and keep abreast of ethical standards, will be critical towards maintaining the trust of our key stakeholders and creating shared value across our entire value chain.

# DATA PROTECTION AND CYBERSECURITY

DC

## WHY IT IS IMPORTANT

Safeguarding personal and sensitive information is paramount in the age of digitalisation. Financial institutions, in particular, are highly reliant on data – data enables us to analyse customer behaviour and market trends, develop targeted products, navigate risks and challenges, optimise processes for maximum operational efficiency and ultimately, drive continued business success. Therefore, prioritising the security of our customers' personal and financial information through adopting and implementing robust and stringent cybersecurity measures and data protection controls is of utmost importance to RHB. The Group views cybersecurity and data privacy as a strategic investment in an increasingly interconnected digital world.

## OUR APPROACH

In the RHB FY2023 Materiality Assessment, Cybersecurity and Data Protection emerged as one of the top three material sustainability matters for the Group and our stakeholders. As such, the Group remains highly committed to actively investing in robust cybersecurity and data protection measures to ensure their continued effectiveness against cybersecurity and data privacy risks.

This proactive investment aims to build a secure digital foundation that nurtures sustainable growth and protects sensitive information, thereby cultivating stakeholders' trust. This commitment ensures compliance with evolving regulations and reflects a proactive approach to mitigating risks and safeguarding sensitive customer data.

## DATA PROTECTION

The Group remains steadfast in its commitment to protecting the confidentiality, integrity and availability of its data, assets and information systems. This commitment is paramount for ensuring uninterrupted business continuity and the reliability of its products and services. In our efforts to protect customer data and information systems, we are guided by the following frameworks, policies and guidelines:

- Group Data and Information Management Framework and Policy
- Group Guidelines on Personal Data Protection Act 2010
- Group's related frameworks, policies and guidelines in relation to risk management, including crisis management, business continuity management and data management

## CYBERSECURITY

With the advancement of technology and digitalisation, cyberattacks have emerged as a pervasive threat to industries. For the financial services sector, cybersecurity risks are exceedingly high due to the sensitive nature of the information handled by financial institutions and the implications of potential breaches from a financial, regulatory and reputational standpoint. As such, we consistently strive to enhance our cybersecurity measures to prevent fraudulent activities, hacking, phishing attempts and identity theft. RHB consistently strengthens its cybersecurity controls through ongoing investments in cutting-edge solutions. These measures are instrumental in protecting the Bank's digital assets.

Our Cybersecurity initiatives are guided by the Technology & Cyber Risk Management Framework and Policy, as well as relevant Guidelines. We align our approach to relevant regulatory frameworks and standards, including the Bank Negara Malaysia Risk Management in Technology ("RMiT"), Securities Commission Malaysia Guidelines on Technology Risk Management, Monetary Authority of Singapore Technology Risk Management and National Bank of Cambodia Technology Risk Management Guideline.

# DATA PROTECTION AND CYBERSECURITY

## CYBERSECURITY RISK MANAGEMENT

### Governance

- The Board of Directors and Senior Management oversee technology and cybersecurity risk management strategy, including the governance of such risks
- RHB's Audit, Compliance and Risk teams periodically review the Group's IT Technology and Cyber Risk Management Policy, to ensure it is aligned with the latest regulatory requirements and industry practices

### Cybersecurity Risk Management Controls and Processes

- The Bank implements robust internal controls to govern information throughout its entire life cycle of create-process-store-transmit-destruct
- We deploy advanced Data Loss Prevention ("DLP") solutions to effectively manage the use of data and information
- Assessment of cyber risks is also incorporated as part of the Group's annual Material Risk Assessment ("MRA") process

### Security Operation Centre ("SOC")

- A dedicated Security Operation Centre ("SOC") operates 24/7 on a daily basis, monitoring, detecting and responding to any potential threats to the system
- The SOC plays a pivotal role in early threat detection and ongoing monitoring, conducting thorough investigations on any suspicious events and prescribing appropriate mitigation or remedial measures
- The SOC also conducts cyber threat hunts by scrutinising our system for potential risks

## INITIATIVES

To create a secure digital environment and shield our information systems from threats and to secure personal data, we executed the following initiatives in the year under review:

### Cybersecurity Initiatives

- Conduct regular cyber drills to consistently evaluate our cyber response competencies, ensuring preparedness in the event of real attacks
- Maintain certifications such as ISO/IEC 27001:2013, reflecting our commitment to upholding international standards for information security
- Implement mandatory training programmes for staff, focusing on Secrecy and Information
- Enhance data protection by providing training to newly onboarded employees and relevant vendors on Information Security
- Ensure that third-party/vendors servicing the Bank adhere to controls that align with the Bank's stringent standards
- Invest in and enhanced cyber security capabilities and controls, employing Defence-in-Depth and Zero-Trust approaches to effectively tackle the dynamic cyber threat landscape
- Contribute our expertise to FinTIP, a platform initiated by BNM for banks operating in Malaysia. This platform facilitates the sharing of information on threats and cyber incidents, fostering a collaborative approach to cybersecurity in the industry
- Enhanced due diligence checklists for vendors and outsourced service providers ("OSPs"), ensuring their alignment with the BNM Guidelines on Management of Customer Information and Permitted Disclosure ("MCIPD")
- Conducted three Secrecy and Information Security Awareness knowledge-sharing sessions with representatives from 18 of the Bank's OSPs

### Data Protection Initiatives

- **Personal Data Protection Act ("PDPA") Refresher Exercise** – the Bank engaged an external party to review RHB's PDPA compliance level, assessing the robustness of the current and established improvement plan aimed at safeguarding customer personal data
- **Data Loss Prevention Controls** – implemented to protect the confidentiality of the Bank and its customers' information and data, and proactive security measures were established to promptly identify suspicious activities within our digital system
- **Threat Intelligence Services** – continued to subscribe to threat intelligence services to stay abreast of the latest threat and incident information, including Indicators of Compromise. These indicators are applied to our security solutions to effectively detect and block malicious activities

...Embedding Good Practices



Impacts of this Material Matter



As a result of the PDPA refresher exercise, the medium-risk areas identified need to be improved to ensure PDPA compliance and protect customer data. These concerns are currently being addressed by the respective business units, and several initiatives were successfully completed in 2023. The remaining initiatives are scheduled to be finalised in Q1 of 2024.

	FY2021	FY2022	FY2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	4*	0	3*

\* Appropriate incident escalation and management processes were implemented, and all incidences have been resolved.

Awards & Recognition

Securities Commission Malaysia



Cyber Simulation 2023

Moving Forward

We recognise that effective cyber risk management and data protection are not just technology issues but strategic imperatives that underpin the trust and confidence of our customers. The Group will continue investing in advanced data security technologies, enhancing our Group Data and Information Management Framework and Policy, fostering a culture of vigilance and compliance, and collaborating with relevant regulatory authorities and industry partners to safeguard customers' information and protect against cyber threats.

# EMPOWERING RHBians

RHB is dedicated to nurturing an agile workforce that strives for continuous improvement to deliver quality results. Aligned with this, we provide our employees with the resources they require to hone their skills and harness opportunities in the financial sector. This empowers all RHBians to contribute meaningfully to our organisation and leave a lasting positive impact on the customers and communities that we serve. Our employees are the driving force behind the Group's sustainability agenda, and through their ongoing and active contributions, RHBians are able to create shared value for all. These efforts are underpinned by a foundation of strong business ethics, diversity and inclusion and employee well-being, ensuring that our workforce is well-equipped to address the challenges and opportunities to come.

### Sustainability Focus Area

- People & Workplace

### TWP24 Focus Area

- Develop a Future-ready Workforce

### RHB Sustainability KPI

- KPI 4: Diversity, Equity & Inclusion / DEI (Workplace)

### UN SDGs



### Material Matters

- T** Talent
- EHS** Employee Health, Safety and Wellness
- DO** Diversity and Equal Opportunity

### Relevant Bursa Common Sustainability Matters

- Labour practices and standards
- Health and safety
- Diversity

## TALENT

### WHY IT IS IMPORTANT

Attracting and retaining top talent are paramount to RHB's continued success. This requires a multi-pronged approach of proactively acquiring skilled individuals, diligently investing in the learning and development of our employees, as well as inculcating a culture of high-performance, where employees are empowered to drive towards continuous improvement. By cultivating a diverse, productive, and agile workforce, RHB positions itself to achieve its strategic priorities, foster innovation and secure a strong leadership pipeline. Investing in continuous upskilling not only enhances employee resilience and adaptability in a dynamic business landscape but also fosters job satisfaction and career growth, leading to higher talent retention. This commitment to employee development, coupled with a focus on future-ready competencies, ensures RHB maintains its competitive edge and leadership position within the industry.

### OUR APPROACH

At RHB, we place great emphasis on developing a highly skilled and talented workforce to deliver quality and meaningful outcomes to our customers, communities and other stakeholders.

We do this through our unique Employee Value Proposition ("EVP") that is aligned with the Bank's vision and aspirations. The RHB EVP is centred on assisting employees in key areas, namely employee wellbeing, engagement, mentoring and recognising their achievements, leveraging the wide range of resources within the Group.

The RHB EVP is further supported by the RHB Culture Components, which encompasses a set of tools that is tailored towards helping employees thrive and achieve their career aspirations. The RHB Culture Components, which comprises three pillars, were designed to build a customer-centric culture among employees.



## ...Embedding Good Practices

T

## EMPLOYEE VALUE PROPOSITION



## RHB CARES

- Employee Engagement Budget
- Flexible Work Arrangement
- Work From Home
- Special Funds:
  - Staff Welfare Fund (for members only)
  - Natural Disaster Fund
  - RHB Humanitarian Fund
- Subsidise meal prices at HQ and Bangi
- Wellness Programme:
  - Wellness Mobile App
  - Employee Assistance Programme ("EAP")
  - Healthy Eating and Active Living ("HEAL")
  - Peer Support
- Nursing Room
- Designated Car Parks (OKU, Women, Pregnant Ladies, etc)
- Special Leave:
  - Sabbatical Leave
  - Potted Leave
- RHB Touch Hearts



## RHB LEADS

- Group Sr. Leadership Forum
- Formal Coaching & Mentoring for Talents
- Branch Adoption/Visits
- GMD Quarterly Town Hall
- Engagement Session with GMD & GMC



## RHB INSPIRES

- Leadership Talk Series
- Employee Engagement Survey
- Workplace by Facebook
- Diversity and Inclusion Initiatives including Women in Leadership League
- RHB Youth Council
- Whistle Blowing Council, including Zero-Tolerance to Sexual Harrassment
- Incubator Programme



## RHB PROGRESSES

- Talent Identification & Assessment
- Sucession Planning & Development
- Talent Mobility/Job Rotation
- Career Move
- RHB Continuation Education Programme
- Signature Leadership Programme Series
- Certification Programme



## RHB REWARDS

- Employee Awards/Recognition
- RHB Annual Dinner & Festive Celebration
- Benefits Review e.g. Medical Coverage, Employee EPF 16%
- Increment benchmark against market data
- Targeted Salary Adjustment
- Long-Term Incentives Plan
- RHB Health Flex - Join RHB on/after 1 January 2022
- Staff Children Academic Awards
- Special Skills Allowance

The RHB EVP is further supported by the RHB Culture Components and Agile methods, encompassing tools tailored to help employees thrive and achieve their career aspirations. The RHB Culture Components comprise three pillars, designed to build a customer-centric culture among employees.

## TALENT (Cont'd)

### Culture Components

#### One RHB

Demonstrate willingness to put the organisation's needs over personal achievement by fostering teamwork, empowerment, and knowledge-sharing

- Value diversity, fairness and inclusion
- Build and maintain a collaborative working environment
- Think and act in the best interest of RHB

#### Results Oriented

Demonstrate commitment and drive in delivering quality work output and treat all matters with urgency

- Deliver exceptional results
- Treat everything with urgency
- Be responsible, accountable and reliable

#### Customer First

Demonstrate unwavering passion to engage and interact with customers to meet their needs and create great experience

- Create value for customers
- Make our customers feel appreciated
- Focus on solutions from the customers' perspective

Towards developing a talented workforce, we ensure that our employees' learning journey begins as soon as they become part of the Group. We offer our diverse workforce various opportunities to ensure they possess the relevant knowledge, skills and capabilities to contribute towards meeting the Group's strategic goals. This is done by encouraging employees to embrace a culture of learning guided by our learning and development approach, which consists of four pillars. Our ability to implement this successfully will also encourage cross-sector collaborations, cultivate talent, improve productivity and facilitate continuous growth for the bank and the industry.

#### Progressive Learning Design

Practice holistic learning with a focus on the entire learning process.

#### Operational Efficiency

Continuously enhance company processes in order to balance cost and customer value.

#### Enhanced Blended Delivery

Utilise technology and a variety of distribution methods to provide an ideal mix of activities for all learning types.

#### Client-centeredness

Create a customer-centric mindset through design-thinking while refining the customer experience for all internal and external stakeholders.

## ...Embedding Good Practices

T

Our talent management and development efforts are guided by RHB's frameworks, policies and guidelines, which are aligned with relevant regulatory guidance and industry best practices, as listed below



Note: The Group's internal policies and guidelines are applicable to our entire workforce, including full-time employees, part-time employees and contract workers

<sup>1</sup> Provides guidance and SOPs for Talent Management matters

<sup>2</sup> Provides guidance and SOPs in relation to formal learning and training for talent

## OUR INITIATIVES

### Learning and Development

Throughout the year, the Group continued to provide structured capabilities development programmes, access to exclusive online classes and structured mentoring framework to upskill and reskill employees, strengthening their knowledge base and career mobility within the Bank and across the industry. This included improving the robustness of our leadership programmes to ensure succession planning and drive progressive leadership capabilities across the organisation. Towards this, in 2023, we provided 200 participants with exposure to senior management through the specially curated Talent Engagement session with GMCs and Board Members.

### Key Learning & Development Programmes & Opportunities for RHB's Employees



▲ For further information on the programmes listed, please refer to page 182.

RHB requires all employees to complete a series of e-learning modules annually based on their respective business or functional responsibilities to foster a culture of continuous learning and ensure compliance with regulatory requirements. These modules cover critical topics including ESG, data protection, cybersecurity, anti-bribery and corruption, and AML/CFT. Completion of these modules is linked to employees' annual performance incentive reward, reinforcing RHB's commitment to embedding good practices.

## ...Embedding Good Practices

# TALENT (Cont'd)

### SUSTAINABILITY CAPABILITY BUILDING FRAMEWORK

Given the growing emphasis on sustainability and climate change, we have focused on building a more substantial knowledge-base, capabilities and skillsets across our workforce to increase our ability to achieve the Group's sustainability and climate agenda. Recognising the growing importance and evolving nature of sustainability, RHB seeks to build a sustainable pipeline of skilled talent across the Group. Our employees are crucial to catalysing our sustainability strategy and driving the implementation of initiatives to meet our sustainability agenda.

With this in mind, we rolled out the RHB Sustainability Capability Building Framework ("SCBF") for Malaysian and overseas operations in the first quarter of 2023, to build sustainability capabilities across the Group. Implementation of the SCBF is driven by RHB Academy in collaboration with Group Sustainability Management. Learning and development opportunities under the SCBF encompass all business entities and regional operations within the Group.

#### OUR ASPIRATIONS

- Support sustainable development by mobilising RM50 billion in sustainable financial services by 2026
- Empower more than two million targeted individuals and businesses across ASEAN by 2026
- Achieve Carbon Neutral Operations by 2030
- Achieve Net Zero by 2050

<b>Build Capability of Core Focus Areas</b>	<b>Sustainable &amp; Responsible Finance</b>		
	<b>Committed to Achieving Net Zero by 2050</b>		
	<b>Embedding Good Practices</b>		
	<b>Enriching &amp; Empowering Communities</b>		
<b>Core Pillars of RHB's Methodology</b>	<b>LEARNING ECOSYSTEM</b> Modular learning approach to build a bespoke, innovative training to upskill RHB employees on the topics of ESG, climate change, and the ever-increasing risks <ul style="list-style-type: none"> <li>• Learning Strategy</li> <li>• Learning Design &amp; Development</li> <li>• Learning Analytics</li> </ul>	<b>CHANGE AND CULTURE</b> Intentional engagement strategy to support training and drive behavioural shifts needed to enable a climate- and environment-conscious culture <ul style="list-style-type: none"> <li>• Target Groups</li> <li>• Behavior Alignment</li> <li>• Engagement</li> </ul>	<b>SYSTEM AND TOOLS</b> An ecosystem to keep employees engaged, connected, and on track according to their individual development <ul style="list-style-type: none"> <li>• Technical Content Management</li> <li>• Metrics and Targets</li> <li>• Training Needs Analysis</li> </ul>

#### The SCBF focuses on two key areas:

- Build strong ESG capabilities within RHB, anchored on the three Core Pillars – Learning Ecosystem, Change and Culture, and System and Tools.
- Technical ESG content management which will be carried out through collaborations with external learning providers.

#### The SCBF also addresses learning needs for the Board of Directors and Senior Management, as well as across the three Lines of Defence, namely:

- First Line of Defence: Strategic Business Groups, sector-specific experts, Group Sustainability team and Group Finance.
- Second Line of Defence: Group Risk and Group Compliance
- Third Line of Defence: Group Internal Audit

The SCBF will enable us to determine the types and levels of sustainability and climate-related knowledge and skills required for our employees to advance and fulfil our ESG and climate goals and aspirations. This is done via a bespoke, continuous learning curriculum based on sustainability and climate-related considerations consisting of three competency levels, namely Foundational, Intermediate and Advanced Knowledge, which are mapped to their respective outcomes. Armed with the required knowledge and skillsets, our employees will be able to better understand sustainability and climate-related regulatory requirements and its impact on our business.

## ...Embedding Good Practices

T

Learning and development opportunities under the SCBF encompass in-house and external programmes, certification programmes, and online/digital learning opportunities. As part of the implementation of the SCBF, we encourage two-way feedback with key business and functional units, enabling them to identify the ESG and climate-related topics pertinent to responsibilities, as well as the employees that most critically need to be upskilled. An ESG Capability Building survey supplemented this targeted needs assessment to identify broader learning needs across the Group. By assessing learning requirements across the Group, we can provide tailored learning programmes that address our employees' most critical needs and are aligned with the Group's overall sustainability agenda.

As part of the SCBF, we have offered training programmes based on the following themes to our employees in FY2023:

Programme Themes	External and Certification Programmes			Online/Digital Learning Programmes			In-house programmes		
	No. of programmes	Total no. employees trained	Total no. learning hours	No. of programmes	Total no. employees trained	Total no. learning hours	No. of programmes	Total no. employees trained	Total no. learning hours
Foundational understanding in environment, sustainability and/or climate change	5	55	74	2	2,049	2,049	4	137	616
Sustainability and its implications for Finance and/or Governance	10	78	839	3	5	3	10	510	3,160
Sustainability Implementation and Operationalisation	4	20	264	2	3	1	3	64	430
Energy Transition	3	33	528	-	-	-	-	-	-
ESG and Climate Risk Management	3	28	3,014	-	-	-	13	321	672
<b>Total</b>	<b>25</b>	<b>204</b>	<b>4,719</b>	<b>7</b>	<b>2,057</b>	<b>2,053</b>	<b>30</b>	<b>1,032</b>	<b>4,878</b>

Recognising the critical role of the Board of Directors and senior leadership in driving sustainability initiatives, RHB invests in targeted overseas training and development programmes for its Board members and senior management. These programmes focus on building advanced capabilities in key areas relevant to sustainability, ensuring they are equipped to effectively guide the organisation towards a sustainable future. In 2023, our Board members participated in 11 knowledge-sharing sessions and training programmes related to sustainability.

▲ Please refer to page 34 for further details of Board training.

In addition, 28 individuals, comprising Group Management Committee ("GMC") members and GMC nominations, attended prestigious sustainability and climate-related programmes, as listed below:

Course	Training Provider	No. Attendees
Sustainability and Climate Risk Certificate	Global Association of Risk Professionals ("GARP") by Iclif Executive Education Centre	21
Leading the Sustainability Transformation in Banking	Asian Banking School, in collaboration with the Frankfurt School of Finance & Management	1
Sustainability Programme	INSEAD Business, held at INSEAD Europe Campus	2
JC3 Journey to Zero Conference 2023	Joint Committee on Climate Change	4

## ...Embedding Good Practices

# TALENT (Cont'd)

To supplement the current programmes under the SCBF, we have also developed e-learning modules to be progressively rolled out Group-wide throughout 2023 and 2024. These e-learning modules aim to provide a foundational understanding of introductory ESG topics, and are designed to be interactive and accessible to all learners. With this, we ensure that all employees have the opportunity to enhance their knowledge and understanding of sustainability. In 2023, we rolled out two sustainability e-learning modules, as below.

<b>Module 1</b>	<b>Introduction to Sustainability</b>	Rolled out Group-wide in June 2023	Across the two modules, 2,049 employees completed foundational e-learning on ESG topics.
<b>Module 2</b>	<b>Introduction to Climate Change</b>	Rolled out Group-wide in December 2023	
<b>Module 3</b>	<b>Introduction to the UN SDGs</b>	To be rolled out in FY2024	
<b>Module 4</b>	<b>Introduction to Human Rights</b>	To be rolled out in FY2024	

In 2024, we aim to roll out at least two additional modules, focused on the UN SDGs and Human Rights, respectively. We will also explore e-learning courses that cover intermediate and advanced topics, to enable employees to progress in their sustainability learning journeys.

In parallel and complementing the SCBF, we have also implemented targeted capability-building as part of the Group Climate Action Programme ("GCAP"), whereby key employees have participated in climate-related workshops facilitated by external consultants. Topics covered in these workshops include:

### GCAP WORKSHOPS AND KNOWLEDGE-SHARING SESSIONS

- Climate Governance across Three Lines of Defence
- Risk Library
- Climate Risk Framework & Policy
- Integration of climate into:
  - Market Risk
  - Liquidity risk
  - Operational, Reputational and Strategic Risk
  - Insurance Risk
- Climate Heatmap & Sectoral Template
- Commercial opportunities
- Scenario Analysis

24 workshops were completed as part of GCAP, which saw the participation of relevant business and functional units, including Group Risk Management, Group Credit Management, Group Sustainability Management, Commercial Banking, Group Corporate Banking, Group Asset Management, Group Community Banking and Group Insurance.

The SCBF will continue to be enhanced moving forward, in line with the evolving sustainability landscape, regulatory requirements, and the Group's sustainability agenda. We will ensure that the SCBF is aligned with the Future Skills Framework ("FSF"), which is to be introduced by AICB.

## ...Embedding Good Practices

T

**BUILDING A CULTURE OF SUSTAINABILITY**

Beyond capability-building and formal training on sustainability, we also recognise the importance of inculcating a sustainability culture and mindset among RHBians, aligned with the “Embedding Good Practices” pillar of our Sustainability Strategy and Roadmap. To this end, we conducted the following internal engagements throughout FY2023:

**New Staff Induction Programme**

The Group Chief Sustainability & Communications Officer (“GCSCO”) briefed new hires on the Group’s Sustainability Strategy and Roadmap, Sustainability KPIs, and our key progress updates, to ensure that all new joiners understand our sustainability agenda. Four induction sessions were held throughout FY2023.

**Group Quarterly Townhall**

Sustainability-related updates, notably on the achievements of our five Sustainability KPIs, are incorporated as part of the Group’s internal Townhall and Senior Leadership Forum.

**Engagement with RHB Singapore team**

The GCSCO visited our Singapore office to share details of the Group’s Sustainability Strategy and Roadmap, and highlight Singapore’s contributions towards our overall sustainability agenda, as well as expectations moving forward.

**Engagements with Branches**

Members of the Group’s Senior Management, including the GCSCO visited branches throughout Malaysia to share highlights such as our financial performance, ethical business practices, and sustainability achievements. These engagements were also used to highlight how branches can actively contribute towards our sustainability efforts.

**“Small Changes Big Impact” Campaign**

Towards building a culture of sustainability, the RHB Youth Council organised the Small Changes Big Impact Campaign to promote more environmentally-sustainable practices across our branches. For further information, please refer to page 194.

▲ For further information on our sustainability-related stakeholder engagement activities, including thought leadership and advocacy, please refer to page 40.

## TALENT (Cont'd)

### PERFORMANCE MANAGEMENT AND SUCCESSION PLANNING

Talent Management is the strategic approach that the Group takes to attract, develop, retain and optimise the performance of our employees, to meet the current and future business objectives of the Group. Effective talent management and succession planning are critical to ensure RHB can retain essential knowledge and skillsets, foster continuous improvement, and adapt to evolving needs. By proactively identifying and developing high-potential individuals, we are able to smoothly navigate leadership transitions and maintain our competitive edge.

The Group Talent Review ("GTR") is conducted on a semi-annual basis. This robust calibration meeting is to deliberate the succession pipeline of all critical positions and is attended by all the Heads of Business and the GMD. The development of each successor is discussed as well to ensure the individual is ready to assume the role in the future. The results of the GTR will be shared with the relevant Business and Functional Group leaders to ensure this development takes place.

In addition, basis we conduct a Talent Assessment exercise to identify Talents to be placed into the RHB Talent Pool on an annual basis. Those in the Talent Pool will then receive appropriate development, exposure and opportunities to enable them to deliver short and long-term results. These individuals are actively involved and nurtured to fulfil the Bank's needs, accelerating their professional growth.

Collectively, these initiatives serve to foster a workplace culture where RHBians are driven and motivated to achieve the Group's business and sustainability objectives.

### IMPACTS OF THIS MATERIAL MATTER

RHB's Workforce	2021	2022	2023
Total number of employees (headcount)	14,345	14,139	13,968
Total number of hires (headcount)	2,273	2,585	1,884
Turnover rate/ Total attrition rate (%) (permanent staff only, regrettable & non-regrettable)	12.1	15.3	12.4 <sup>^</sup>
Employees in staff union protected by collective agreements (%)	13.5	12.6	40.6
Positions filled by internal candidates (excluding sales staff) (%)	44.3	37.5	55.7
Permanent contract employees (%)	95.1	95.3	96.5
Temporary contract employees (%)	4.9	4.7	3.5 <sup>*</sup>

\* Includes contract and temporary employees under RHB's payroll

Employee turnover by employee category	2021	2022	2023
Senior Management	27	28	22
Management	569	696	575
Executive	1,444	1,679	1,355
Non-Executive	106	90	106

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

▲ For more information on RHB's employee performance data, please refer to Sustainability Performance Data from pages 230 to 249 in this report.



## ...Embedding Good Practices

T

## RHB EMPLOYEE ENGAGEMENT 2023

RHB Employee Engagement Survey	2021	2022	2023
Total Survey Respondents (headcount)	12,999	8,259	13,046
Sustainable Engagement Score (%)	86	88	89
Internal Customer Effectiveness Score (%)	83	76	63
Response Rate (%)	98	83	96

	2021**	2022**	2023
Investment in learning and development (RM million)	17.4	15.3	23.9
Investment in learning and development including L&D overhead cost (RM million)	25.8*	24.3*	32.6*
Total training hours	647,726	254,549	313,783 <sup>^</sup>
Average training hours per employee per year	46	18	22 <sup>^</sup>

\* Data includes overhead costs (e.g. salary/wages) of RHB Academy, in line with BNM reporting disclosures. To standardise our reporting, we have included this for the purpose of this report even though even though this is no longer part of BNM's statutory requirements.

\*\* In SR2021 and SR2022, data was disclosed based on Malaysian operations only. For SR2023, this data has been restated to include both Malaysian and overseas operations.

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

Total hours of training by employee category	2021	2022	2023
Senior Management	7,889	4,897*	7,028
Management	221,157	103,851*	135,263
Executive	351,508	122,365*	152,493
Non-Executive	67,172	23,436*	18,998

Average training hours by employee category	2021	2022	2023
Senior Management	35	21	29
Management	51	22	28
Executive	49	17	22
Non-Executive	29	11	10

Total Training Hours by Gender	2021	2022	2023
Male	258,357	108,324*	124,641
Female	389,369	146,225*	189,142

Average Training Hours by Gender	2021	2022	2023
Male	46	19	22
Female	46	17	23

\* In SR2021 and SR2022, data was disclosed based on Malaysian operations only. For SR2023, this data has been restated to include both Malaysian and overseas operations.

...Embedding Good Practices

# TALENT (Cont'd)

RHB Learning & Development Programmes	Outcomes
<ul style="list-style-type: none"> <li> <b>Workforce Of The Future (“WOTF”) Programme</b>                      Group-wide reskilling and upskilling to meet the demands of digitalisation                 </li> </ul>	Future Skills Programme: <ul style="list-style-type: none"> <li>634 employees registered for the programme in 2023, of which 494 successfully completed the full programme</li> <li>Since the pilot programme was conducted in 2020, a total of 1,764 employees have registered</li> </ul>
<ul style="list-style-type: none"> <li> <b>Leadership Signature Programme (“LSP”)</b>                      Develops leadership skills and business acumen in strengthening talent pipeline                 </li> </ul>	<ul style="list-style-type: none"> <li>78 employees participated in the programme</li> </ul>
<ul style="list-style-type: none"> <li> <b>RHB Managers Programme (“RMP”)</b>                      Develops leadership qualities in junior and middle management people managers                 </li> </ul>	<ul style="list-style-type: none"> <li>161 employees participated</li> </ul>
<ul style="list-style-type: none"> <li> <b>RHB Individual Contributor Excellence (“RICE”)</b>                      Aimed at elevating leadership competencies and career progression. The RICE2 programme, rolled out from September to November 2023, focused on three main competencies:                     <ul style="list-style-type: none"> <li>Stakeholder Management and Conflict Management</li> <li>Execution Power and Decision Making</li> <li>Emotional Intelligence &amp; Mental Health Awareness</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>25 employees were trained following the launch of the programme</li> </ul>
<ul style="list-style-type: none"> <li> <b>Mentoring Programme</b>                      Mentoring programme by RHB leaders to create next generation of leaders                 </li> </ul>	<ul style="list-style-type: none"> <li>32 mentees</li> <li>32 mentors</li> <li>6 sessions</li> </ul>

## ...Embedding Good Practices

T

## RHB Learning &amp; Development Programmes Outcomes

- Technical and Functional Programmes**

Skill-based programmes developed by RHB and externally. These programmes were open to all staff. Some business-specific programmes were conducted to improve employee competencies.

Category	Course Title	No. of Staff
<b>Compliance</b>	Asking the Right Questions	883
	RACE AML/CFT Awareness*	846
	Branch Compliance Workshop*	658
	RACE KYC (Know Your Customer) Enhancement Training*	604
	AML System*	452
	AML System*	440
	Sales Team Compliance BootCamp	267
	Introduction to Compliance*	265
	RACE Phase2A2 AML System Enhancement*	265
<b>Total</b>		<b>4,415</b>
<b>Sales</b>	Wealth Product Knowledge*	240
	Retail Product Knowledge*	157
	Need Based Selling with Black Swan	111
<b>Total</b>		<b>508</b>
<b>Business Tools</b>	BDS EVO TTT	610
	<b>Total</b>	
<b>Operations/ Processing</b>	ASNBS New Core System (HULK) Training*	154
	<b>Total</b>	
<b>Credit</b>	Mortgage Loan Documentation - Malaysia Land Laws (NLC, SLC & SLO), Housing Development and Strata Laws	101
<b>Human Resource</b>	Harmonious Synergy : Uniting in Purpose	123
	<b>Total</b>	
<b>Other Technical and Functional Areas</b>	Service	770
	Islamic Banking	365
	Finance	313
	Ethics & Governance	196
	Insurance	142
	Branch Management	106
	Trade Finance	64
	Legal	39
<b>Total</b>		<b>1,995</b>

\* Internally-developed programmes

- Online Learning Platforms**

Aimed at encouraging "Anytime Anywhere Learning"

Learning Platform	No. of employees who accessed programmes	Utilisation Rate (%)
<b>LinkedIn</b>	2000 (Malaysia) 650 (Singapore)	79
<b>Coursera</b>	300	90
<b>Pluralsight</b>	300 (Digital, IT & Analytics)	68
<b>Masterclass</b>	268 (Talent and Successors)	89%

## TALENT (Cont'd)



### RHB Learning & Development Programmes Outcomes

- Certifications and Accreditations**

We encourage our employees to obtain relevant certifications and accreditations based on the needs of their role.

Certifications	Specialised Areas
<b>AICB Certifications</b>	1. Audit 2. Risk Management 3. Credit 4. Compliance 5. AML/ CFT
<b>Others</b>	1. Agile 2. Leadership 3. Digital 4. Human Resource 5. Information Technology 6. Insurance 7. Islamic Banking 8. Project Management 9. Sales 10. Sustainability 11. Security

## Moving Forward

Given the dynamic nature of the financial sector, we are constantly striving to future-proof our employees. We aim to roll out a Talent Mobility Framework by 2024, which seeks to facilitate talent growth by providing a more diversified platform for development. The Talent Mobility Framework will facilitate the transition of employees between different roles and geographical locations to prepare them for future career progression.

We will continue building and nurturing our internal learning capabilities to facilitate continuous growth. This includes investing in our people by providing them with the resources and opportunities to become learners and educators. We will also foster a culture of knowledge-sharing and innovation within the organisation. Additionally, more ESG-related programmes will be integrated into our learning curriculum to empower employees to contribute positively to the environment and ensure alignment with the growing global emphasis on responsible business practices.

We will also continue to integrate technology-related programmes as part of our learning and development plans to increase the accessibility, personalisation and scalability of our learning initiatives. We will also leverage emerging learning trends such as microlearning, gamification and adaptive learning platforms. This ensures we remain at the forefront of effective learning methodologies and agile in our approach to education. Our commitment to technological advancement, sustainability, internal capacity-building and staying abreast with learning trends will drive our organisation's continued growth and success.

### Awards & Recognition

#### Employee Experience Awards 2023



Best Women Leadership Programme (Gold)

#### HR Excellence Awards 2023



Excellence in the use of HR Tech (Silver)

# EMPLOYEE HEALTH, SAFETY AND WELLNESS

**EHS**

## WHY IT IS IMPORTANT

Our human capital's safety, health and wellness continue to be crucial as they drive organisational success for RHB. A key learning from the COVID-19 pandemic was the importance of safeguarding employee health and safety, as this underpins business continuity and productivity. We strive to protect our employees, enhance productivity and minimise cases linked to absenteeism and injuries. To this end, we are committed to complying with safety laws and regulations, enhancing employee morale and retention, and creating a thriving, safe and conducive work environment.

## OUR APPROACH

Promoting the holistic wellness of our employees is key to driving continued employee motivation and spurring a high-performance culture. The Group adopts a holistic approach to promoting the health and well-being of our employees. Guided by the RHB Employee Value Proposition, we care for, inspire, motivate and reward our employees to nurture their continued success within the Group.

Moreover, we remain guided by our Group Occupational Safety and Health ("OSH") Policy, which governs the safety and health of employees and all stakeholders involved in dealings with our operations. We respect and uphold our employees' rights to a safe working environment, guided by critical policies and frameworks, such as our Code of Conduct, Group Disciplinary Policy and Anti-Sexual Harassment Guidelines. These underscore our commitment towards providing a safe work environment that protects employees, customers, visitors, service providers and the general public. Apart from physical safety, we also address employees' health and mental well-being through significant initiatives to support our workforce.

The Group's Safety and Health Policy is aligned with the Occupational Safety and Health Act ("OSHA") 1994. It provides us with the framework to address OSH matters. To ensure high safety standards and governance, we have an OSH Committee, chaired by the Group Chief People Officer ("GCPO"), which meets every quarter. As per regulatory requirements, the OSH committee comprises an equal number of employee and employer representatives who assess the progress of OSH, its framework, policies and related management systems. Furthermore, each branch within our network has an established Branch Safety Committee to oversee safety matters.

## INITIATIVES

We recognise the importance of promoting holistic employee wellness and as such, rolled out wellness programmes based on the following aspects in 2023:

### HEALTHY EATING AND ACTIVE LIVING (H.E.A.L.)

Provides targeted individual support for higher-risk employees

### EMPLOYEE ASSISTANCE PROGRAMME (EAP)

Offers professional support encompassing personal, emotional and mental health issues

### RHB C.A.R.E. PROGRAMME

Aimed at building an in-house team of skilled peer support individuals/ mental health champions for workplace assistance

# EMPLOYEE HEALTH, SAFETY AND WELLNESS (Cont'd)

## H.E.A.L PROGRAMME

In 2023, we introduced a pilot programme for RHBians in Klang Valley, known as H.E.A.L, which stands for 'Healthy Eating Active Lifestyle'. It is a personalised dietary programme developed to promote a healthy, sustainable diet and active lifestyle for individuals who meet the selection criteria. This 12-week programme encompasses an array of modules and activities, including onboarding, baseline screening, dietary counselling sessions, provision of meal plans, challenges and leadership boards, among other components.

The programme was designed to provide targeted support to employees in the higher-risk categories, such as those with diabetes, cardiovascular diseases and hormone imbalances. Selected participants are guided on food journaling, meal portioning and reading nutrition labels. There is also a support group platform, which reviews meal choices and fitness regimes. Through the programme, we aim to support employees in achieving a 5-10% weight loss, improving their understanding of their own health and dietary requirements, and improving their blood glucose, blood pressure and blood cholesterol readings.

In 2023, 51 employees benefitted from the programme. The health outcomes that were achieved for these participants are as follows:

**64%** of participants experienced weight loss ranging between 1kg - 12.8kg

- 24 participants achieved above 10% weight loss
- 5 participants achieved between 5-10% weight loss
- 4 participants achieved less than 5% weight loss

Total cholesterol reading had dropped from

**24 to 17** for participants in the borderline category

Glucose reading had fallen from

**15 to 13** for participants in the borderline category

Blood pressure readings had dropped from **8 to 3** participants for the hypertension Stage I category, and

**11 to 8** participants for the High Normal category



## ...Embedding Good Practices

EHS

**EMPLOYEE ASSISTANCE PROGRAMME (EAP)**

Launched on 10 October 2023 in conjunction with World Mental Health Day, the EAP is a Group-wide confidential and accessible helpline designed to support our employees' mental and emotional wellbeing. Through this confidential support system, we offer professional support services for employees, encompassing a range of personal, emotional and mental health issues that may affect their well-being or job performance. The programme also includes external support such as CompuMed's wellness arm Tap2Health and Re:Mind Psychology.

Since its launch, **17** employees have benefitted from the EAP.



# EMPLOYEE HEALTH, SAFETY AND WELLNESS (Cont'd)

## RHB C.A.R.E. PROGRAMME

Newly launched in 2023, the programme aims to groom a group of skilled peer support individuals to provide assistance within the workplace. These individuals are called Peer Support-ers, and they undergo external training by a mental healthcare services provider. The training covers three months and includes upskilling and knowledge mastery workshops, after which Peer Support-ers are awarded a certificate of training completion. In addition, Peer Support-ers will also receive an appreciation certificate in recognition of their dedicated service in offering nine months of Active Care Support to fellow RHB-ians. The programme is available Group-wide with Peer Supporter-ers selected from within the Klang Valley.

A total of 20 employees were selected as the first cohort of Peer Support-ers to be trained under the C.A.R.E. programme. After the intensive training workshops over 3 months, a total of 10 Peer Support-ers passed the assessments and graduated as RHB x Alopec Mind Certified Workplace Peer Support-ers.





**...Embedding Good Practices****EHS**

In addition, the Group implemented the following health and wellness initiatives throughout FY2023:

Initiative	Description	Outcome
Health Talks and Webinars	Promoted health awareness through a series of health talks on various topics such as mental health, cancer awareness and prevalent health issues, including mental health, cervical cancer awareness, Anterior Cruciate Ligament ("ACL") injuries and carpal tunnel syndrome.	Our monthly talks garnered a total participation of approximately 1,000 staff
Wellness and Safety Week	In 2023, we highlighted the importance of safety and health through a variety of activities: <ul style="list-style-type: none"> <li>● <b>RHB OSH Week</b> – aimed at raising OSH awareness in the workplace, the programme featured health screenings, H.E.A.L programme's counselling sessions and other related resources and activities.</li> <li>● <b>Basic Occupational First Aid Training ("BOFA")</b> – equips employees with essential knowledge and skills to respond effectively to injuries and medical emergencies within the workplace.</li> <li>● <b>Commuting Safety Support Programme ("CSSP")</b> – to enhance the safety and well-being of employees during their daily commute.</li> </ul>	Total attendance in each programme: <ul style="list-style-type: none"> <li>● RHB OSH Week: <b>1300</b> employees</li> <li>● BOFA: <b>123</b> employees</li> <li>● CSSP: <b>30</b> employees</li> </ul>
Basic Health Screening	Conducted basic health screening, including pap smear, cancer marker and mammogram for employees	Two sessions were held at RHB Centre and RHB Bangi, participated by <b>324</b> employees
Pinktober and Movember	We partnered with Qualitas clinics to offer health screening packages for male and female employees across our Malaysian operations. These packages included a physical examination and vital sign assessments, blood tests, and cancer marker screening, followed by a consultation with a doctor. Two packages, namely the basic and comprehensive packages, were curated to support the diverse needs and financial considerations of RHB-ians. In total, two employees opted for the Pinktober Comprehensive Package, while none chose the Movember Package.	In total, 2 employees benefitted from this initiative
Anti-Sexual Harassment Campaign	<b>RHB Zero Tolerance Anti-Sexual Harassment Campaign</b> On 6 September 2023, we launched a campaign to raise awareness among employees on the available channels to report instances of harassment.  To further support our existing policies, we established an Independent Anti-Sexual Harassment Panel and expanded our reporting channel to six different channels. This is to facilitate employees who wish to report incidents of sexual harassment, seek guidance, or simply discuss their concerns in a confidential and supportive setting. During the launch, we also conducted two talks entitled: 'Navigating Boundaries, Identifying Harassment and Taking Action' and 'Know Your Legal Rights Against Harassment.'	Through this campaign, employees have access to a safe channel to report any harassment they encounter within the organisation  A total of <b>115</b> employees attended the Anti-Sexual Harassment talks
Outreach Activities	Employees were encouraged to support the nation through blood donation drives, organised in collaboration with Pusat Darah Negara. We also facilitated an organ pledge campaign and provided employees with complimentary medical screenings.	In 2023, our blood donation drives saw the participation of <b>963</b> employees

# EMPLOYEE HEALTH, SAFETY AND WELLNESS (Cont'd)

Initiative	Description	Outcome
Ongoing Initiatives	<p><b>RHB Natural Disaster Fund</b> We continued the initiative to support RHBians affected by natural disasters such as floods and fires. Employees can apply for financial support if their homes were affected. In 2023, we received 47 applications from employees</p> <p><b>Staff Welfare Fund</b> Specifically for members who contribute monthly to this fund, employees can access financial assistance to support medical expenses or financial needs during the demise of immediate family members. The fund also provides aid to those impacted by natural disasters or COVID-19</p>	<p>Total funds disbursed in FY2023: <b>RM115,280.00</b></p> <p>In 2023, a total of RM216,790 was disbursed, across the following categories:</p> <ul style="list-style-type: none"> <li>• Demise of immediate family members: RM152,000</li> <li>• Natural disasters: RM40,150</li> <li>• Medical assistance: RM24,640</li> </ul>

## Employee Retention

### Employee Well-being

Our employees are provided access to a wide range of benefits, including:

Type of Benefit	Coverage
Healthcare	Outpatient and Hospitalisation treatment plus Health Flex benefit
Leave	<ul style="list-style-type: none"> <li>• <b>Education Leave</b> Allows employee to take leave to attend examinations, study and other education-related purposes</li> <li>• <b>Pilgrimage Leave</b> Enables employees to take leave for Hajj and Umrah for 15 and 7 days respectively for Muslim employees, and 7 days for Non-Muslim employees to perform pilgrimage</li> <li>• <b>Parental Leave</b> Complies with Employment Act (Amendment) 2022 and allows the following parental leave for employees with newborns:                             <ul style="list-style-type: none"> <li>- 98 days of maternity leave for female employees</li> <li>- 7 days of paternity leave for male employees</li> <li>- 2 days at one time (Child Care Leave) to attend to sick child below 12 years old</li> </ul> </li> </ul>
Flexible Working Hours	Allows employees to manage work-life balance as long as they fulfil their eight-hour work day
Work From Home (WFH)	Provides employees with the option to WFH permanently
Retirement Benefit	Provides higher EPF retirement provision, 4% above the statutory level

### Employee Engagement

To foster a more engaged, collaborative and successful workplace, the Group conducts the Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey ("ICES") on an annual basis. The EES is a comprehensive assessment designed to gauge our employees' level of engagement, satisfaction and commitment within RHB. We generate and monitor the Sustainable Engagement Score ("SES") from the EES, which gives us critical insights into employee well-being and satisfaction. On the other hand, the ICES focuses on evaluating the interactions and relationships between business and functional units to assess how effectively different teams collaborate to achieve common goals. These surveys are essential tools that allow us to listen to our employees' voices and identify areas for improvement.

## ...Embedding Good Practices

EHS

**Collective Bargaining**

We respect our employees' right to freedom of association and collective bargaining. A new union known as KEEPER (Kesatuan Eksekutif RHB Bank Berhad), was formed in FY2023. KEEPER is the first union in RHB that covers executive-level employees, where all other unions in RHB only cover non-executive roles. The formation of KEEPER has led to an increase in employees covered by unions in our workforce, from 12.6% in 2022 to 40.6% in 2023.

**IMPACTS OF THIS MATERIAL MATTER**

	No. of Participants	No. of Sessions
<b>Health and Safety Training</b>		
Basic Occupational First Aid Training ("BOFA")	197	7
Commuting Safety Support Programme ("CSSP")	30	1
<b>Health, Safety and Wellness Programmes</b>		
Blood Donation Campaign	20-23 Feb 2023: 297 3-6 Jul 2023: 386 18-21 December 2023 - 280	11
Health Talks	Cervical Cancer Awareness: 75 Mental Health: 110 ACL: 60 Carpal Tunnel: 80	41
Balik Kampung Road Safety Campaign	500	1

**Occupational Safety and Health Performance**

<b>Health and Safety Performance 2023</b>	<b>Rate</b>
No. of Accidents	68
No. of Occupational Diseases	6
No. of Lost Workdays	1,991
Lost Time Incident Rate ("LTIR")	0.44
No. of Work-Related Fatalities	0

**Moving Forward**

We aim to develop well-being resolutions for our workforce through Wellness Programme 4.0, which emphasises self-directed engagement through an application-based approach. The Wellness Programme 4.0 offers a flexible and comprehensive approach to establishing individualised wellness journeys for our employees. The Programme will kickstart in Q1 2024 in partnership with our selected collaborator. As part of the Programme, our employees can access multiple health and wellness features, including mental health evaluations, virtual consultations with medical specialists, and health coaching. With this next stage Wellness Programme, we aim to enable more of our employees to live a healthy lifestyle and drive improvements in health outcomes across our workforce.

## DIVERSITY AND EQUAL OPPORTUNITY

### WHY IT IS IMPORTANT

RHB is committed to cultivating a discrimination-free, diverse and inclusive workplace built on fairness and sustainability. We recognise that Diversity, Equity and Inclusion (“DEI”) is a strategic enabler of growth and success. It fosters a culture of innovation and creativity, where diverse viewpoints fuel impactful idea generation and equip RHB to adapt and thrive amidst dynamic market conditions. Furthermore, inclusive decision-making, informed by our employees’ varied perspectives and experiences, leads to more effective strategies and enhances overall performance. A meritocratic culture built on equity also attracts and retains top talent, promoting a healthy and dynamic work environment. By prioritising DEI, RHB ensures its long-term agility and ability to remain a leader in the evolving business landscape.

### OUR APPROACH

RHB is dedicated to fostering an inclusive workplace that embraces diversity in gender, age, ethnicity, religion, nationality and differently-abled individuals. Creating a supportive and positive work culture is valuable for progress in our business and sustainability journey. To this end, our approach to DEI is guided by the following policies and guidelines, as well as our inclusive workplace principles:

#### Policies and Guidelines for Diversity and Inclusivity

- |                                     |   |
|-------------------------------------|---|
| <b>1</b> Boardroom Diversity Policy | <b>3</b> Group Recruitment Policy           |
| <b>2</b> Group Fit & Proper Policy  | <b>4</b> Group Manpower Planning Guidelines |

#### Inclusive Workplace Principles

- Offering equal opportunities to a diverse workforce based on competencies and expertise
- Cultivating a safe and collaborative work environment that supports employee networks
- Promoting open discourse on diversity and actively seeking diverse opinions for informed decisions
- Fostering workplace inclusivity and encouraging internal engagements to create meaningful employee connections
- Recognising that cultural differences and special needs necessitate measurable changes for beneficial outcomes

In addition, we are guided by our Recruitment Policy, which emphasises merit-based practices that are free from bias. We also have in place a whistleblowing channel for employees to report any cases related to biases, discrimination, unethical or questionable practices. Employees can file their complaints via [speakup@rhb](mailto:speakup@rhb), whereby all cases will be addressed accordingly by the Group Disciplinary Committee.

## ...Embedding Good Practices

DO

## INITIATIVES

We continue to drive continuous efforts to embed inclusivity in our work culture. In 2023, we engaged employees by implementing various initiatives to reinforce our commitment to fostering a diverse, inclusive and supportive workplace culture at RHB. The following are initiatives we rolled out during the year:

**ESTABLISHED OUR EMPLOYEE ENGAGEMENT SURVEY BASELINE** ▼

For the first time ever, we incorporated a question on diversity and inclusion in our annual engagement survey, enabling us to establish a dynamic yearly target for continuous improvement. Our DEI scores evaluate RHB's inclusive culture, offering insights into integrating diversity in the workplace among employees, especially women. It also reveals potential barriers to career advancement in our workplace. Additionally, the inclusiveness scales gauge leadership support for diversity, particularly in gender, impacting the sustainability of women in top management. Inclusion scores also reflect employees' perception of equal opportunities for career advancement within RHB, irrespective of gender.

**DEI INTEGRATED INTO KEY PERFORMANCE INDICATORS ("KPIs")** ▼

DEI has also been incorporated into the Group's Sustainability KPIs, aligning with our long-term sustainability strategy and aspirations. These KPIs will be systematically tracked, monitored and disclosed.

**#EMPOWER PROGRAMME** ▼

RHB is among the few organisations in Malaysia participating in the RHB #Empower: Autism Talent Development Programme, in collaboration with HRD Corp, which offers internship opportunities for neurodiverse individuals, enabling them to enhance their office, digital and social skills. In 2023, we have provided internships for three neurodiverse individuals. We anticipate continued selection and placement as part of the Autism Talent Development Programme in 2024. For more information on this programme, please refer to pages 214 under Enriching and Empowering Communities.

**INCLUSIVE TRAINING** ▼

We collaborated with the Malaysia Deaf Federation to provide Bahasa Isyarat Malaysia (sign language training) for our employees, fostering a greater understanding towards the deaf community. During the year, 80 of our employees participated in this inclusivity training.

**DISABILITY RELATED SERVICE TRAINING ("DRST")** ▼

A total of 33 employees received DRST, equipping them with the knowledge on how to effectively interact with and support customers with disabilities.

**CELEBRATING DIVERSITY** ▼

Engaged with employees through celebrations of various festivals including Hari Raya, Chinese New Year, Deepavali, Christmas and International Women's Day.

**ENGAGEMENT AND SUPPORT SESSIONS** ▼

Engagement sessions with leaders were organised to foster a supportive employee network that goes beyond hierarchical boundaries. In 2023, eight Coffee Chat sessions were held with our GMD, attended by approximately 200 employees.

## DIVERSITY AND EQUAL OPPORTUNITY

### Youth Council

The RHB Youth Council (“RHB YC”) is a dynamic platform connecting appointed youth leaders with the Group. RHB YC gives voice to the next generation of RHB’s leaders (aged below 35 years old), allowing them to collaborate and develop their insights, innovations and creative talents.

In 2023, RHB YC initiated the following:

- **CHATGPT 101 WEBINAR**  
 Hosted RHB YC’s inaugural live webinar, which discussed the conversational AI platform. The event saw an over 80% turn-up rate.
- **WORLD OCEANS DAY AWARENESS CAMPAIGN**  
 Encouraging RHBians to be more mindful of their impact to the oceanic and marine environment via a series of postings on Workplace.
- **SPEED MENTORING**  
 Organised a networking and mentoring session with the GMD and RHB’s senior leaders, providing participants with the opportunity to garner valuable insights and advice for career advancement.
- **SMALL CHANGES, BIG IMPACT CAMPAIGN**  
 A sustainability campaign aimed at branches across Malaysia to reduce paper consumption. This campaign aligns with the Group’s environmental stewardship efforts.
- **RHB IDEA GENERATION 1.0**  
 An initiative encouraging staff to actively contribute innovative solutions, towards fostering a culture of creativity and continuous improvement within RHB. Staff were asked to submit ideas across four themes, namely Sustainability, Branding, Youth Engagement and Employee Engagement.

### Embracing Gender Diversity in the Workplace

RHB’s commitment to achieving sustainable gender diversity in leadership is reflected in its focus on building a robust talent pipeline of women leaders. We nurture our high-potential female talent, providing them with opportunities for skills development and career progression, to advance them to leadership positions based on their experience, expertise and merit.

#### LEADERSHIP DEVELOPMENT

##### Women in Leadership League (WiLL) Programme

- A six month programme to help women talent enhance their skills and provide them with the tools and resources needed to excel in leadership roles.
- In 2023, we launched the third cohort across the Group, with a total of 78 employees enrolled since its inception.



## ...Embedding Good Practices

DO

**LEADERSHIP DEVELOPMENT****Emerging Women Leaders Programme**

- A structured and holistic three month programme to build a strong talent pipeline of high potential women leaders, at the middle management level
- In 2023, a total of three employees participated in the programme

**NETWORKING****Internal Engagements – Advancing Women Leaders**

- We strive to create a supportive employee network, with platforms to engage with the Group's leadership.
- In FY2023, we had a Talent Engagement session with a senior board member on the topic of Male Allyship. The topic centres around how men can provide more support for the growth of women talent in the organisation. This session was attended by senior talents from R7 and above.



# DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

## WILL PARTICIPANTS' TESTIMONIALS



**Christine Wong Sze Pin**  
Head, Homeowners, Consumer Finance



The WiLL programme is an excellent initiative that provides RHB Bank's leaders with engaging and diverse opportunities for individual and collaborative growth. The programme began with a self-evaluation exercise and facilitated discussion to reflect on my strengths and identify areas for development as a commendable leader. I am excited by the growth opportunities arising from the programme's potential to foster diverse approaches and achieve innovative outcomes beyond solely driving business growth for the Bank. I highly recommend this programme to women leaders as it provides valuable tools and support for personal and professional growth, ultimately promoting positive impacts on us, the Bank, clients, and the community.



**Beverly Tiew,**  
Squad Lead, User Behaviour Excellence



As a career woman, I can relate to some of the challenges women encounter in the workplace. The WiLL programme effectively addresses these challenges by providing a platform for networking, skill development, leadership training, and mentoring. Every module is engaging and impactful, but I particularly enjoyed the "Owning Your Career Purpose" session, which emphasises the importance of networking and finding personal purpose in your career. Hearing other female leaders discuss their personal goals was enlightening, and the coach's insights underlined the importance of developing and nurturing future leaders within our organisation. Only by supporting well-rounded leaders who embrace diversity, inclusivity, and future-proofing skills can we truly build a stronger workforce.

## IMPACTS OF THIS MATERIAL MATTER

**ZERO** recorded incidents of workplace discrimination, violation of human rights and indigenous peoples, forced labour or child labour

Ratio of female to male employees:

**59.8:40.2**

(FY2022: 59.4:40.6)

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.



## ...Embedding Good Practices

DO

**Saratha a/p Arumugam,***Head, Climate Governance & Strategy*

Through the WiLL Programme, I have been able to reflect more deeply and perceptively on my leadership style and gain a deeper awareness of my strengths and blindspots. This programme offers a supportive environment for women to openly share their challenges and experiences, particularly those pertinent to the Asian context. I was fully involved during the sessions and found comfort in the genuine discussions, realising that other women faced similar obstacles on their leadership journeys. I also had the opportunity to reflect on my own leadership style through the sharing of real-life cases during the sessions. A range of leadership tools and strategies were introduced in the programme. One that stood out for me was the reminder to be vigilant about our leadership blind spots, and to recognise that, when not used carefully, even our strengths, can inadvertently create negative perceptions. I wholeheartedly recommend this programme to my female peers—it's a transformative experience worth embracing.

**Brenda Chong Phui Teng,***Head, Transaction Banking (Corporate)*

Enrolling in the WiLL programme has been a deeply enriching experience, as it went beyond conventional leadership education. The curriculum, specifically designed to address challenges faced by women in leadership roles, provided invaluable insights, strategies, invaluable tools, a robust network of support and a renewed sense of empowerment. It empowered me to navigate complexities, embrace my strengths, and lead with integrity. The instructors' expertise and the fellow participants fostered an environment where I felt inspired.

The most pivotal lesson I've learned to become a better leader at work is understanding the nuances of managing people. My approach has changed once I recognised the gap between managing tasks and leading people. It has been enlightening to realise that individuals have unique needs, motivations, and communication styles. Learning to adapt my leadership to accommodate these differences has significantly improved team dynamics, productivity, and overall morale. In addition to bridging the gap, embracing empathy, actively listening, and creating a supportive environment have helped me become a more effective and compassionate leader. I highly recommend any woman who aspires to be a successful leader to take this course.

Women's representation in Senior Management

**33.9%<sup>^</sup>**

(FY2022: 30.3%)

Number of differently abled employees

**10**

(FY2022: 10)

## DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

### WORKFORCE BREAKDOWN

#### Breakdown by Gender

Gender	2021		2022		2023*	
	Headcount	%	Headcount	%	Headcount	%
Male	5,640	40.2	5,739	40.6	<b>5,621</b>	<b>40.2</b>
Female	8,402	59.8	8,400	59.4	<b>8,347</b>	<b>59.8</b>
	14,042	100	14,139	100	<b>13,968</b>	<b>100</b>

Note: Data covers our operations in Malaysia and overseas.

#### Breakdown by Ethnicity

Ethnicity	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
Bumiputera	7,414	52.8	7,498	53.0	<b>7,397</b>	<b>53.0</b>
Chinese	4,822	34.3	4,783	33.8	<b>4,715</b>	<b>33.8</b>
Indian	840	6.0	857	6.1	<b>856</b>	<b>6.1</b>
Others	966	6.9	1,001	7.1	<b>1,000</b>	<b>7.2</b>

Note: Data covers our operations in Malaysia and overseas.

#### Breakdown by Age Group

Age Group	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
< 30 years old	2,940	20.9	2,868	20.3	<b>2,571</b>	<b>18.5</b>
31-40 years old	5,126	36.5	5,132	36.3	<b>5,102</b>	<b>36.5</b>
41-50 years old	4,218	30.0	4,141	29.3	<b>4,123</b>	<b>29.5</b>
> 50 years old	1,758	12.5	1,998	14.1	<b>2,172</b>	<b>15.5</b>

Note: Data covers our operations in Malaysia and overseas.

#### Percentage of employees by gender and age group, for each employee category

		Senior	Management	Executive	Non-Executive
		Management	Management	Executive	Executive
Gender (%)	Male	2.8	40.2	42.7	14.4
	Female	1.0	31.1	53.7	14.2
Age (%)	<30 years old	0.0	8.8	85.0	6.3
	31-40 years old	0.3	36.3	53.3	10.1
	41-50 years old	2.3	42.3	34.9	20.5
	>50 years old	5.9	47.5	24.9	21.7
Ethnicity (%)	Bumiputera	0.8	22.2	57.6	19.4
	Chinese	3.3	53.6	37.0	6.1
	Indian	1.4	36.7	47.5	14.4
	Others	1.0	37.4	46.9	14.7

Note: Data covers our operations in Malaysia and overseas.

...Embedding Good Practices



Women in Leadership



\* This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

- Number of Women in Management
- Number of Women in Senior Management

# Moving Forward

RHB is committed to treating all employees with dignity and respect, and we strive to provide advancement opportunities to all, regardless of differences in personal identity. We aim to execute DEI initiatives in a phased manner, initially focusing on DEI initiatives in the workplace, before expanding this to our wider community to fully integrate DEI principles within RHB.

Moving forward, we will closely monitor the advancement of high-performing and high-potential female talent throughout RHB to ensure a robust talent pipeline and that they receive the support required to thrive.

The WiLL programme will continue in 2024, with Board engagement sessions with talents on topics related to DEI. We will persist in promoting female talents at top management levels through merit-based assessment, with GMC members during the Group Talent Review.

We aim to also commemorate International Women's Day annually, starting in Q1 2024, with empowerment sessions and quarterly engagements highlighting the achievements and interests of our female talents. We are also exploring the establishment of a dedicated support network for women at work, made up of women from diverse backgrounds and business/functional units.

Awards & Recognition

HR Excellence Awards

Silver Award Winner under DEI category



Ministry of Women, Family and Community Development

Recognition for support in sexual harassment campaign



## ...Embedding Good Practices

### MANAGING OUR OPERATIONAL AND SUPPLY CHAIN IMPACT

RHB takes a proactive approach to managing both our operational environmental footprint, as well as the impacts arising from our supply chain. Through our environmental stewardship efforts, the Group leverages opportunities in resource management, energy efficiency and renewable technologies.

With this, we aim to enhance operational efficiency and minimise our operations' direct environmental impact. Furthermore, as a financial services provider, we recognise the critical role of a sustainable supply chain in safeguarding business continuity and maintaining customer trust. Hence, we strive to build a supply chain that aligns with our sustainability agenda, and creates shared value for the Group and our key stakeholders.

#### Sustainability Focus Area

- Sustainable Supply Chain
- Carbon Neutral Operations

#### TWP24 Focus Area

- Catalyse Sustainability

#### UN SDGs



#### Material Matters

**ES** Environmental Stewardship

**SC** Sustainable Supply Chain

#### Relevant Bursa Common Sustainability Matters

- Energy management
- Water
- Waste management
- Supply chain management

## ENVIRONMENTAL STEWARDSHIP

### WHY IT IS IMPORTANT

**RHB recognises that protecting our Natural Capital is integral to responsible business practices and long-term sustainable growth. We reduce costs and enhance operational efficiency by minimising our environmental footprint through resource optimisation. We actively empower internal and external stakeholders to adopt sustainable practices, creating a ripple effect of positive environmental impacts. Our environmental stewardship efforts are central to achieving our KPI of Carbon Neutral Operations by 2030, towards the Group's long-term commitment of achieving Net Zero Emissions by 2050.**

### OUR APPROACH

Embedding good practices requires us to implement environmentally sustainable practices across our business operations. As such, we continuously strive to manage and reduce consumption of resources such as electricity, water, and paper. We empower our internal and external stakeholders to take action to drive environmental conservation, recognising that collective action is an integral part of environmental stewardship.

Climate change mitigation is crucial to the Group's environmental stewardship efforts. We are on track to achieve Carbon Neutral Operations by 2030, which addresses our operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) GHG emissions. This is aligned with the Group's overarching strategy to achieve Net Zero Emissions by 2050.

▲ For further information on the Group's commitment to Net Zero by 2050, please refer to page 89.

## ...Embedding Good Practices

ES

Embedding good practices requires implementing environmentally sustainable practices across our business operations. As such, we continuously strive to manage and reduce our consumption of resources such as electricity, water and paper. We empower our internal and external stakeholders to take action to drive environmental conservation, recognising that collective action is an integral part of environmental stewardship.

Climate change mitigation is a key focus of the Group's environmental stewardship efforts. We are on track to achieve Carbon Neutral Operations by 2030, which addresses our operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) GHG emissions. This aligns with the Group's broader strategy to achieve Net Zero Emissions by 2050.

Beyond implementing initiatives that improve operational efficiency and reduce resource consumption, we collaborate with external parties to jointly promote environmental conservation. Through programmes such as Ocean Harmoni, RHB Touch Hearts and Clean-a-thon, we can exemplify corporate responsibility and environmental stewardship to our customers and communities.

▲ For further information on our environmental conservation and community engagement programmes, please refer to page 217.

## IMPACTS OF THIS MATERIAL MATTER

### Carbon Neutral Operations Plan

The Group's Carbon Neutral Operations by 2030 Plan guides our efforts to reduce our operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air) GHG emissions. The Plan focuses on implementing energy-efficient solutions across our main buildings and branches, as well as utilising renewable energy wherever possible.

#### Our Progress:

#### SOLAR PHASE 1: COMPLETED

- In September 2023, we completed Phase 1 of the Solar installation process – Solar panels were installed in RHB Complex Bangi and 10 branches across Malaysia. The RHB Centre of Excellence ("RCOE") at Crystal Plaza was completed in January 2024
- Between September 2023 to December 2023, we recorded an estimated GHG emissions reduction of 105 tCO<sub>2</sub>e

#### SOLAR PHASE 2: ON GOING

- We are in the process of installing solar panels at an additional 10 branches nationwide
- Target to complete Phase 2 by end of April 2024.

#### MOVING FORWARD

- We intend to install additional solar panels at RHB Complex Bangi ground car park roof, to increase generation capacity
- We are conducting site assessments to identify a further 10-15 suitable branches for solar panel installation
- Target to complete both projects by the end of 2024

▲ For further information on the Group's climate strategy, including operational (Scope 1, Scope 2 and Scope 3 (Business Travel by Road and Air)) emissions management, please refer to page 89.

# ENVIRONMENTAL STEWARDSHIP (Cont'd)

## Electricity Consumption

### Energy-Saving Initiative

### Outcome

Replacement of 400rt Water Cooled Chiller unit at RHB Complex Bangi	<ul style="list-style-type: none"> <li>Reduced electricity consumption by 256 MWh per annum and carbon reduction of 150 tCO<sub>2</sub>e.</li> </ul>
Installed new split-unit type air conditioners at RHB hostel to reduce energy consumption	<ul style="list-style-type: none"> <li>As a cost effective alternative to the centralised air-conditioning system for after office hours or weekend operations.</li> <li>Estimated savings of 55 MWh in electricity consumption per annum and carbon reduction of 32 tCO<sub>2</sub>e.</li> </ul>
Building Mechanical and Electrical (M&E) operations optimization at Big Buildings & Branches	<ul style="list-style-type: none"> <li>Improved equipment efficiency and eliminates energy wastage.</li> <li>Estimated savings of 797 MWh in electricity consumption per annum and carbon reduction of 466 tCO<sub>2</sub>e.</li> </ul>
Upgrading of Building Automation System (BAS) and installation of additional sensors	<ul style="list-style-type: none"> <li>Upgraded the obsolete "Building Automation System" (BAS) to the latest technology and installation of sensors at common areas to further improve RHB Centre's energy efficiency.</li> <li>Estimated savings of 222 MWh in electricity consumption per annum and carbon reduction of 130 tCO<sub>2</sub>e.</li> </ul>
Replaced current ageing air-conditioner units with energy efficient inverter type across all branches nationwide	<ul style="list-style-type: none"> <li>The energy efficient inverter type air-conditioners help reducing energy consumption.</li> <li>Estimated savings of 147 MWh in electricity consumption per annum and carbon reduction of 86 tCO<sub>2</sub>e.</li> </ul>

### Other Energy-Saving Initiatives:

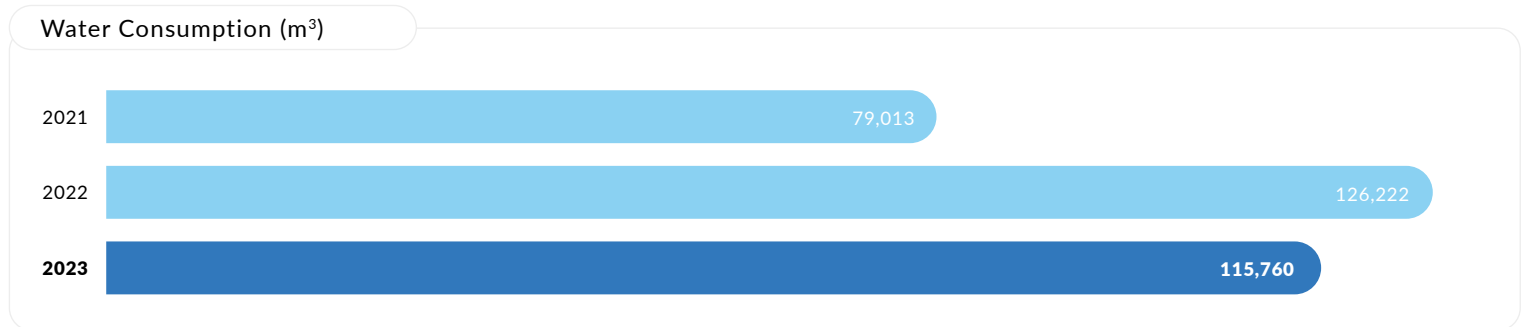
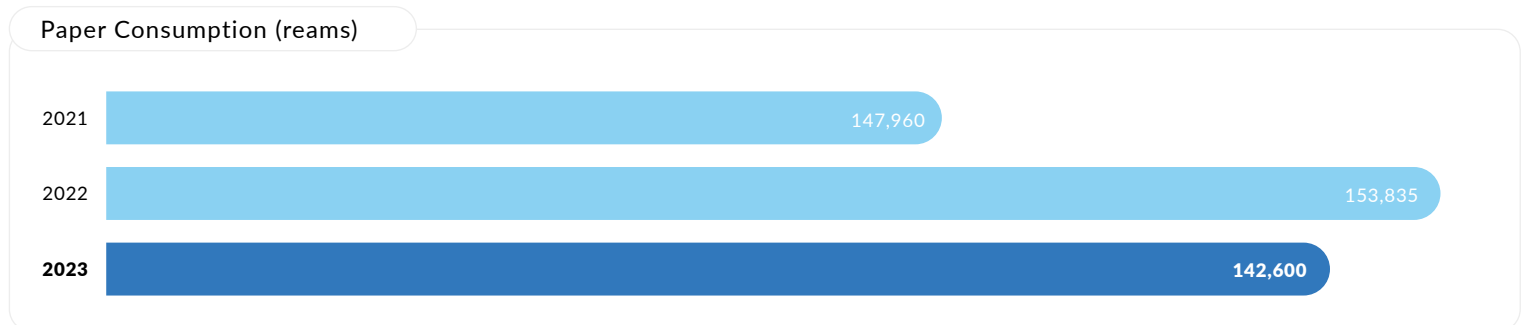
- Our Planet, Our Responsibility Campaign & Switch-Off Campaign 2023, both intended to promote awareness of energy-saving among RHB's employees and foster a change in practices and mindsets.

Electricity Consumption (MWh)



## ...Embedding Good Practices

ES

**Water Consumption****Paper Consumption****Small Changes Campaign**

Launched by RHB Youth Council ("RHB YC") in Q4 of 2023, the Small Changes Campaign aims to encourage responsible paper consumption and reduce printing across branches in Malaysia. The Small Changes campaign rewarded branches with the largest percentage change in paper consumption between Q3 2023 and Q4 2023, with the top five branches winning a Touch 'n Go eWallet Credit of up to RM700. The top 20 branches received an e-certificate acknowledging their efforts, while the top three regions received a trophy and e-certificate as acknowledgement of their success.

**Other Responsible Paper Consumption Initiatives:**

- As far as possible, we strive to align our procurement of paper with the Programme for the Endorsement of Forest Certification and Mix-Forest Stewardship Council-certified paper



## Moving Forward

### RHB is taking decisive action to achieve Carbon Neutral Operations by 2030.

We will continue to adopt renewable energy sources, optimise energy usage by employing energy-efficient solutions, while minimising our broader environmental footprint through responsible resource consumption. Additionally, the Group will explore carbon offsets and nature-based solutions to supplement our Scope 1 and Scope 2 GHG management efforts. Recognising the significance of behavioural change, RHB will also actively cultivate a mindset of sustainability among our stakeholders, to promote more environmentally-conscious practices.

# SUSTAINABLE SUPPLY CHAIN

## Why It Is Important

Aligned with our commitment of Embedding Good Practices across our business operations, we are committed to integrating sustainability considerations throughout our supply chain to positively impact on our stakeholders. We empower our suppliers and vendors to adopt sustainable practices, creating a value chain that delivers positive economic, environmental, social, and governance outcomes. Our commitment to responsible and ethical procurement affirms our dedication to fairness, transparency, and good business conduct. This approach fosters productive supplier relationships, ultimately enhancing supply chain resilience and mitigating operational risks.

## OUR APPROACH

The Group Procurement Guideline was introduced in 2015 and applies to RHB Banking Group's Malaysian and overseas operations, including all business entities. It aims to provide clear guidance for fair and ethical procurement processes across our operations, and ensure compliance with relevant regulatory requirements. The Guideline establishes expectations for sourcing and negotiations, vendor selection and management, and contract management.

Our ethical practices are further exemplified through our i-Procurement system's end-to-end process, which has been wholly digitalised since 2014. The system features an open e-bidding system, allowing us to streamline our procurement processes better, reduce operational costs, minimise errors, and provide better transparency in our end-to-end procurement activities. This also increases efficiency in tender and payment processes driven by data-driven decision making, and enables the tracking and monitoring of our transactions.

Further, we conduct thorough checks on vendor background, reputation, financial health, and compliance with relevant laws and regulations, including sustainability-related regulations. Vendors are assessed in terms of capabilities, capacity, and quality of services based on deliverables. We also conduct periodic vendor performance evaluation reviews, with business units to obtain feedback and suggestions for improvement for our vendors. We aim to constantly improve our procurement process to demonstrate fair and responsible business conduct, and better engagement with our suppliers.



## ...Embedding Good Practices

SC

**RHB VENDOR MANAGEMENT AND PROCUREMENT PROCESS**

We maintain two systems to meet the Group's sourcing and procurement requirements.

**Centralised Procurement Services**

- To meet the needs of business and functional units Group-wide
- Managed by Group Procurement
- Generally utilised for the procurement of the following goods and services:
  - Property (Civil, structural and architectural)
  - Mechanical & Engineering (Equipment, service and maintenance, installation)
  - Printing and stationery
  - IT goods and services
  - Admin and support services
  - Marketing and corporate services

**Decentralised Procurement**

- To meet the procurement needs of branches and regional offices
- Generally utilised for the individual purchase of small and localised goods and services, primarily administrative and property-related expenditures
- This enables our branch network to support small, independent and local suppliers including micro, small and medium-sized companies

Effective management of the Group's procurement activities is facilitated by our i-Procurement system, an online vendor management system developed to streamline the procurement process and promote transparency.

Our tender notice, supplier selection process and supplier registration steps are available online, which also discloses the Group's procurement integrity and allows suppliers to log in to RHB's iSupplier Portal.

**INTERESTED SUPPLIERS****Vendor Registration**

- Open registration via RHB's corporate website
- Vendors to fill up vendor registration information online
- Vendors to complete and attach required documents as stated in Online Supplier Registration Checklist

**PROCUREMENT SUPPLIERS**

- Registered procurement suppliers are eligible for sourcing and purchasing activities through centralised procurement

▲ For further information, please visit <https://www.rhbgroup.com/malaysia/group-procurement>

We update and review our supplier database annually to ensure that suppliers comply with relevant policies and guidelines, including our General Terms and Conditions, Anti-Bribery & Corruption Policy, and Supplier Code of Conduct. In line with the Group's Whistleblowing Policy, our suppliers are given a safe space to report any complaints in their business transactions with RHB via our grievance channel at [speakup@rhbgroup.com](mailto:speakup@rhbgroup.com). The email also enables suppliers to report any incidents related to bribery and corruption. We endeavour to respond to suppliers' concerns as swiftly as possible.

# SUSTAINABLE SUPPLY CHAIN (Cont'd)

## INITIATIVES

RHB is dedicated to upholding ethical business practices across our value chain. To this end, we strive to ensure that our suppliers and vendors adhere to our stance on anti-bribery and corruption. In 2023, we held an engagement session with 70 of our suppliers, focusing on strengthening integrity with the following objectives:

- To inform suppliers of RHB’s Anti-Bribery and Corruption (ABC) policy and initiatives
- To provide assurance that the Group has taken all necessary steps to deter and prevent bribery and corruption within our supply chain
- To ensure suppliers are committed to complying and adhering to our zero tolerance to bribery and corruption

To clearly communicate our ABC policy and practices throughout our supply chain, we distributed the RHB ABC Handbook to 100% of our active suppliers via email.

### RHB’s Supplier Code of Conduct

In 2023, we enhanced our ethical guidelines for suppliers by introducing the RHB Supplier Code of Conduct. The new principles exemplify our commitment to conducting business ethically and responsibly. It also establishes expectations that suppliers uphold the same standards of business ethics, as we aim to work with them to adopt best practices throughout our supply chain. Through the Principles of the Supplier Code of Conduct, we will guide our suppliers in embedding ESG considerations into their practices.

### Principles of RHB’s Supplier Code of Conduct

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>• Reduce GHG emissions &amp; Improve energy efficiency</li> <li>• Efficient waste management</li> <li>• Water conservation &amp; reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Human Rights</li> <li>• Freedom of association</li> <li>• Diversity &amp; Inclusion</li> <li>• Safe &amp; healthy working conditions</li> <li>• Respecting the rights of local communities</li> <li>• No child labour or no forced labour</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-bribery &amp; corruption</li> <li>• Confidentiality &amp; Personal data protection (applicable laws)</li> </ul>

### RHB’s Supplier Code of Conduct Implementation

Based on a readiness assessment that we conducted amongst our supplier base in 2023, we will implement the Supplier Code of Conduct in a phased approach, with Phase 1 commencing in 2024 and focusing on key suppliers in Malaysia. This Phase will address Tier 1 and larger Tier 2 suppliers, consisting of larger organisations with the necessary resources and capabilities to embed ESG principles. Phase 2 will commence in 2025 for overseas offices’ suppliers, including Singapore. Rollout to Tier 3 suppliers, which primarily consists of SMEs and MSMEs, will be on a best-effort basis, in acknowledgement of the specific challenges they face in embracing sustainable practices.

Suppliers will be given a transition period to adopt the Code of Conduct, and RHB will work with our suppliers to develop action and improvement plans. As part of its implementation, we will conduct sharing sessions with our suppliers to educate them on the Supplier Code of Conduct requirements. Additionally, from 2024 onwards, all new suppliers will be assessed against the Supplier Code of Conduct upon onboarding.

## ...Embedding Good Practices

SC

## IMPACTS OF THIS MATERIAL MATTER

We invest a significant amount in procuring goods and services every year to support our business operations. Our suppliers comprise a diverse range of local and foreign-owned businesses.

**RM 643 million**  
total spending on suppliers

**695**  
total suppliers and vendors

**74%**  
of total spending on technology

## Supplier composition in 2023

	Number of suppliers	%	Amount Spent (RM million)	%
Foreign	47	7	61.0	9
Local	648	93	582.3	91
<b>Total</b>	<b>695</b>	<b>100</b>	<b>643.3</b>	<b>100</b>
Private Limited	589	91	576.4	99
Sole Proprietor	59	9	5.9	1
<b>Total</b>	<b>648</b>	<b>100</b>	<b>582.3</b>	<b>100</b>

We aim to support Bumiputera suppliers by setting a minimum 30% representation target of the total approved panel of suppliers. Our supplier database is updated yearly and reviewed to ensure suppliers' continued compliance with our policies and guidelines and to address any complaints or negative feedback received from users.

RHB's efforts to support local suppliers align with our broader commitment to responsible business practices. By prioritising partnerships within our communities, we directly contribute to economic growth, job creation, and enhanced livelihoods. Furthermore, it diversifies our supply chain, enhancing operational resilience and mitigating potential risks. Supporting local suppliers thus creates shared value for RHB and our stakeholders.

## Moving Forward

Building a sustainable future for all requires close collaboration with our supply chain partners. We remain committed to engaging with our suppliers, empowering them to embrace ESG-focused practices that align with our individual and collective ambitions. This ongoing dialogue ensures their awareness of the Bank's ethical business standards while fostering transparency and fairness throughout the procurement process. As we continuously improve our practices, we strive to create a sustainable and responsible value chain that benefits all stakeholders.

## ...Enriching & Empowering Communities

**Building trust and fostering deep connections within our communities is a central component of RHB's sustainability strategy and social impact agenda. We achieve this through collaborative partnerships and impactful community engagement initiatives, ensuring that every action leaves a lasting, positive impact. Our employees are empowered to contribute and participate in these initiatives, fostering a culture of social responsibility and shared progress. By nurturing the potential of future generations and uplifting vulnerable and underserved segments, we are committed to improve the long-term well-being of our communities, strengthen our social licence to operate and create value for all.**

### VISION

Create long-term positive impacts on our communities, focusing on nurturing children and youth

### FOCUS AREA

#### 1 Nurturing Future Generations

Promote growth and resilience in children and youth through holistic learning and self-development programmes.

#### 2 Lifting Communities

Improve the lives of vulnerable & underserved segments of the community through meaningful community engagement initiatives which includes capacity building and skills development programmes

RHB's Community Engagement programmes play a vital role in achieving the Group's sustainability aspiration of empowering over two million targeted individuals and businesses across ASEAN by 2026. To maximise the positive impact that we create, our community programmes are aligned with and contribute to relevant UN SDGs, notably SDG 4 ("Quality Education"), SDG 8 ("Decent Work and Economic Growth") and SDG 14 ("Life Below Water").

#### Sustainability Focus Area

- Nurturing Future Generations
- Lifting Communities

#### TWP24 Focus Area

- Catalyse Sustainability
- Integrate into Key Islamic Ecosystems

#### RHB Sustainability KPI

- KPI 2: Empowering over 2 million targeted individuals and businesses across ASEAN by 2026

#### UN SDGs



#### Material Matters

- CE** Community Enrichment and Empowerment
- FI** Financial Inclusion

#### Relevant Bursa Common Sustainability Matters

- Community/society

## ...Enriching &amp; Empowering Communities

## COMMUNITY ENRICHMENT AND EMPOWERMENT

CE

## Why It Is Important

Our sustainability commitment transcends the boundaries of the mere provision of financial products and services; it is rooted in a profound commitment to nurturing societal advancement and enhancing the quality of life across a selected segment of our stakeholder group. At the heart of our endeavours lies a dedication to uplift local communities and catalyse the prosperity of Micro, Small and Medium Enterprises ("MSMEs"). These efforts are crucial in stimulating economic vibrancy promoting the spirit of innovation and inclusivity, essential for sustainable community development. Equally paramount to our mission is empowering youth, especially those from the vulnerable segments. Recognising the transformative power of education, we are committed to creating pathways that enable youth to access higher education in this segment. This includes building knowledge and awareness of financial management and literacy. Collectively, these efforts enable us to bridge social gaps, foster inclusivity, and ensure equal opportunities across all segments of the community.

## OUR APPROACH

Established in 2015, the RHB Foundation is our non-profit organisation dedicated to enriching and empowering communities, mainly supporting vulnerable and underserved segments, particularly children and youths. We aim to address the barriers that hinder growth through targeted programmes in education and economic development. Several of RHB Banking Group's flagship community engagement programmes are steered by the RHB Foundation. These programmes focus on the following community engagement pillars:

## NURTURING FUTURE GENERATIONS



Promoting the holistic development of children and youth through targeted programmes that champion academic excellence. By ensuring equal access to top-tier education, we strive to empower youth with the tools and knowledge they need for a successful future.

## LIFTING COMMUNITIES



Improving the lives of underprivileged and vulnerable individuals, particularly the low-income and B40 segments through initiatives that emphasise capacity building and skills development.

To ensure robust governance of our community engagement programmes, the RHB Foundation Board of Trustees provides oversight and strategic guidance to the RHB Foundation team, ensuring the effective execution of the Group's flagship programmes. The composition of the Board of Trustees is as follows:



**TAN SRI AHMAD BADRI  
MOHD ZAHIR**  
*Chairman, Non-Executive Member*



**TAN SRI DATO' DR. YAHYA  
AWANG**  
*Independent Non-Executive Member*



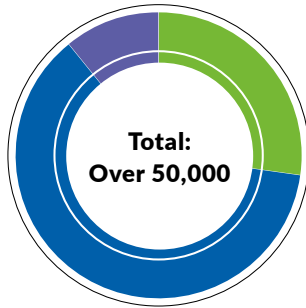
**NADIAH HANIM  
ABDUL LATIF**  
*Independent Non-Executive Member*

In addition to our flagship community engagement programmes, the Group directly supports communities via initiatives such as RHB Touch Hearts. This employee-driven effort empowers RHBians to take ownership of community engagement projects. Over and above this, RHB Islamic, through its strategic collaborations with industry players, drives several community engagement programmes focusing on sustainable growth and empowerment within asnaf and B40 communities.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## IMPACTS OF THIS MATERIAL MATTER

### Beneficiaries from Community Engagement Programmes (FY2023)

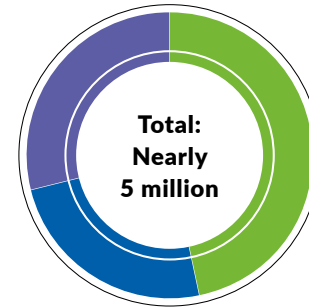


- Nurturing Future Generations\* - 13,738
- Lifting Communities\* - 30,846
- Other programmes and initiatives\*\* - Over 5,500

\* Programmes managed by RHB Foundation

\*\* Inclusive of programmes from RHB Islamic and our overseas operations (Singapore, Brunei and Cambodia)

### Investments into Community Engagement Programmes (FY2023)



- Nurturing Future Generations\* - Over RM2.34 million
- Lifting Communities\* - Over RM1.21 million
- Other programmes and initiatives\*\* - Over RM1.44 million

## NURTURING FUTURE GENERATIONS

RHB is dedicated to nurturing the growth, resilience, and development of children and youths through holistic programmes. Through our targeted programmes, we ignite young minds, empowering them to excel in studies while nurturing their unique talents. By ensuring equal access to quality education, we break down barriers and equip them with the tools and knowledge to build a brighter future.

### RHB X-Cel Academic Excellence Programme & RHB X-Cel Star Scholarship

#### RHB X-Cel Academic Excellence Programme

- A programme for Form 4 and Form 5 students across Malaysia, targeting students from the B40 segment
- Designed to harness education as a tool to foster upward mobility among lower-income youths, thereby generating positive effects on their families and communities
- The programme includes scheduled tuition classes and preparatory sessions for the Sijil Pelajaran Malaysia ("SPM") Examination to help prepare the students for their SPM exams.

#### RHB X-Cel Star Scholarship

- Aims to enable bright students to pursue higher education at a local tertiary education institution
- RHB invites students who excelled in their SPM exam for the RHB X-Cel Star Scholarship selection process
- The programme also places strong emphasis on the importance of individualised mentorship for both academic and personal growth. From 2021 to 2023, a cumulative total of 30 dedicated RHB Management Associates have enthusiastically stepped forward to volunteer as mentors, committing their time and expertise to provide individual guidance
- These mentoring efforts aim to make a lasting impact on the educational journey of these students, reinforcing our commitment to fostering growth and inclusivity within our community

## ...Enriching & Empowering Communities

CE

The RHB X-Cel Academic Excellence programme has positively impacted **9,368** secondary school students since 2018.

Since 2019, we have disbursed over **RM1.27 million**, benefiting **48** students who received the RHB X-Cel Star Scholarships.

Up to **15** scholarships to be awarded in the fiscal year 2024

	Cumulative Total (2018 - 2023)	2023 Achievements	2022 Achievements
<b>RHB X-Cel</b>	<b>9,368</b> students	<b>2,880</b> students	<b>2,396</b> students
<b>RHB X-Cel Star Scholarship</b>	<b>48</b> scholars	<b>10</b> scholars	<b>9</b> scholars

### RHB X-CEL PROGRAMME - TEACHERS' TESTIMONIALS



**Judith Kalven Anak Max Kinchai**

SMK Tabuan Jaya, Sarawak

Our students' academic achievements have greatly benefitted from this programme. Since joining it in 2019, this programme has been one of the key contributors to the increase in the Average School Grade ("GPS") of our school. Additionally, financing the purchase of reference books has eased the financial burden for our students and the school.



**Venmathy A/P Muniandy**

SMK Jalan Mengkibol, Johor

This programme has greatly helped our students, especially those from B40 families. It allows them to gain more knowledge and enhance their skills, broadening their horizons and setting them on a brighter path for their future. I sincerely hope RHB continues this programme over the long-term, as it empowers students to achieve good results.



**Syazana Bt Shamsudin**

SMK Taman Dato' Harun, Selangor

Since 2019, the RHB X-Cel Programme has significantly impacted our students, especially those from underprivileged backgrounds. Previously reliant solely on the school's limited resources, they now thrive on the programme's free tuition, motivation sessions, and post-SPM awards. These resources empower them to excel academically and financially, paving the way for brighter futures. We at SMK Taman Dato Harun deeply appreciate the programme's role in our school's success and the lasting impact it has on our students' lives.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## RHB X-CEL PROGRAMME - TEACHERS' TESTIMONIALS



**Mohamed Fahmi Bin Ramli**

*SMK Kinarut Papar, Sabah*



This programme is important to us because it offers additional classes to lower-income families and guarantees continuous guidance for students throughout the SPM preparation process. The programme has had a positive impact on our students and teachers, and I hope that this connection between RHB and our school will continue for the long term.



**Mardewati Yusof**

*SMK Bukit Rambai, Melaka*



In SMK Bukit Rambai, most students come from low- to medium-income families, making tuition classes unaffordable for many. This programme greatly assists students who lack the financial means for such support. Furthermore, the cash reward and opportunity to receive a tertiary education scholarship incentivises excellent academic performance. I sincerely hope RHB continues this programme, granting more students the opportunity to benefit from it.

## RHB X-CEL STAR

**Sharwen A/L Siwabalan**

*Bachelor of Mechanical Engineering (Hons),  
University Kebangsaan Malaysia*



The RHB X-Cel Star Scholarship not only provided vital financial support but also paved the way to a dynamic community where individuals with aligned goals collaborate, offering unique opportunities to enhance my professional skills. My heartfelt appreciation for this scholarship, as it has profoundly shaped my academic journey and played a pivotal role in defining my future aspirations.

**Roslyana Binti Ruslie**

*Bachelor of Chemical Engineering (Hons),  
University Malaysia Sabah*



The RHB X-Cel Star Scholarship programme has provided me with financial assistance and opened doors to a network of like-minded individuals and opportunities for professional development. I am immensely thankful for the impact this scholarship has had on my academic journey and future aspirations.

**Chang Shi Ting**

*Bachelor of Science (Hons) Actuarial Science,  
University Kebangsaan Malaysia*



I would like to express my heartfelt gratitude for being awarded the scholarship. This opportunity not only alleviates the financial burden associated with education but also serves as a testament to my dedication and hard work. I am sincerely thankful for the belief placed in me and look forward to utilising this assistance to further my education and contribute meaningfully to my chosen field.

**Muhammad Talhah Bin Sarudin**

*Bachelor of Management (Hons),  
Universiti Sains Malaysia*



The RHB X-Cel Star Scholarship opened doors to a brighter future for me. Coming from a family with limited resources, I wouldn't have been able to afford a university education without this scholarship. The scholarship has not only removed financial barriers but also given me the confidence and motivation to succeed. I'm truly grateful to RHB Foundation for investing in my future.



## ...Enriching &amp; Empowering Communities

CE

## RHB X-CEL STAR

**Puteri Zubaidah Binti Sharudin***Bachelor of Computer Science (Hons),  
Universiti Teknologi MARA*

Being a recipient of the RHB X-Cel Star Scholarship has been a true blessing, relieving the financial burden on my family and enabling me to pursue my educational dreams. This support encourages not only academic success but also nurtures my personal development.

**Nor Izna Binti Mohd Isa***Bachelor of Computer Science (Hons),  
Universiti Sains Islam Malaysia*

I am truly grateful for the life-changing opportunity that this scholarship has provided me. I am committed to make the best of this opportunity, and I am excited about the positive impact it will have on my academic and future professional journey.

**Soh Ai Ling***Bachelor of Information System (Honours),  
University Tunku Abdul Rahman College*

I am truly grateful for the incredible opportunity the RHB X-Cel Star Scholarship has provided me. This scholarship not only eases the financial burden of my education but also recognises and supports my commitment to academic excellence. The RHB X-Cel Star Scholarship has opened doors for my future, and I am proud to be a recipient of such a prestigious award.

**Cheen Chee Lok***Bachelor of Accounts (Hons),  
Universiti Utara Malaysia*

The RHB X-Cel Star Scholarship is more than financial support; it's a game-changer in my academic journey. By covering my university expenses, it eases the burden on my parents and allows me to focus on my studies. This support not only propels me toward a degree in accountancy but also fuels my dream of making a positive impact as a successful businessman in the future. The scholarship has become a key to unlocking my potential and contributing meaningfully to society.

**Khairul Anam Bin Amat Sidiq***Science Computer (Software Engineering),  
Universiti Malaya*

The RHB X-Cel Star Scholarship has been nothing short of transformative in my educational journey. Beyond the financial support, this scholarship has been a catalyst for personal and academic excellence. The opportunities it has provided have not only allowed me to pursue my studies but have also ignited a passion within me for making a positive impact on the world. This scholarship is not just an investment in education; it's an investment in shaping future leaders who are driven to make a difference. It's not just a scholarship; it's a springboard for future leaders, and I'm grateful to be a part of this remarkable journey.

**Mohamad Shahfizul Bin Mohd Suhaimi***Bachelor of Software Engineering,  
Universiti Malaysia Sarawak*

This scholarship has been an immense help to me, both mentally and financially. By enabling me to meet other scholars and mentors, it has also acted as a guiding light on my journey toward achieving my dreams. I am truly grateful for this opportunity.

# Moving Forward

We intend to offer alternative educational pathways to support students who may not have secured admission to higher learning institutions, or those with a preference for Technical and Vocational Education and Training ("TVET").

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## RHB #EMPOWER

### PROGRAMME STRUCTURE



The programme consists of a three-month structured development training with modules, that include equipping participants with specialised digital skills such as basic computer operations, graphic design, and video editing. It also focuses on enhancing their cognitive and social skills.

For 2023, the Group collaborated with the Human Resource Development Corporation ("HRD Corp") to ensure participants secure internships or job placements, enabling them to achieve financial independence.

### FY2023 HIGHLIGHTS



The first intake comprised 20 participants who completed the structured development programme in June 2023. Among the 20 #Empower participants, 16 participants were able to secure internship or job placements with various employment partners, including RHB, HRD Corp, Yayasan Hasanah, Westin Hotel Kuala Lumpur, Touch 'n Go Sdn. Bhd., TNG Digital Sdn. Bhd., Mydin Mohamed Holdings Berhad, Eirli Systems Sdn. Bhd., Mereka Innovative Education Sdn. Bhd., Infinite Impact Solutions and Pizza Hut.

### LOOKING AHEAD



The second intake of the #Empower programme will commence in Q22024. RHB is working closely with collaborative partners and is in the midst of identifying and selecting another batch of neurodivergent young adults to be part of the second intake of RHB #Empower. Feedback from the first intake was taken into consideration to improve the programme, address and minimise gaps and enable better measurement of its impact.

In FY2023, 16 participants secured internships or job placements through RHB #Empower

RHB #Empower aligns with our commitment in driving Diversity, Equity and Inclusion in the workplace across gender, age, ethnicity, religion, nationality and differently-abled individuals. This initiative also reinforces our Purpose Statement of "Making Progress Happen for Everyone" and puts us on the right track towards achieving one of our sustainability aspirations under RHB's **Together We Progress 2024** ("TWP24") corporate strategy – to empower two million targeted individuals and businesses across ASEAN by 2026.

### RHB Money Ma\$ter Programme

The Ministry of Education-endorsed RHB Money Ma\$ter Programme has continued to deliver financial literacy programmes to youths of school-going age nationwide since 2018. This financial literacy programme aims to educate secondary school students in managing their finances and to instil the importance of saving from young. The programme, comprising a 90-minute interactive session with students, highlights key topics such as money management, tips on saving and financial scam awareness. In 2023, we surpassed our target of 10,000 students, reaching 10,828 students.

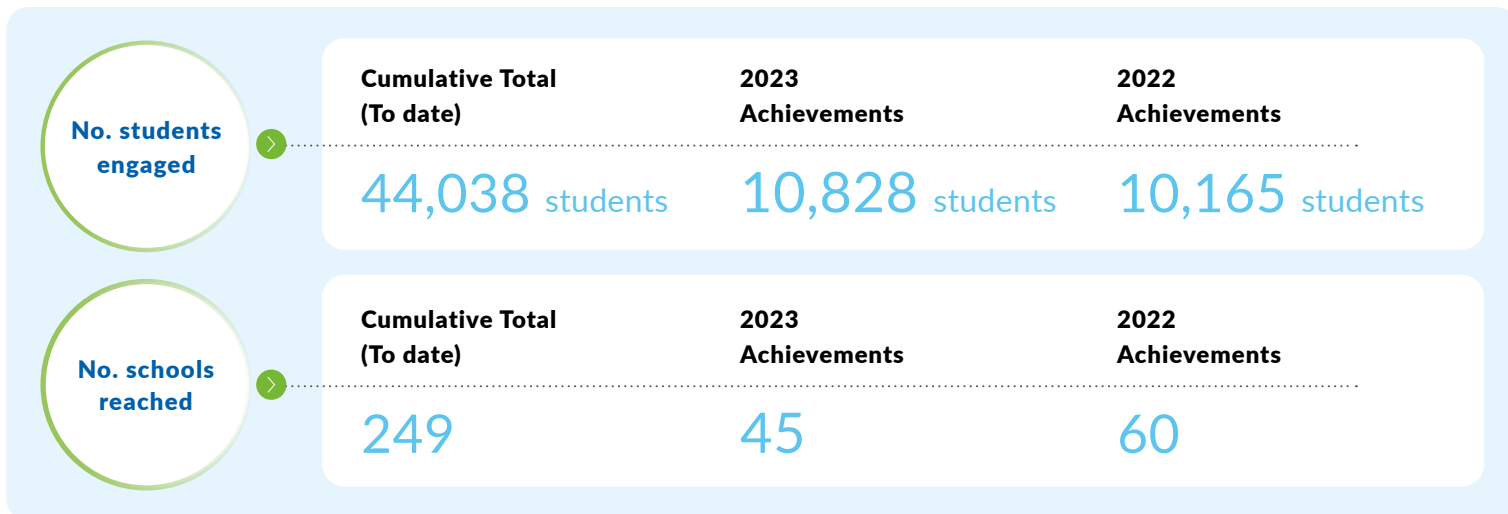
Since 2018, we have reached over

44,000 students across nearly 250 schools

Achieved 108% of our 2023 target

## ...Enriching & Empowering Communities

CE



### Moving Forward

- We aim to extend the programme to rural schools across Malaysia by encouraging schools and teachers to integrate our financial literacy video, "Who Wants to be a Money Master" into their learning sessions.
- Launch the pilot phase of the programme for the first time since we kicked off in 2018 in Klang Valley schools and expand the programme to primary schools with a focus on Standards 4, 5, and 6, in collaboration with RHB Islamic's Ocean Harmoni programme.

#### RHB Art With Heart

Our Art With Heart programme is dedicated to championing local emerging Malaysian artists and exceptionally talented individuals. Our exclusive art exhibition, we showcases the exceptional works of these budding artists. This exhibition provides a unique opportunity for our valued customers and business partners to appreciate and invest in a distinctive collection of artworks.

In 2023, our art exhibition proudly highlighted the work of local up-and-coming artists, featuring the creative talents of Persons with Disabilities ("PWD") for the second year, since 2022 including artists with Down Syndrome, autism, ADHD, hearing impairment, and other disabilities. This marked a meaningful step towards inclusivity, as we contribute towards a truly diverse and supportive community.

Since 2016,



### Moving Forward

- We hope to encourage a greater number of Artists with Disabilities to participate in art exhibitions and help them with sales during the event.
- Concurrently, we plan to increase the art exhibitions' period from seven to 10 days, broadening sales prospects and supporting artists in selling their artworks, potentially in full.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## LIFTING COMMUNITIES

RHB supports communities' growth and prosperity through capacity building and funding for micro-entrepreneurs, festive and well-being assistance to the needy, humanitarian aid and employee volunteerism.

Under the pillar of Lifting Communities, our key focus area is to improve the lives and well-being of the disadvantaged and vulnerable members of society, specifically the low-income and B40 communities, through capacity building and skills-development in ensuring they can able to sustain their livelihood and well-being.

### RHB #JomBiz

Launched in Q42022, RHB #JomBiz is a social empowerment programme that aligns with the Group's Sustainability Strategy and Roadmap. It aims to uplift and empower micro, small, and medium enterprises ("MSMEs") impacted by the pandemic through capacity building, mentorship, and provision of seed funding to help them restart and boost their businesses.

#### PROGRAMME STRUCTURE

This inclusive social programme welcomes MSME owners with an annual sales turnover of not more than RM300,000. As part of the programme, participants demonstrating exceptional business pitch skills stand to receive seed funding of up to RM15,000.

A distinctive feature of the programme is IKON RHB, where selected participants are nurtured to assume leadership roles within their working groups and future cohorts. These IKONs, acting as mentors, play a pivotal role in guiding, motivating, and coaching fellow participants, contributing to the upskilling of micro-businesses. Ultimately, the IKONs evolve into community leaders or role models, as they actively participate in forthcoming community engagement initiatives, creating a sustained positive impact on the community.

#### FY2023 HIGHLIGHTS

In 2023, we granted seed funding amounting to RM224,000 to 60 promising businesses. This programme supports RHB's sustainability aspiration to empower more than two million targeted individuals and businesses across ASEAN by 2026.

As part of the programme, we host the #JomBiz Bazaar, which allows participants the opportunity to engage with corporate customers in a new business environment. A total of five #JomBiz Bazaars were held throughout 2023.

#### LOOKING AHEAD

To maximise the positive impact of the programme, we will look to:

- Empower and train selected participants, enabling them to become IKON RHB that will take on leadership roles, guiding and mentoring future cohorts in improving their skills in micro-businesses.
- Promote RHB's specialised products and services designed for SMEs, including #JomSapot, RHB Reflex, SME e-Solutions, and DuitNow QR, among recipients of seed funds to enhance the visibility of their micro-businesses.
- Enhance impact by encouraging MSMEs to strive for a sales increase of at least 10% within the initial six months after the completion of the programme.

### RHB #JomBiz Total Number of Beneficiaries

Cumulative (2022-2023)	FY2023
470 micro businesses	329 <sup>^</sup> micro businesses

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## ...Enriching & Empowering Communities

CE

### RHB Touch Hearts & RHB Touch Hearts 360

The RHB Touch Hearts 2023 is a Group-wide activity focusing on environmental conservation and preservation, and uplifting and empowering communities. It also aims to promote and encourage the spirit of volunteerism amongst more than 14,000 employees across seven countries in the ASEAN region, including participation from the Group's Senior Management. All departments are responsible for selecting a meaningful cause and devising fundraising strategies for that cause.

#### Touch Hearts Projects: Encouraging Environmental Protection

Of the 43 RHB Touch Hearts projects implemented across ASEAN in FY2023, 22 were projects related to environmental conservation. Through these projects, our RHB team planted a total of 5,446 trees across various locations in Malaysia in collaboration with the Forest Research Institute Malaysia ("FRIM"). Of the trees planted, 4,000 were mangrove trees, recognising the value of mangrove ecosystems in coastal protection, carbon sequestration and climate change mitigation.

**50%** of RHB Touch Hearts 2023 projects were related to environmental protection

Planted **over 5,400 trees**, of which **4,000** were mangrove trees

Examples of environmental protection and conservation projects implemented by RHBians during the year include:



**Project:**

Bakau Tree Planting

**Description:**

The Group Technology team in Denai, Sabak Bernam, planted over 530 mangrove trees along the Denai coast to protect a nearby village against coastal flooding due to climate change. The mangrove tree planting activity aims to benefit over 18,000 Sungai Air Tawar, Sabak Bernam residents.



**Project:**

It Starts With Us

**Description:**

The Sarawak region team planted over 880 mangrove trees at the Samunsam Wildlife Sanctuary in Sematan to help preserve the rainforest and improve wildlife habitat.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## Touch Hearts Projects: Uplifting Communities

As part of RHB Touch Hearts 2023, RHBians across ASEAN also implemented social empowerment programmes, targeting vulnerable and marginalised communities. Several initiatives also placed emphasis on empowering the young generation through education. Examples of such programmes in 2023 included:



**Project:**

It Starts With GCM

**Description:**

The Group Community Banking team in Kampung Rantau Panjang, Klang, Selangor, worked on improving the livelihood of more than 50 fishermen and the environment by providing financial assistance for infrastructure development, improving fishing equipment and facilities, as well as cleaning the river.

**Project:**

Improving School Facilities

**Description:**

The Group Operations team at Sekolah Kebangsaan Bukit Raya @ Hulu Langat recognised the urgent need for assistance to enhance the learning environment while promoting environmental sustainability. Their primary objective is to align with the Group's commitment to achieving carbon neutral operations. The team provided essential facilities such as solar-powered lighting, LED lights, a portable outdoor solar station for school activities, and also others, to enhance its infrastructure.

	<b>Cumulative Achievement</b>	<b>2023 Achievements</b>	<b>2022 Achievements</b>
	More than <b>200,000</b> (to date)	Over <b>18,000</b>	Approximately <b>18,000</b>

In 2023, RM741,500 worth of contributions was channelled via RHB Touch Hearts

## ...Enriching &amp; Empowering Communities

CE

In addition to RHB Touch Hearts, the RHB Touch Hearts 360 programme exemplifies RHBians' commitment to going beyond their daily duties and touching the lives of our local communities. The programme involves RHBians planning and coordinating fundraising initiatives for our communities without relying on external support from NGOs or event companies. This approach boosts employee engagement and demonstrates a cost-effective and internally led strategy in our dedication to corporate social responsibility.

In 2023, we channelled donations to foster community well-being, particularly for the B40 group, and supported environmental protection. This aligns with our sustainability goals as we strive to establish ourselves as a socially responsible financial services provider. Our commitment involves promoting sustainable and inclusive growth, demonstrating care not only for our employees and customers but also for the communities we serve.

## Moving Forward

We aim to develop a systematic employee volunteering framework that monitors volunteer hours, thus promoting greater employee engagement and participation in volunteering initiatives.

### RHB HARMONI ECOSYSTEM

RHB Islamic is advancing its Sustainability Strategy through Value-Based Intermediation ("VBI") within the RHB Harmoni Ecosystem. Prioritising Shariah-compliant products, the focus is on producing revenue that contributes to the development of the Ummah and the planet. This commitment reflects a broader shift towards responsible banking, emphasising a harmonious balance between financial success and societal well-being.

**RHB Harmoni ecosystem reflects our commitment to generating positive and sustainable economic impact while implementing Islamic social finance principles. It also resonates with our support for Bank Negara Malaysia's agenda under Strategic Thrust 5 of the Financial Sector Blueprint 2022-2026, prioritising enhancing financial well-being for households and businesses.**

The RHB Harmoni ecosystem comprises three spheres that are designed to maximise value to the respective stakeholder groups:



#### Social Harmoni

- Enables Islamic social finance that includes waqf, sadaqah, and zakat. Social Capital is mobilised to enhance the well-being of communities through initiatives that inculcate economic and education empowerment.



#### Ocean Harmoni

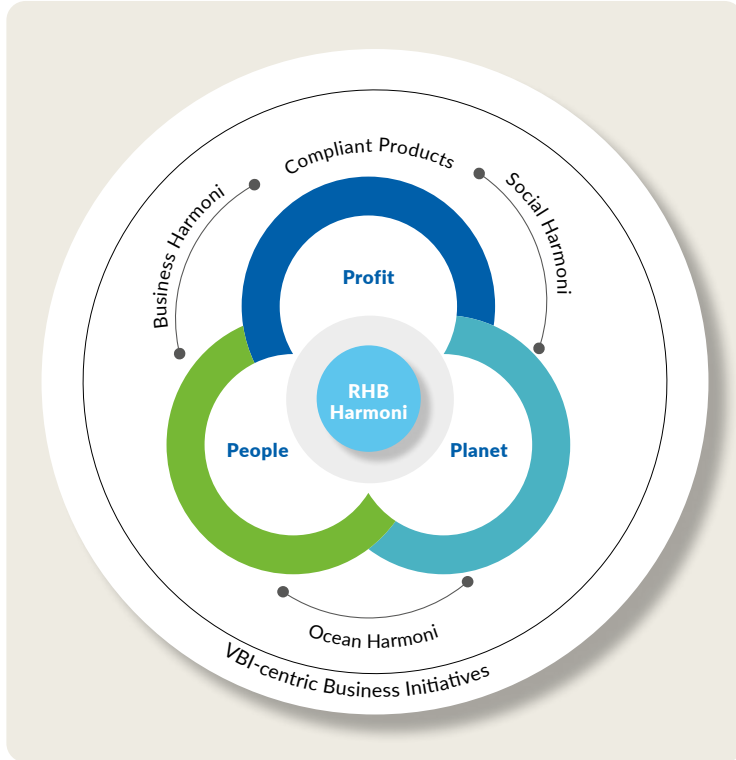
- Engages stakeholders, including the public, to raise awareness and contribute to conserving the ocean and marine ecosystems, and the sustainable consumption of marine resources.



#### Business Harmoni

- We provide a wide range of products and services for the retail, SME, corporate and commercial business, investment banking and wealth management business with a focus on the education, health, and on government segments.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)



Total raised under Dana Wakaf Al-Bait: **RM675,430**

Total zakat contributed: **RM8.0 million**

## Social Harmoni

RHB Islamic's Social Harmoni initiatives embody a comprehensive strategy aimed at cultivating positive and sustainable change across various societal facets. These initiatives are strategically channelled through four key focus areas, shaping a harmonious and flourishing community:

**Economic Empowerment**

**Education Empowerment**

**Community Livelihood**

**Sustainability Initiatives**

## Economic Empowerment

Under Economic Empowerment the aim is to empower individuals and communities through sustainable entrepreneurship involves fostering initiatives that not only generate income but also contribute to the long-term economic well-being of households. By promoting and supporting entrepreneurial endeavours, we aim to create opportunities for individuals to establish and maintain businesses that provide a steady income stream. In doing so, the overarching goal is to create a positive and lasting impact on the overall economic prosperity of households, thereby fostering a foundation for sustained and improved livelihoods. For 2023, RHB Islamic has distributed its zakat fund through four main initiatives/projects.

### B40 EMPOWERMENT STRATEGY-BE YOUR OWN BOSS ("BEST-BYOB")

*BEST-BYOB is a comprehensive and competitive entrepreneurship programme which includes structured business training, business matching opportunities, mentoring and seed funding. Graduates of BEST-BYOB will continue to receive mentorship and business guidance during the first six months of their business operations.*

#### Implementation Details

- **Strategic partner:** Perbadanan Nasional Berhad ("Pernas")

#### Impact

A total of **28 participants benefited** from the BEST-BYOB 2023 programme and has effectively transitioned into pre-franchise entrepreneurs under the Business In Transformation ("BIT") initiative by Pernas, generating initial incomes ranging from RM1,500 to RM30,000.



## ...Enriching &amp; Empowering Communities

CE

**PROJEK TERNAKAN AYAM KAMPUNG KACUK ("PTAKK")**

The PTAKK programme aims to foster sustainable economic growth within asnaf and B40 communities in Kelantan by enabling participants to venture into poultry farming entrepreneurship. PTAKK comprises three distinct projects/initiatives designed to enhance the entire chicken farming ecosystem. These initiatives include the farming of ayam kampung kacuk, poultry feed processing, and breeding and hatching.

Through the strategic implementation of these three initiatives, the programme is dedicated to establishing a holistic and integrated approach. Its aim is to unlock the full potential of chicken farming, fostering success and affluence within the targeted community. Participants of this programme will gain theoretical and practical knowledge relating to the chicken farming ecosystem, to sustain their livelihoods moving forward.

**Implementation Details**

- **Strategic partner:** Permodalan Nasional Berhad
- **Implementation partner:** Universiti Malaysia Kelantan's ("UMK") Institute of Research and Poverty Management ("InsPeK")
- **Allocated Zakat Fund:** RM600,000

**Impact**

This project **benefits 10 asnaf families** and provides opportunities for **over 200 members** of the academic community at Universiti Malaysia Kelantan, including researchers, lecturers, and students.

**B40 ASNAF ECONOMIC DEVELOPMENT PROJECT IN PERLIS THROUGH BENGKEL JAHITAN "SEWING DELIGHT" AT TAMAN DESA ASNAF BATU BERTANGKUP CHUPING PERLIS AND BENGKEL PENGUSAHAAN KARIPAP AT KAMPUNG SENTUA UTAN AJI KANGAR PERLIS**

RHB Islamic has partnered with Majlis Agama Islam dan Adat Istiadat Melayu Perlis ("MAIPs") and Akademi Transformasi Asnaf MAIPs ("ATAM") to efficiently distribute zakat to the asnaf and B40 community in Perlis. The two key projects are:

- Tailoring Workshop at Taman Desa Asnaf Batu Bertangkup, Chuping: In collaboration with ATAM, RHB Islamic is closely working with Jabatan Kemajuan Masyarakat Perlis ("KEMAS") and GIATMARA Malaysia to provide comprehensive training in tailoring apparel and bedding. This initiative aims to enhance the business acumen of B40 participants, contributing to their economic empowerment.*
- Bengkel Pengusahaan Karipap at Kampung Sentua, Utan Aji Kangar: This project equips participants with the essential skills to establish and manage a curry puff production business. RHB Islamic is the exclusive contributor, providing centres with the necessary tools and equipment to support these impactful initiatives.*

**Implementation Details**

- **Strategic partner:** Akademi Transformasi Asnaf MAIPs ("ATAM") under MAIPs
- **Allocated Zakat Fund:** RM165,729

**Impact**

Through these projects, **500 asnaf and B40 community** in Perlis were provided with invaluable opportunities to acquire essential skill sets. This empowers them to generate sustainable income and serves as a pathway to enhance their overall quality of life.



# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## RHB #JOMBIZ PROGRAMME

*RHB #JomBiz Programme is a social programme to raise awareness in nurturing and growing micro businesses towards creating positive social impact in uplifting the social welfare of the B40 community.*

### Implementation Details

- **Strategic partner:** SME Corporation Malaysia and Taylor's Community
- **Allocated Zakat Fund:** RM20,850

### Impact

**37 asnaf MSMEs** completed the programme and received seed funding of RM1,200 each from the Bank

▲ For more information on RHB #JomBiz Programme, please refer to page 216 of RHB Sustainability Report 2023

## Education Empowerment

Education Empowerment stands as a fundamental force, recognising the profound transformative capacity of education to uplift the livelihood status of individual families. It goes beyond the conventional view of education by understanding it as a dynamic and empowering tool that has the potential to bring about positive, far-reaching changes. This empowerment involves acquiring knowledge and fostering critical thinking, skills development, and a broader perspective.

In embracing education as a catalyst for personal and collective growth, RHB Islamic aims to not only break socio-economic limitations but also equip individuals with the skills and insights needed to navigate a dynamic world. Education, viewed through this transformative lens, becomes a key driver for individuals to confront challenges, pursue meaningful careers, and contribute positively to their communities, thereby facilitating sustainable change. In 2023, the following initiatives were implemented under the theme of education empowerment

## B40 EDUCATION EMPOWERMENT PROGRAMME ("BEEP")

*BEEP is an initiative that goes beyond traditional education support. Recognising the challenges faced by the B40 community, BEEP adopts a holistic approach to enhance educational access for children. The programme is crafted to address key obstacles, including financial constraints, limited resources, and restricted opportunities, to foster a more inclusive and equitable learning environment. Among the initiatives under this programme are:*

- Program Tuisyen Pintar;
- Program Selangkah ke Universiti;
- Seminar Teknik Menjawab Soalan SPM; and
- Skim Anak Angkat

*BEEP includes various comprehensive initiatives to improve educational opportunities for children in the B40 community. These initiatives are strategically crafted to address challenges such as financial constraints, limited resources, and restricted opportunities, all aimed at cultivating a more inclusive and equitable learning environment.*

### Implementation Details

- **Strategic partner:** Yayasan Pelajaran MARA ("YPM")
- **Allocated Zakat Fund:** RM264,300

### Impact

Over **2,500 students**, particularly those from underprivileged backgrounds within the B40 and asnaf communities, have derived substantial benefits through the diverse programmes under the BEEP umbrella. This initiative has provided free guidance and academic exposure and created a conducive space for B40 students to explore various educational programmes.



## ...Enriching &amp; Empowering Communities

CE

**ROAD-TO-CAMPUS PROGRAMME**

*Road-to-Campus programme is a programme where a one-off monetary contribution worth RM1,000 is provided to eligible RHB staff whose children received an offer to pursue tertiary education at a university/college for diploma and first-degree study.*

**Implementation Details**

- **Allocated Zakat Fund: RM30,000**

**Impact**

The contribution helped alleviate the financial burden associated with preparing academic materials and managing educational costs at the university level.

**30 recipients** benefitted from this initiative, with 19 currently pursuing diploma courses at various universities in Malaysia, while the remaining 11 recipients are undertaking bachelor's degree programmes in different Malaysian universities.

**BACK-TO-SCHOOL PROGRAMME**

*The Back-to-School programme, a one-time monetary contribution of RM250, is provided to eligible RHB staff with children of school-going age. This initiative aims to alleviate the financial burden of preparing school materials and covering expenses for their children.*

**Implementation Details**

- **Allocated Zakat Fund: RM78,000**

**Impact**

The initiative has eased the financial burden related to academic materials and educational expenses for 312 recipients at the primary and secondary school levels.

**207 recipients** are primary school students and the remaining 105 are secondary school students.

**MYPAC**

*RHB Islamic is collaborating with the Malaysia Professional Accountancy Centre ("MyPAC") to extend financial assistance to asnaf students with good academic achievements. As part of this collaboration, RHB Islamic will provide financial support to the selected students from the B40 community who have completed their Sijil Pelajaran Malaysia ("SPM") and aspire to pursue the Association of Chartered Certified Accountants ("ACCA") qualification via a sponsorship programme. This initiative aims to offer financial relief to post-SPM students, covering their study fees, accommodation, and allowances over a duration of four years.*

**Implementation Details**

- **Strategic partner:** The Malaysia Professional Accountancy Centre ("MyPAC")
- **Allocated Zakat Fund:** The total allocation for four years is **RM304,000**. Currently, **RM132,119** has been distributed with RM30,967 in 2023.

**Impact**

RHB Islamic is currently sponsoring **two students** through this programme.

This initiative carries a significant impact by fostering the development of Bumiputera Professional Accountants which is important in supporting the country's economic growth. Moreover, it extends professional accountancy education opportunities to the latent talent, especially from the B40 and asnaf families. This endeavour has the potential to change the lives of the nation's talented youth and transform disadvantaged families and communities through professional accountancy education.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## Community Livelihood

Community Livelihood focuses on fostering the well-being of communities by addressing their fundamental needs across essential areas, including basic consumption, infrastructure maintenance, education, healthcare and Islamic religious outreach. This approach encourages active engagement, capacity building programmes and cooperative endeavours to collectively tackle social, economic and educational challenges. Community Livelihood seeks to nurture sustainable transformation, promoting self-reliance and a sense of collective responsibility within the community.

### ASNAF FUQARA' IN PERLIS

*RHB Islamic has successfully disbursed zakat refunds to support 140 individual asnaf and three asnaf families through dedicated house visits. The recipients were selected from the list of asnaf provided by MAIPs, ensuring that the distribution directly reaches those in need. This initiative reflects our commitment to making a meaningful impact within the community, aligning with the principles of zakat and fostering a spirit of compassion and support for those facing financial challenges.*

#### Implementation Details

- Allocated Zakat Fund: RM 31,000

#### Impact

The distribution of zakat refunds by RHB Islamic to **140 individual asnaf and 3 asnaf families** has significantly contributed to uplifting the targeted community in Perlis.

Through targeted house visits and careful selection based on MAIPs' asnaf list, this initiative has provided crucial financial assistance and strengthened our commitment to fostering compassion and support. By directly reaching those in need, we can make a tangible impact on the lives of these individuals and families, aligning our efforts with the core principles of zakat and reinforcing our dedication to community well-being.



### EDUCATION ASSISTANCE IN JOHOR

*RHB Islamic has channelled the zakat contributions following the passing of a former RHB staff member, with a primary focus on addressing the educational requirements of the bereaved family.*

#### Implementation Details

- Allocated Zakat Fund: RM 11,250

#### Impact

The distribution of funds to the **four children** of the deceased staff is critical for their future opportunities, as education is an essential tool to empower individuals to become self-sufficient.

This is aligned with Islamic principles, which emphasises the pursuit of knowledge and personal development. The education assistance will provide financial stability for the family, ensuring that basic needs such as tuition fees, food and accommodation continue to be met.

## ...Enriching &amp; Empowering Communities

CE

**Sustainability & Green Initiatives**

Sustainable and Green Initiatives represent environmentally conscious efforts geared towards promoting eco-friendly practices and long-term ecological balance. These initiatives aim to minimise environmental impact, enhance resource efficiency, and foster a more sustainable and resilient future. By integrating green practices across various sectors, such as energy, waste management, and conservation, these initiatives contribute to a healthier planet and a more sustainable way of living.

**GREEN MOSQUE**

*In line with the aspiration of the Ministry of Water and Environment (Kementerian Alam Sekitar dan Air ("KASA")) that encourages programmes that spur green initiatives at places of worship, RHB Islamic has partnered with MGTC under the Masjid Hijau initiative. This initiative promotes sustainable practices by bringing green technologies to mosques, with the aim of reducing their carbon footprint from electricity and water usage by implementing green initiatives such as the installation of Solar Photovoltaic system ("Solar PV"), rain water harvesting, self-water treatment and also becoming the one-stop-centre to buy used cooking oil from the local community.*

**Implementation Details**

- **Strategic partner:** Malaysian Green Technology and Climate Change Centre ("MGTC")
- **Allocated Zakat Fund:** RM150,000

**Impact**

The installation of solar PV at Masjid Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah in Bandar Tun Razak, Jengka, Pahang Darul Makmur, and Masjid Al Barakah in Kesang Luar, Jasin, Melaka, in collaboration with the Islamic religious councils of both states (Majlis Ugama Islam dan Adat Resam Melayu Pahang or "MUIP" and Majlis Agama Islam Melaka or "MAIM"), is set to bring significant positive changes. This initiative is expected to result in substantial cost savings for the mosques, potentially leading to energy independence over time. Beyond financial benefits, the adoption of Solar PV technology demonstrates a commitment to environmental sustainability, reducing carbon footprints and promoting a green and eco-friendly image of the mosques.



# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## Ocean Harmoni

Ocean Harmoni (“OH”) was launched in June 2019. Aligned with UNSDG 14: Life Below Water, it was a significant step forward in our VBI agenda, positioning RHB as a leader within the marine and oceanic conservation space.

Our approach is centred on building partnerships with academic institutions and non-governmental organisations to raise awareness about protecting our oceans and the resources within. We adopt a two-pronged strategy; on the one hand, we endeavour to support OH partners’ conservation and research efforts, and on the other hand, promote the sustainable use of marine resources for economic purposes.

In 2023, we continued to explore new collaborations with Universiti Malaya Medical Centre (“UMMC”) and Universiti Malaysia Sabah (“UMS”). RHB Islamic’s MoU with UMMC reflects the bank’s dedication to advancing inclusivity in support of SDG 10 (‘Reduced Inequalities’) and reinforcing SDG 14 (‘Life Below Water’), focusing on ocean conservation. The collaboration with UMS centres on sustainable aquaculture for hybrid ocean fish farming, aligning with SDG 14’s goals for responsible marine resource use. This partnership also aims addresses over-exploitation and overfishing, promoting knowledge transfer, environmental awareness, and ocean preservation activities.

In addition, we carried out the following activities:

Delivered financial literacy sessions to close to **1,000 individuals**

Baby coral planting at Pulau Rawa as part of the UM Pulih project, in collaboration with Diveheart and UMMC

38 certified divers, comprising 37 RHB staff from HQ, Eastern and Southern regions and a member of the RHB Islamic Board, participated in the 2<sup>nd</sup> UMT Bidong Summit in Kuala Terengganu, advocating for marine conservation.

Held the inaugural RHB Ocean Harmoni Awareness Week in August 2023

Hosted the RHB Ocean Harmoni Logo Contest – an internal contest, which aimed to build visibility and awareness of our Ocean Harmoni efforts

Continued to channel donations via the RHB Islamic WWF Debit Card-I, which provides our customers with the opportunity to contribute their Hibah (profit) towards the ocean research and development studies by UMT.

## OCEAN HARMONI PARTNERS’ TESTIMONIAL

### Dr. Affendi Yang Amri

Research Officer, Project PULIH, Institute of Ocean and Earth Sciences (“IOES”), University of Malaya



For us at Project PULIH (University of Malaya), we are honoured to be able to work with other partners such as UMMC, Diveheart and RHB as part of this programme. Ocean Harmoni brings together key partners who are able to collaborate towards the important cause of conserving the ocean and protecting our corals. The support in our reef rehabilitation project has been incredibly meaningful.



...Enriching & Empowering Communities



Ocean Harmoni Marine & Oceanic Awareness Week



In August 2023, RHB Islamic hosted the inaugural Ocean Harmoni Marine & Oceanic (M&O) Awareness Week. The objectives of this initiative are to continue the momentum of Ocean Harmoni initiatives in support of the Group's sustainability agenda to further strengthen the relationship between our OH collaboration partners, as well as to educate and raise awareness among RHB employees on the importance of marine conservation.

The event featured exhibitors from Universiti Malaysia Terengganu ("UMT"), Universiti Malaya, Diveheart Malaysia, Universiti Malaya Medical Centre ("UMMC"), and the Nautilus Dive Centre. Throughout the week, RHB Islamic hosted talks by OH partners, centering on two key pillars of VBI, namely amplifying the need to protect nature and people inclusiveness:

OCEAN HARMONI PARTNER	TOPIC
<ul style="list-style-type: none"> <li>UMT Sea Turtle Research Unit ("SEATRU")</li> </ul>	<ul style="list-style-type: none"> <li>Turtle Network - Life Lessons to Learn from Nature</li> </ul>
<ul style="list-style-type: none"> <li>UM Protecting Underwater Life through Integrated Rehabilitation ("PULIH")</li> </ul>	<ul style="list-style-type: none"> <li>Coral Reefs, the Rainforest of the Sea</li> </ul>
<ul style="list-style-type: none"> <li>Diveheart Malaysia and UMMC</li> </ul>	<ul style="list-style-type: none"> <li>Imagine the Possibilities / Supporting PWDs via Scuba Diving</li> </ul>

The talks garnered the participation of approximately 210 employees.

BUSINESS HARMONI

Since the launch of the programme, MySISWA has onboarded more than 600,000 students, each receiving a MySISWA card, a multi-purpose smart card that functions as a student matriculation card and a debit card.

This integrated card provides students access to university support services, enabling them to manage their funds, enjoy cashless payment solutions, and lifestyle benefits such as exclusive discounts and promotions.

For further information on MySISWA, please refer to page 139.

# COMMUNITY ENRICHMENT AND EMPOWERMENT (Cont'd)

## PROMOTING ENVIRONMENTAL PROTECTION

The Group continues to promote greener practices amongst its employees and the wider community through the RHB Clean-a-thon, Malaysia's first *gotong-royong* series by a financial institution. In FY2023, we held two Clean-a-thon events, in Perak and Melaka respectively.

### Kampung Sungai Tiang in Bagan Datuk, Perak

- The event saw the participation of more than 400 individuals, including volunteers from RHB. A total of **2,250kg in waste was collected**, including plastic, glass bottles, aluminium cans, paper materials and metal objects.
- A small token of RM100 was also given to the children in the community through their RHB Ocean Harmoni savings accounts.

### Pantai Puteri, Melaka

- Held in support of the Operasi Bandaraya Ekosistem Bersih Aspirasi Semua initiative by Majlis Bandaraya Melaka Bersejarah, the event focused on cleaning the Malaccan public beach.
- We received a staggering turnout of over 1,200 individuals comprising families, youths, government and non-governmental agencies, and community associations, who collectively collected over **2,800kg of waste** in the 1.5km stretch of Pantai Puteri.

## REGIONAL OPERATIONS

### RHB Singapore

RHB Singapore conducted the following initiatives in FY2023:

**Staff volunteerism event in conjunction with Touch Hearts 2023** – Held at Chen Su Lan Methodist Children's Home, the event saw staff cleaning and painting the premises, along with a T-shirt upcycling workshop aimed at instilling sustainability values among the residents and facilitating staff interaction. More than 50 RHBSG staff participated in the event.

**Fundraising for Presbyterian Community Services** – RHB Singapore raised a total of SGD17,121, which supported youths with mild intellectual disabilities in completing the Educator Aide Training Programme ("ECAT"), enabling them to become certified teaching assistants in preschools and make meaningful contributions to society.

**Cybersecurity Awareness Programme for Elderly** – RHBSG conducted cybersecurity awareness programmes with Esther Active Aging Centre under Presbyterian Community Services and Tampines Park Residents' Network. Sessions were conducted for 87 elderly individuals.

**Bursary Support** – RHBSG provided bursary support for six underprivileged youths of Catholic Welfare Services to help with their educational needs.



## ...Enriching &amp; Empowering Communities

CE

**RHB Cambodia**

In 2023, RHB Cambodia launched the goWave app, which combines both banking services and financial literacy. The app offers services such as Online Account Opening, Bakong, KHQR, Debit Card, eFD placement, and eKYC, while also offering users the ability to learn more about financial concepts. As of December 2023, goWave is undergoing further enhancements to develop more financial literacy content to further engage the public.

Other RHB Cambodia community initiatives:

- Contributed USD500 as part of Smile Cambodia's Walk for Smile in Siem Reap
- Raya Aidilfitri food donation amounting to USD2,000, which benefitted over 80 families
- Contribution of USD800 to the Cambodian Red Cross & Red Crescent, to support their humanitarian efforts, on the 160<sup>th</sup> anniversary of the world body.
- Raya Qurban contribution at Bantey Meanchey and Mondol Kiri provinces, where a total of four cows were donated, benefitting over 300 families
- As part of Touch Hearts 2023, RHB Cambodia donated 20 PCs to Nikmah Al Islamiyah Institute in Phnom Penh, which has benefitted over 300 students. As part of the project, 12 trees were also planted at the Institute.

RHB has collaborated with the Credit Guarantee Corporation of Cambodia ("CGCC") to support the Credit Guarantee for Women Entrepreneurs Guarantee Scheme ("WEGS").

**RHB Brunei**

Over 100 bottles of hand sanitisers, 100 boxes of face masks, and packed food and drinks valued at BND1,600 were donated. The essential items were distributed to three isolation centres in Tutong and Temburong Districts, demonstrating our commitment to community well-being during these challenging times.

## Moving Forward

Guided by the Group's 5-Year Sustainability Strategy and Roadmap, we will continue to uplift communities and empower individuals, towards achieving our aspiration of Empowering more than 2 million targeted individuals and businesses across ASEAN by 2026. Through collaboration with programme partners, governmental and non-governmental organisations and research and education institutions, we strive to empower local businesses and entrepreneurs, to stimulate local economic growth and provide underserved communities with sustainable livelihoods. Concurrently, we will continue to break down barriers to education, creating equal opportunities for all.

**Awards & Recognition****RHB Bank Berhad**

### Best Corporate Responsibility Initiative

The Edge Billion Ringgit Club 2023



### Best Community Programme Award (Silver)

15<sup>th</sup> Annual Global CSR & ESG Summit & Awards 2023



### Social Inclusion & Equal Opportunities Category for RHB #JomBiz

ESGBusiness Awards 2023



### Best CSR Initiative: Contribution to Local Community for Nurturing Future Generations Programme

Retail Banker International Asia Trailblazer Awards 2024

## Sustainability Performance Data

# EMPLOYEES

### NUMBER OF EMPLOYEES

	2021	2022	2023
Total number of employees (headcount)	14,345	14,139	<b>13,968</b>

### WORKFORCE BREAKDOWN BY DIVISION

	2021	2022	2023
Group Community Banking	6,704	6,513	<b>6,554</b>
Group Wholesale Banking	2,082	2,065	<b>1,920</b>
Group Shariah Business	52	55	<b>53</b>
Group Insurance	483	473	<b>473</b>
Group International Business	1,130	1,224	<b>1,239</b>
<b>Total</b>	<b>10,451</b>	<b>10,330</b>	<b>10,239</b>

### WORKFORCE BREAKDOWN BY GENDER

	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
Male	5,640	40.2	5,739	40.6	<b>5,621</b>	<b>40.2</b>
Female	8,402	59.8	8,400	59.4	<b>8,347</b>	<b>59.8</b>
	14,042	100	14,139	100	<b>13,968</b>	<b>100.0</b>

### PERCENTAGE OF EMPLOYEES BY GENDER AND AGE GROUP FOR EACH EMPLOYEE CATEGORY (%)

Year	Employee Category	Gender		Age Group			
		Male	Female	<30 years old	31-40 years old	41-50 years old	>50 years old
2023	Senior Management	<b>66.1</b>	<b>33.9<sup>^</sup></b>	-	<b>6.3</b>	<b>39.7</b>	<b>54.0</b>
	Management	<b>46.5</b>	<b>53.5<sup>^</sup></b>	<b>4.6</b>	<b>38.2</b>	<b>35.9</b>	<b>21.3</b>
	Executive	<b>34.8</b>	<b>65.2<sup>^</sup></b>	<b>31.7</b>	<b>39.5</b>	<b>20.9</b>	<b>7.8</b>
	Non-executive	<b>40.5</b>	<b>59.5<sup>^</sup></b>	<b>8.1</b>	<b>25.8</b>	<b>42.4</b>	<b>23.7</b>
2022	Senior Management	69.7	30.3	-	6.1	45.9	48.1
	Management	47.4	52.6	4.9	39.2	35.2	20.6
	Executive	34.8	65.2	33.9	38.7	20.6	6.9
	Non-executive	41.5	58.5	11.2	25.2	43.3	20.3
2021	Senior Management	72.3	27.7	0.4	8.5	48.2	42.9
	Management	47.5	52.5	4.3	38.6	37.0	20.0
	Executive	34.3	65.7	34.2	39.6	20.4	5.8
	Non-executive	41.5	58.5	13.1	25.4	45.0	16.5

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## Sustainability Performance Data

## WORKFORCE BREAKDOWN BY POSITION (%)

	2021	2022	2023
Senior Management	1.6	1.7	<b>1.6<sup>^</sup></b>
Management	31.0	33.1	<b>34.8<sup>^</sup></b>
Executive	51.1	50.1	<b>49.3<sup>^</sup></b>
Non-Executive	16.3	15.1	<b>14.3<sup>^</sup></b>
<b>Total</b>	100	100	<b>100</b>

## FEMALE EMPLOYEES BY POSITION (%)

	2021	2022	2023
Board Members	30.0	30.0	<b>30.0</b>
Senior Management	27.7	30.3	<b>33.9<sup>^</sup></b>
Management	52.5	52.6	<b>53.5<sup>^</sup></b>
Executive	65.7	65.2	<b>65.2<sup>^</sup></b>
Non-Executive	58.5	58.5	<b>59.5<sup>^</sup></b>

## BREAKDOWN OF MANAGEMENT BY GENDER

	2021	2022	2023
Male	2,063	2,223	<b>2,258</b>
Female	2,281	2,462	<b>2,596</b>
<b>Total</b>	4,344	4,685	<b>4,854</b>
Women against total Management (%)	52.5	52.6	<b>53.5</b>

## BREAKDOWN OF SENIOR MANAGEMENT BY GENDER

	2021	2022	2023
Male	162	161	<b>158<sup>^</sup></b>
Female	62	70	<b>81<sup>^</sup></b>
<b>Total</b>	224	231	<b>239<sup>^</sup></b>
Women against total Senior Management (%)	27.7	30.3	<b>33.9<sup>^</sup></b>

## WORKFORCE BREAKDOWN BY EMPLOYMENT CONTRACT (PERMANENT)

	2021	2022	2023
Male	5,355	5,477	<b>5,387</b>
Female	7,993	8,004	<b>8,093</b>
<b>Total</b>	13,348	13,481	<b>13,480</b>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## Sustainability Performance Data

# EMPLOYEES

### WORKFORCE BREAKDOWN BY EMPLOYMENT CONTRACT (NON-PERMANENT)

	2021	2022	2023
Male	285	262	<b>234</b>
Female	409	396	<b>254</b>
<b>Total</b>	<b>694</b>	<b>658</b>	<b>488</b>

### WORKFORCE BREAKDOWN BY COUNTRY

	2021	2022	2023
Malaysia	12,555	12,601	<b>12,424</b>
Regional Operations Total	1,487	1,538	<b>1,544</b>
Singapore	651	668	<b>678</b>
Indonesia	204	171	<b>174</b>
Cambodia	308	378	<b>385</b>
Thailand	195	188	<b>182</b>
Hong Kong	6	5	-
Laos	69	71	<b>70</b>
Brunei	28	30	<b>31</b>
Vietnam	26	27	<b>24</b>
<b>Total</b>	<b>14,042</b>	<b>14,139</b>	<b>13,968</b>

### WORKFORCE BREAKDOWN BY ETHNICITY

	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
Bumiputera	7,414	52.8	7,498	53.0	<b>7,397</b>	<b>53.0</b>
Chinese	4,822	34.3	4,783	33.8	<b>4,715</b>	<b>33.8</b>
Indian	840	6.0	857	6.1	<b>856</b>	<b>6.0</b>
Others	966	6.9	1,001	7.1	<b>1,000</b>	<b>7.2</b>

### WORKFORCE BREAKDOWN BY AGE GROUP

	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
< 30 years old	2,940	20.9	2,868	20.3	<b>2,571</b>	<b>18.5</b>
31-40 years old	5,126	36.5	5,132	36.3	<b>5,102</b>	<b>36.5</b>
41-50 years old	4,218	30.0	4,141	29.3	<b>4,123</b>	<b>29.5</b>
> 50 years old	1,758	12.5	1,998	14.1	<b>2,172</b>	<b>15.5</b>

## Sustainability Performance Data

## STAFF WITH DISABILITIES

	2021	2022	2023
Number of staff with disabilities	11	10	<b>10</b>

## RATIO OF BASIC SALARY FOR WOMEN TO MEN

	2021	2022	2023
Senior Management	27% : 73%	28% : 72%	<b>30% : 70%</b>
Management	51% : 49%	52% : 48%	<b>54% : 47%</b>
Executive	66% : 34%	67% : 33%	<b>68% : 32%</b>
Non-Executive	61% : 39%	62% : 38%	<b>63% : 37%</b>
<b>Total</b>	<b>55% : 45%</b>	<b>55% : 45%</b>	<b>57% : 43%</b>

## RATIO OF REMUNERATION FOR WOMEN TO MEN

	2021	2022	2023
Senior Management	27% : 73%	27% : 73%	<b>29% : 71%</b>
Management	53% : 47%	53% : 47%	<b>53% : 47%</b>
Executive	66% : 34%	66% : 34%	<b>66% : 34%</b>
Non-Executive	61% : 39%	61% : 39%	<b>62% : 38%</b>
<b>Total</b>	<b>55% : 45%</b>	<b>55% : 45%</b>	<b>55% : 45%</b>

## EMPLOYEE LENGTH OF SERVICE

	2021	2022	2023
5 years and below	5,889	5,974	<b>5,274</b>
6 to 10 years	2,696	2,541	<b>2,848</b>
11 to 15 years	1,506	1,745	<b>1,562</b>
More than 15 years	3,951	3,879	<b>4,284</b>
<b>Total</b>	<b>14,042</b>	<b>14,139</b>	<b>13,968</b>

## BREAKDOWN OF UNION AND NON-UNION WORKFORCE

	2021	2022	2023
Employees that are unionised	1,890	1,780	<b>5,672</b>
Employees that are non-unionised	12,152	12,359	<b>8,296</b>
Union against Total Employees (%)	13.5	12.6	<b>40.6*</b>

\* Starting FY2023, employees that are unionised include Executive-level employees (under KEEPERS). Hence, monitoring of Percentage of unionised employees against Total Non-Executives is no longer relevant.

## Sustainability Performance Data

# EMPLOYEES

### NEW HIRES

RHB's Workforce	2021	2022	2023
Total number of hires (headcount)	2,273	2,585	<b>1,884</b>

### OPEN POSITIONS FILLED BY INTERNAL CANDIDATES (%)

RHB's Workforce	2021	2022	2023
Positions filled by internal candidates (excluding sales staff) (%)	44.3	37.5	<b>55.7</b>

### BREAKDOWN OF NEW HIRES BY GENDER

	2021		2022		2023	
	Headcount	%	Headcount	%	Headcount	%
Male	992	45.9	1,209	46.8	<b>816</b>	<b>43.3</b>
Female	1,169	54.1	1,376	53.2	<b>1,068</b>	<b>56.7</b>
<b>Total</b>	<b>2,161</b>	<b>100</b>	<b>2,585</b>	<b>100.0</b>	<b>1,884</b>	<b>100.0</b>

### BREAKDOWN OF NEW HIRES BY AGE

	2021	2022	2023
<31 years	1,290	1,451	<b>1,029</b>
31-40 years	664	855	<b>670</b>
41-50 years	181	232	<b>153</b>
>50 years	26	47	<b>32</b>
<b>Total</b>	<b>2,161</b>	<b>2,585</b>	<b>1,884</b>

### EMPLOYEE TURNOVER RATE (PERMANENT STAFF ONLY)

	2021	2022	2023
Total no. of voluntary attritions	1,436	1,895	<b>1,666</b>
Voluntary attrition rate (%)	10.8	14.1	<b>12.4<sup>^</sup></b>

### EMPLOYEE TURNOVER BY GENDER

	2021	2022	2023
Male	775	936	<b>943</b>
Female	839	1,124	<b>1,115</b>
<b>Total</b>	<b>1,614</b>	<b>2,060</b>	<b>2,058</b>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## Sustainability Performance Data

**EMPLOYEE TURNOVER BY AGE GROUP**

	2021	2022	2023
<31 years	1,016	809	<b>847</b>
31-40 years	669	756	<b>731</b>
41-50 years	231	268	<b>246</b>
>50 years	230	227	<b>234</b>
<b>Total</b>	<b>2,146</b>	<b>2,060</b>	<b>2,058</b>

**EMPLOYEE TURNOVER BY COUNTRY**

	2021	2022	2023
Domestic	1,304	1,638	<b>1,792</b>
Overseas	310	422	<b>266</b>
<b>Total</b>	<b>1,614</b>	<b>2,060</b>	<b>2,058</b>

**EMPLOYEE TURNOVER BY REGION**

	2021	2022	2023
Peninsular	1,190	1,538	<b>1,631</b>
Sabah	47	40	<b>61</b>
Sarawak	67	60	<b>100</b>
<b>Total</b>	<b>1,304</b>	<b>1,638</b>	<b>1,792</b>

**NUMBER OF PARENTAL LEAVES (HEADCOUNT)**

	2021	2022	2023
Male	111	147	<b>189</b>
Female	345	306	<b>305</b>
<b>Total</b>	<b>456</b>	<b>453</b>	<b>494</b>

**EMPLOYEES RETURNING TO WORK FROM PARENTAL LEAVES (HEADCOUNT)**

	2021	2022	2023
Male	91	129	<b>182</b>
Female	268	276	<b>293</b>
<b>Total</b>	<b>359</b>	<b>405</b>	<b>475</b>

## Sustainability Performance Data

# EMPLOYEES

### TOTAL AND AVERAGE TRAINING HOURS

	2021	2022	2023
Total no. of employees trained (pax)	141,155	106,449	<b>92,152</b>
Total training hours	647,726	254,549	<b>313,783<sup>^</sup></b>
Average training hours per employee per year	46	18	<b>22<sup>^</sup></b>
<b>Total No. of Employees Trained by employee category (headcount)</b>			
Senior Management	106,449	1,799	<b>1,646</b>
Management	43,814	37,098	<b>34,280</b>
Executive	79,085	55,206	<b>47,747</b>
Non-Executive	16,414	12,346	<b>8,479</b>
<b>Total hours of training by employee category</b>			
Senior Management	7,889	4,897	<b>7,028</b>
Management	221,157	103,851	<b>135,263</b>
Executive	351,508	122,365	<b>152,493</b>
Non-Executive	67,172	23,436	<b>18,998</b>
<b>Average training hours by employee category</b>			
Senior Management	35	21	<b>29</b>
Management	51	22	<b>28</b>
Executive	49	17	<b>22</b>
Non-Executive	29	11	<b>10</b>
<b>Total No. of Employees Trained by Gender (headcount)</b>			
Male	60,055	44,791	<b>36,678</b>
Female	91,587	67,317	<b>55,474</b>
<b>Total Training Hours by Gender</b>			
Male	258,357	108,324	<b>124,641</b>
Female	389,369	146,225	<b>189,142</b>
<b>Average Training Hours by Gender</b>			
Male	46	19	<b>22</b>
Female	46	17	<b>23</b>

\*\* In SR2021 and SR2022, data was disclosed based on Malaysian operations only. For SR2023, this data has been restated to include both Malaysian and overseas operations.

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.



**Sustainability Performance Data****PARTICIPATION BY TYPE OF LEARNING**

	2021	2022	2023
Classroom learning (Physical)	89	6,627	<b>14,588</b>
Classroom learning (Virtual)	22,805	15,820	<b>68,472</b>
e-Learning	118,261	84,002	<b>132</b>
Hybrid (Training sessions conducted via a combination of physical and virtual attendance)	-	-	<b>8,960</b>

**TRAINING SESSIONS BY TYPE**

	2021	2022	2023
In-house training sessions	771	638	<b>775</b>
External training sessions	172	255	<b>444</b>
Number of e-learning courseware	1,939	1,738	<b>2,049</b>
<b>Total sessions</b>	<b>2,882</b>	<b>2,631</b>	<b>3,268</b>

**TRAINING BUDGET**

	2021**	2022**	2023
Average spent per employee (RM)	1,294	1,043	<b>1,712</b>
Budget spent on digital/future skills (%)	4	8	<b>6</b>
Investment in learning and development (RM 'mil)	17.4	15.3	<b>23.9</b>
Investment in learning and development including L&D overhead cost (RM 'mil)	25.8*	24.3*	<b>32.6</b>
<b>Total training budget (RM)</b>	<b>17,017,577</b>	<b>28,114,046</b>	<b>1,756,721</b>

\* Data includes overhead costs (e.g. salary/wages) of RHB Academy, in line with BNM reporting disclosures. To standardise our reporting, we have included this for the purpose of this report even though even though this is no longer part of BNM's statutory requirements.

\*\* All data disclosed prior to 2023 (FY2021 and FY2022) was based on Malaysian operations only. For SR2023, this data has been restated to include both Malaysia and overseas operations.

**NUMBER OF EMPLOYEE TRAINING PROGRAMMES**

	2021	2022	2023
Women Leadership Programme	26	28	<b>25</b>
Future Skills Programme	400	600	<b>400</b>
Capability Upskilling for Digital, IT, and Analytics	600	677	<b>N/A*</b>

\* Capability Upskilling programme was implemented as a one-time programme for employees in relevant roles. Moving forward, such upskilling will be embedded within various Group-wide and business-specific programmes offered by RHB.

## Sustainability Performance Data

# EMPLOYEES

### PARTICIPATION IN LEADERSHIP AND MANAGEMENT PROGRAMMES

	2021	2022	2023
Foundation programmes			
Advanced Management Development Programme (“AMDP”)	0	5	9
Maximising Employee Performance (“MEP”) Programme	0	0	0
RHB Culture Connection Workshop	0	0	0
RHB Leadership Signature Programme (with Melbourne Business School & DUKE)	70	74	70
RHB Leadership Talk Series	288	1,105	448
Core Programme for Frontliners (Sales Channel)—Islamic Finance Core Products (“IFCP”) Programme	249	459	216
Professional Credit Certification (“PCC”)	177	258	369
Certification in AML/CFT	24	38	32
Certification for Bank Auditors	14	19	1
Certification in Regulatory Compliance	7	11	12
Bank Risk Management	16	21	0
Chartered Bankers	8	7	2
RHB Managers Programme 2	69	94	88
RHB Managers Programme 3	59	115	73
Technical and Functional Programme	111,208	91,846	79,614
Programme Attended by Group Community Banking Staff (previously known as Group Retail Banking)	79,527	54,800	41,368
Branch Programme	63,690	17,125	4,652

### FORWARD PROGRAMME: FUTURE-ORIENTED AND READY WORKFORCE - ADVANCING, RESKILLING, AND DEVELOPING

	2021	2022	2023
Number of participants	5,556	209	1,761

### EMPLOYEE ENGAGEMENT SURVEY

	2021	2022	2023
Participation Rate	98	83	95
Sustainable Engagement Score	86	88	89
Internal Customer Effectiveness Survey	83	76	63

### MENTORSHIP PROGRAMME

	2021	2022	2023
Mentors	46	29	32
Mentees	46	37	32

## Sustainability Performance Data

## OCCUPATIONAL HEALTH AND SAFETY INDICATORS

Absentee Rate	2021	2022	2023
Percentage of total days scheduled	1.3	1.9	<b>2.2</b>
Data coverage (% - employees or operations or revenue)	100	100	<b>100</b>
Work-Related Injuries			
Accident with Fatality	0	0	<b>0</b>
Accident with Lost Workdays	35	46	<b>64</b>
Total Lost Workdays	1,489	1,729	<b>1,991</b>
Accident without Lost Workdays	2	0	<b>4</b>
Total Number of Accidents	37	46	<b>68</b>
Fatality Rate	0	0	<b>0</b>
Work Commuting Accident	26	31	<b>54</b>
Work-related Illness			
Occupational Disease	4	7	<b>6</b>
OSH Training and Programmes			
Number of Safety & Health Training Sessions	4	4	<b>7</b>
Number of Participants in Safety & Health Training Sessions	255	120	<b>197</b>
Number of Safety, Health & Wellness Programmes	14	12	<b>23</b>
Number of Participants in Safety, Health & Wellness Programmes	7,648	1,711	<b>4,088</b>

## Sustainability Performance Data

# EMPLOYEES

### STAFF WELFARE FUND

	2021	2022	2023
For the Demise of Immediate Family Members (RM)	183,000	128,000	<b>152,000</b>
For Natural Disasters (RM)	57,500	52,000	<b>40,150</b>
For Medical Assistance (RM)	129,102	26,580	<b>24,640</b>
COVID-19 Assistance (RM)	126,119	18,821	<b>Discontinued</b>

### NATURAL DISASTER FUND

	2021	2022	2023
<b>Total Budget Approved</b>	800,000	900,000	<b>600,000</b>
Number of Disbursement/Recipients COVID-19 (RM)	840	-	<b>Discontinued</b>
Natural Disasters Incidences	41	232	<b>47</b>
<b>Total Amount of Disbursement COVID-19 (RM)</b>	608,708	-	<b>Discontinued</b>
Natural Disasters Incidences	158,032	826,584	<b>115,280</b>

### RHB WELLNESS PROGRAMME BUDGET

	2021	2022	2023
Approved Budget (RM)	273,279	345,670	<b>350,000</b>

### RHB HUMANITARIAN FUND

	2021	2022	2023
Total Contribution (RM)	239,000.71	4,325	<b>5,332.81</b>
Number of Contributors	728	99	<b>106</b>
Number of Disbursements/Recipients	178	8	<b>4</b>
<b>Total Amount of Disbursements/Approved (RM)</b>	75,000.00	3,715.21	<b>4,522.10</b>
<b>Total Balance (RM)</b>	<b>164,000.71</b>	<b>609.79</b>	<b>810.71</b>

## Sustainability Performance Data

# CUSTOMERS

## CUSTOMER FEEDBACK (MALAYSIA)

	2021	2022	2023
Feedback Volume	167,332	401,866	<b>475,887</b>
Complaints Volume	3,012	4,068	<b>4,969</b>
Compliments Volume	14,447	50,036	<b>198,281</b>
Resolved Complaints/Feedback within Service Level Agreement (%)	99.56	97.65	<b>98.97</b>
Complaints Resolution Satisfaction (%)	61.90	82.60	<b>86.48</b>

## DIGITAL ADOPTION AMONG CUSTOMERS

	2021		2022		2023	
	Million users	% of total customers	Million users	% of total customers	Million users	% of total customers
Total Number of Digital users	2.26	57.71	2.46	60.82	<b>2.45</b>	<b>54.78</b>
Total Retail Base	3.91	-	4.04	-	<b>4.48</b>	-
RHB Internet Banking (RHB Now)	2.26	57.71	2.22	54.88	<b>N/A</b>	<b>N/A</b>
New RHB Internet Banking App	0.08	1.98	1.22	30.20	<b>1.80</b>	<b>40.25</b>
New RHB Mobile Banking App	1.02	25.97	1.47	36.49	<b>2.39</b>	<b>53.40</b>
Old RHB Mobile Banking App	0.83	21.27	0.79	19.50	<b>N/A</b>	<b>N/A</b>
					<b>decommissioned</b>	<b>decommissioned</b>

## NET PROMOTER SCORE

	2021	2022	2023
RHB Bank Berhad (Malaysia)*	15	12	<b>20</b>
RHB Singapore**	9	1	<b>35</b>

**Notes:**

\* In 2020, Malaysia covered five business tracks – Group Retail Banking, Group Business & Transaction Banking, Group Corporate Banking, Group Insurance and Group Investment. In 2021 and 2022, Malaysia covered six business tracks – Retail and SME under Group Community Banking, Commercial, Corporate, Investment Banking, Insurance and RHB Islamic.

\*\* Singapore covers RHB Retail Singapore and Business Singapore.

## Sustainability Performance Data

# DIGITALISATION

### DIGITAL BANKING USAGE AND TRANSACTIONS

	2021	2022	2023
<b>Total Number of Digital Users</b>	2,258,393	2,457,668	<b>2,453,125</b>
Digital Channel Transaction Volume (million)	499.21	500.50	<b>656.82</b>
Digital Channel Transactions [i.e. share] including ATM CWD (%)	93.75	89.81	<b>89.39</b>
Digital Channel Transactions [i.e. share] excluding ATM CWD (%)	85.41	81.79	<b>83.14</b>
Digital Business Origination including ATMs (%)	29.27	29.68	<b>21.35</b>

## Sustainability Performance Data

## ENVIRONMENT

## RESOURCE CONSUMPTION

	2021	2022	2023
<b>Energy</b>			
Electricity Consumption (MWh)	41,616	40,758	<b>38,631</b>
Electricity Intensity (MWh/employee)**	3.4	2.9	<b>2.8</b>
<b>Water***</b>			
Total Water Consumption (m <sup>3</sup> )	79,013	126,222	<b>115,760</b>
RHB Centre (m <sup>3</sup> )	29,107	70,266	<b>67,291</b>
RHB Complex Bangi (m <sup>3</sup> )	49,906	51,446	<b>43,461</b>
RHB HS Lee (m <sup>3</sup> )	-	4,510	<b>5,008</b>
<b>Waste Management</b>			
Waste Recycled (kg)	-	-	<b>55,281</b>
<b>Materials - Paper</b>			
Paper Procured (reams)	147,960	153,835	<b>142,600</b>
e-Statements Delivered (million)****	28.2	34.7	<b>31.1</b>

## Notes:

\* Boundary is for large buildings, branches and subsidiary outlets (227 outlets) across Malaysia.

\*\* The number of employees refers to the total number of RHB staff in Malaysia. However, for RHB Centre and Complex Bangi, the number of employees includes staff, vendors, consultants, and remisiers, as they operate from the office for the most part of the year. The number of employees in West Malaysia was 12,865 (2020) while the number of employees across Malaysia in 2021 was 13,857 and 13,865 in 2022.

\*\*\* Boundary is for large buildings RHB Centre, RHB Complex Bangi and RHB HS Lee in West Malaysia.

\*\*\*\* For Bank and Islamic products in Malaysia only

## GHG EMISSIONS BY COUNTRY

	2021		2022		2023	
	tCO <sub>2</sub> e	%	tCO <sub>2</sub> e	%	tCO <sub>2</sub> e	%
<b>Malaysian Operations</b>						
Total Scope 1 - Direct Emissions	159	0.6	183	0.7	<b>193<sup>^</sup></b>	<b>0.8</b>
Total Scope 2 - Indirect Emissions	23,810	93.1	23,278	92.1	<b>22,099<sup>^</sup></b>	<b>89.9</b>
Total Scope 3 - Other Indirect Emissions	1,616	6.3	1,810	7.2	<b>2,288</b>	<b>9.3</b>
<b>Total</b>	<b>25,585</b>		<b>25,271</b>		<b>24,580</b>	
<b>Regional Operations</b>						
Total Scope 1 - Direct Emissions	-	-	-	-	<b>295</b>	<b>11.2</b>
Total Scope 2 - Indirect Emissions	-	-	-	-	<b>2,218</b>	<b>84.9</b>
Total Scope 3 - Other Indirect Emissions	-	-	-	-	<b>101</b>	<b>3.9</b>
<b>Total</b>	<b>-</b>		<b>-</b>		<b>2,614</b>	

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## Sustainability Performance Data

# ENVIRONMENT

### GHG EMISSIONS BY SOURCE (MALAYSIA AND REGIONAL OPERATIONS)

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Scope 1 – Direct Emissions (tCO<sub>2</sub>e)</b>	104	136	203	213	134	159	183	488
Stationary Combustion (generator sets)	104	27	29	30	18	18	10	23
Mobile Combustion (company-owned vehicle)	0	113	176	185	117	146	173	465
<b>Scope 2 – Indirect Emissions (tCO<sub>2</sub>e)</b>	40,891	31,841	29,820	27,605	25,678	23,810	23,278	24,317
Purchased electricity	38,123	29,698	28,542	26,447	24,596	22,825	22,707	23,405
Purchased cooling	2,768	2,143	1,278	1,158	1,082	986	571	912
<b>Scope 3 – Other Indirect Emissions (tCO<sub>2</sub>e)</b>	2,235	2,499	2,429	2,449	1,606	1,616	1,810	2,389
Business travel (car)	2,235	2,499	2,429	2,449	1,606	1,611	1,779	2,158
Business travel (air)	0	0	0	0	0	4	32	231
<b>TOTAL (tCO<sub>2</sub>e)</b>	<b>43,229</b>	<b>34,476</b>	<b>32,452</b>	<b>30,267</b>	<b>27,418</b>	<b>25,585</b>	<b>25,271</b>	<b>27,194</b>

\* For 2022 and prior years, the Emissions Breakdown by source is for Malaysian operations only. 2023 data is inclusive of Regional operations.

#### Notes:

##### Emissions Factor Source:

##### Stationary Combustion:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4.

##### Mobile Combustion:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Page 1.23 - 1.24, Table 1.4.
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Page 3.21, Table 3.2.2.
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4

##### Electricity & Cooling:

- Peninsular Malaysia, Sabah and Sarawak: CDM Electricity Baseline for Malaysia (2017), MGTC
- Singapore: Electricity Grid Emissions Factors and Upstream Fugitive Methane Emission Factor (2019), National Environment Agency Singapore
- Indonesia: Faktor Emisi Gas Rumah Kaca (GRK), Sistem Interkoneksi Ketenagalistrikan (2019), Direktorat Jenderal Ketenagalistrikan
- Thailand: Greenhouse Gas Mitigation Mechanism (2016), Thailand Greenhouse Gas Management Organization
- Vietnam: Research, Construction of the emissions system (EF) of Viet Nam's grid (2020), Department of Climate Change, Ministry of Natural Resources and Environment
- Brunei: 2022 The IFI Dataset of Default Grid Factors (v.3.1), United Nations Framework Convention on Climate Change (UNFCCC)
- Laos: Calculation for the emission factor for electricity generation in Lao PDR (2010), Ministry of Natural Resources and Environment, Lao PDR - BM(0), O M(1)
- Cambodia: Grid Emission Factors in Cambodia (2016), Institute for Global Environmental Strategies and National Council for Sustainable Development, Cambodia

##### Car Travel:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 2, Page 2.20, Table 2.4.
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Page 1.23 - 1.24, Table 1.4
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 3, Page 3.21, Table 3.2.2.

##### Flight Travel:

- [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1049346/2021-ghg-conversion-factors-methodology.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049346/2021-ghg-conversion-factors-methodology.pdf)

#### Global Warming Potential Rates:

Type of Gas	Global Warming Potential ("GWP")
CO <sub>2</sub>	1.000
CH <sub>4</sub>	27.900
N <sub>2</sub> O	273.000

Source: IPCC Fifth Assessment Report 2011 (AR6)



## Sustainability Performance Data

GHG EMISSIONS INTENSITY (tCO<sub>2</sub>e/EMPLOYEE)

Coverage	2021	2022	2023	
	Malaysia Only	Malaysia Only	Malaysia Only	Malaysia & Regional Operations
Total GHG Emissions (tCO <sub>2</sub> e)	25,580	25,271	<b>24,580</b>	<b>27,194</b>
Number of Employees*	13,857	13,865	<b>14,235</b>	<b>16,021</b>
GHG Emissions Intensity (tCO <sub>2</sub> e/employee)	1.85	1.82	<b>1.72</b>	<b>1.70</b>

\* The number of employees refers to the total number of RHB staff in Malaysia. However, for RHB Centre and Complex Bangi, the number of employees includes staff, vendors, consultants, and remisiers, as they operate from the office for the most part of the year.

## GHG EMISSIONS BY OFFICE TYPE AND STATE ACROSS MALAYSIA

	2021	2022	2023
<b>Distribution of GHG Emissions by Office Type</b>			
Main Buildings	54	50.2	<b>50.1</b>
Branches	48	49.8	<b>49.9</b>
<b>Distribution of GHG Emissions by State</b>			
Perlis	0.3	0.3	<b>0.3</b>
Kedah	4.2	3.7	<b>3.8</b>
Penang	8.6	8.9	<b>9.5</b>
Perak	10.6	11.3	<b>11.8</b>
Selangor	24.6	23.2	<b>21.8</b>
Kuala Lumpur	12.1	12.1	<b>12.1</b>
Negeri Sembilan	3.0	3.2	<b>3.2</b>
Melaka	3.3	3.6	<b>3.8</b>
Johor	15.4	15.2	<b>15.3</b>
Pahang	3.4	3.0	<b>2.9</b>
Kelantan	2.5	2.6	<b>2.1</b>
Terengganu	2.4	2.2	<b>2.5</b>
Sabah	4.2	4.5	<b>4.9</b>
Sarawak	5.6	6.2	<b>6.0</b>

## Sustainability Performance Data

# ENVIRONMENT

### BREAKDOWN OF RHB'S SUSTAINABLE FINANCING PROGRAMME (SFP)

SFP Categories	FY2022 Achievement (Jan 2022 - Dec 2022, RM million)	FY2023 Achievement (Jan 2023 - Dec 2023, RM million)
Green Energy	51	<b>129</b>
Green Buildings	59	<b>954</b>
Green Products	181	<b>459</b>
Green Processes	177	<b>562</b>

Notes:

\* Sustainable Financing Programme offers green product bundles to Retail and SME Customers, based on the categories listed above

### ESG FUNDS AUM

	2021		2022		2023	
	Numbers of funds	Value (RM million)	Numbers of funds	Value (RM million)	Numbers of funds	Value (RM million)
<b>Total ESG funds AUM</b>	4	836	7	1,262	<b>8</b>	<b>1,387</b>

## Sustainability Performance Data

# SUPPLIERS

## BREAKDOWN BY TYPE OF SUPPLIER

	2021		2022		2023	
	#	%	#	%	#	%
<b>Breakdown of Suppliers</b>						
Foreign	40	7	38	6	<b>47</b>	<b>7</b>
Local	523	93	629	94	<b>648</b>	<b>93</b>
Total	563	100	667	100	<b>695</b>	<b>100</b>
<b>Breakdown of Local Suppliers</b>						
Private Limited	484	93	572	91	<b>589</b>	<b>91</b>
Sole Proprietor	39	7	57	9	<b>59</b>	<b>9</b>
Total	523	100	629	100	<b>648</b>	<b>100</b>

## BREAKDOWN OF SPENDING BY TYPE OF SUPPLIER

	2021		2022		2023	
	Total Spend (RM million)	%	Total Spend (RM million)	%	Total Spend (RM million)	%
<b>Breakdown of Suppliers</b>						
Foreign	72.3	9	53.3	7	<b>61.0</b>	<b>9</b>
Local	689.8	91	677.7	93	<b>582.3</b>	<b>91</b>
Total	762.1	100	731.1	100	<b>643.3</b>	<b>100</b>
<b>Breakdown of Local Suppliers</b>						
Private Limited	686.3	99	670.8	99	<b>576.4</b>	<b>99</b>
Sole Proprietor	3.5	1	7.0	1	<b>5.9</b>	<b>1</b>
Total	689.8	100	677.7	100	<b>582.3</b>	<b>100</b>

## Sustainability Performance Data

# COMMUNITIES

### INVESTMENTS AND CONTRIBUTIONS

	2021	2022	2023
<b>Community Initiatives</b>			
People reached	30,992	90,665	<b>Over 50,000</b>
<b>Total investment (RM)</b>	<b>9,151,474</b>	<b>3,925,807</b>	<b>Over RM4.99 million</b>
Zakat			
<b>Total zakat contribution (RM million)</b>	6.0	6.0	<b>8.0</b>

Notes:  
 Total community investment in 2021 was significantly higher due to a RM5 million investment in the government-initiated Cerdik programme to equip B40 students with digital devices for online learning. In addition, over RM1 million was spent on COVID-19 and flood relief assistance during the needier period.

## Sustainability Performance Data

# REGULATORY AUTHORITIES AND POLICYMAKERS

## TAX CONTRIBUTIONS

	2021	2022	2023
Effective tax rate (%)	25.7	35.0	<b>25.10</b>
Total tax contribution (RM)*	749,187,000	1,110,186,000	<b>1,167,241,000</b>

\* Inclusive of Zakat portion paid by Islamic Bank

## Our Contribution to SDGs

RHB recognises that we have a role to play in promoting sustainable development. Grounded in the understanding that sustainable development necessitates collective action, the Group has strategically identified the relevant United Nations Sustainable Development Goals (“UN SDGs”) which we are able to contribute towards.



Acknowledging the interconnected nature of the SDGs, whereby impact towards one goal may affect others, we have identified and prioritised 11 SDGs which are material to RHB’s Sustainability Strategy and Roadmap and aspirations. This is an increase from the six prioritised SDGs highlighted in FY2022, due to the expansion and enhancement of our key sustainability and climate-related initiatives, which has increased the positive impacts that we are able to create, both directly or indirectly.

We believe that the 11 SDGs identified below are those which we are able to make the most meaningful contributions to, taking into account our business activities, operations and the markets in which we operate.

SDG Target	RHB’s Selected Key Contributions in FY2023
<p><b>QUALITY EDUCATION</b> </p> <p><b>Relevant SDG Target</b></p> <p>4.4 <i>Substantially increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship</i></p> <p>4.b <i>Expand the number of scholarships available for enrolment in higher education</i></p>	<p><b>People &amp; Workplace</b></p> <ul style="list-style-type: none"> <li>Invested RM23.9 million in learning and development.</li> <li>Recorded 313,783<sup>^</sup> total employee training hours, with an average of 22<sup>^</sup> hours per year per employee.</li> </ul> <p><b>Nurturing Future Generations</b></p> <ul style="list-style-type: none"> <li>Through the RHB X-Cel Academic Excellence Programme, we provided 2,880 Form 4 and Form 5 students with SPM tuition.</li> <li>We awarded 10 scholarships under the RHB X-Cel Star Scholarship. Cumulatively, between 2018-2023, we have awarded 38 scholarships.</li> </ul>
<p><b>GENDER EQUALITY</b> </p> <p><b>Relevant SDG Target</b></p> <p>5.5 <i>Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making</i></p>	<p><b>People &amp; Workplace</b></p> <ul style="list-style-type: none"> <li>As of December 2023, women’s representation in Top and Senior Management roles stood at 33.9%<sup>^</sup>, exceeding our FY2023 target of 32.0%.</li> <li>Provided coaching, mentoring and networking opportunities to female talents through the Women in Leadership League (“WiLL”), held in collaboration with the Melbourne Business School and LeadWomen. Since its inception in 2021, the programme has seen the participation of 78 employees.</li> </ul>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.

## Our Contribution to SDGs

SDG Target	RHB's Selected Key Contributions in FY2023
<p><b>AFFORDABLE &amp; CLEAN ENERGY<sup>1</sup></b></p>  <p><b>Relevant SDG Target</b></p> <p>7.2 Increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 Double the global rate of improvement in energy efficiency</p> <p>7.a Promote investment in energy infrastructure and clean energy technology</p> <p>7.b Expand infrastructure and upgrade technology for supplying modern and sustainable energy services</p>	<p><b>Sustainable Financial Services</b></p> <ul style="list-style-type: none"> <li>The Group continues to mobilise sustainable financial services to support renewable energy development and in FY2023, RM654 million was directed towards renewable energy projects, whilst a further RM823 million was directed towards energy efficiency projects.</li> <li>As part of the Sustainable Financing Programme (“SFP”), which provides green product bundles to Retail and SME customers, we have mobilised nearly RM129 million in Green Energy financing in FY2023.</li> </ul> <p><b>Advancing SMEs Towards Sustainable Business Practices</b></p> <ul style="list-style-type: none"> <li>Under the SFP, the SME Green Financing Solutions are a suite of green product offerings comprising five financing schemes: SME Green Renewable Energy Financing; SME Green Commercial Property Financing; SME Green Working Capital Financing; SME Green CAPEX Financing facilities, and SME Green Technology Financing.</li> <li>The Group has embarked on a strategic partnership with Tenaga Nasional Berhad (“TNB”) to jointly drive the low-carbon transition by promoting renewable energy and energy efficiency solutions amongst SME and Retail customers. As part of this partnership, we engaged over 200 SMEs within the Klang Valley region in FY2023, with further engagements due to take place in FY2024, reaching out to SMEs across Malaysia.</li> </ul>
<p><b>DECENT WORK AND ECONOMIC GROWTH</b></p>  <p><b>Relevant SDG Target</b></p> <p>8.3 Encourage the growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>8.6 Substantially reduce the proportion of youth not in employment, education or training</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers</p> <p>8.10 Expand access to banking, insurance and financial services for all</p>	<p><b>Lifting Communities</b></p> <ul style="list-style-type: none"> <li>Uplifted micro, small, and medium enterprises (“MSMEs”) through the RHB #JomBiz programme, providing RM224,000 in seed funding to 60 promising businesses in FY2023. Cumulatively, between 2022-2023, we have empowered 470 MSMEs.</li> <li>Invested in the B40 Empowerment Strategy – Be Your Own Boss (“BEST-BYOB”) micro-entrepreneurial programme, benefitting 28 participants in FY2023, who were able to generate initial incomes ranging from RM1,500 to RM30,000 upon their graduation from the programme.</li> </ul> <p><b>Nurturing Future Generations</b></p> <ul style="list-style-type: none"> <li>Invested RM100,000 into the RHB #Empower programme, which aims to assist neurodivergent youths (aged 17 to 35) to integrate into society by providing employment and independent living skills. The first intake comprised 20 participants who completed the structured development programme in June 2023, with 16 of these participants securing internship placements.</li> <li>The Group continues to expand access to banking via our financially-inclusive products and services. To this end, the Group onboarded over 350,000 students from 20 public universities across Malaysia onto the MySISWA account opening programme in FY2023. Cumulatively, between 2022-2023, we have onboarded over 600,000 students.</li> <li>Onboarded 4,297<sup>^</sup> customers on the SME e-solutions ecosystem, which provides value added management solutions for SMEs, encompassing operations, human resources and accounting system. Cumulatively, between 2022-2023, we have onboarded 11,649 customers.</li> </ul>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.


## Our Contribution to SDGs

SDG Target	RHB's Selected Key Contributions in FY2023
	<ul style="list-style-type: none"> <li>RHB and its consortium partner, the regional Fintech leader Boost became the first primarily Malaysian-owned digital bank to commence operations with a pioneering embedded digital bank app in the local market, designed to meaningfully address financial inclusion gaps for the underserved and unserved.</li> </ul> <p><b>Sustainable Supply Chain</b></p> <ul style="list-style-type: none"> <li>Towards embedding good practices across our supply chain, the Group introduced the ESG Supplier Code of Conduct, which aims to integrate sustainability considerations throughout our supply chain, including by encouraging our suppliers to uphold and protect labour rights.</li> </ul> <p><b>ESG Risk Management</b></p> <ul style="list-style-type: none"> <li>Through our ESG Risk Assessment (“ERA”) tool, the Group is able to assess clients’ ESG risk mitigation measures, including in relation to labour practices. Based on clients’ ESG risk rating, we are able to guide clients towards embracing more sustainable business practices, which includes compliance to labour and human rights requirements.</li> </ul>
<p><b>INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>  <p><b>Relevant SDG Target</b></p> <p>9.3 <i>Increase the access of small-scale industrial and other enterprises, to financial services</i></p> <p>9.4 <i>Upgrade infrastructure to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</i></p> <p>9.a <i>Facilitate sustainable and resilient infrastructure development through enhanced financial, technological and technical support</i></p>	<p><b>Financial Inclusion</b></p> <ul style="list-style-type: none"> <li>Over RM7.6 billion was extended under SME loans/financing.</li> <li>Through the SME Online Financing platform, customers are able to enjoy a fully digitalised loan application process, streamlining the process of obtaining working capital financing. As of FY2023, we have surpassed RM1.2 billion for our SME Online Financing mobile app portfolio value.</li> </ul> <p><b>Sustainable Financial Services</b></p> <ul style="list-style-type: none"> <li>The Group has, since July 2021, cumulatively mobilised over RM23.8 billion in sustainable financial services, of which over RM12.5 billion was mobilised in FY2023. The Group’s sustainable financial services supports sustainable infrastructure development, through the categories of Renewable Energy, Pollution Prevention and Control, Sustainable Water and Wastewater Management and Affordable Basic Infrastructure.</li> <li>More than 200 customers benefitted from the more than RM1.1 billion that was extended under SME green financing loans.</li> </ul>
<p><b>SUSTAINABLE CITIES &amp; COMMUNITIES<sup>1</sup></b></p>  <p><b>Relevant SDG Target</b></p> <p>11.6 <i>Reduce the adverse per capita impact of cities</i></p>	<p><b>Sustainable Financial Services</b></p> <ul style="list-style-type: none"> <li>In FY2023, the Group directed a total of RM6,682<sup>^</sup> million towards Green categories, as part of our efforts to mobilise sustainable financial services. Of this, RM910 million was directed towards Sustainable Water and Wastewater Management projects, while a further RM114 million was directed towards projects tagged as Environmentally Sustainable Management of Living Natural Resources and Land Use. Additionally, RM61 million was mobilised under the category of Clean Transportation.</li> </ul>

<sup>^</sup> This data has been externally assured. Please refer to the independent limited assurance report in this Sustainability Report.



## Our Contribution to SDGs

SDG Target	RHB's Selected Key Contributions in FY2023
<p><b>RESPONSIBLE RESOURCE CONSUMPTION AND PRODUCTION</b></p>  <p><b>Relevant SDG Target</b></p> <p>12.2 <i>By 2030, achieve the sustainable management and efficient use of natural resources</i></p> <p>12.6 <i>Encourage companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</i></p>	<p><b>Environmental Stewardship</b></p> <ul style="list-style-type: none"> <li>Completed Phase 1 of our Carbon Neutral Operations Plan solar installation project, whereby solar panels have been installed in RHB Complex Bangi, RHB Crystal Plaza (RCOE), and ten branches across Malaysia. Between September 2023 to December 2023, we recorded emissions reduction of roughly 105 tCO<sub>2</sub>e.</li> <li>Continuous improvements in resource use efficiency: <ul style="list-style-type: none"> <li>i. Operational GHG emissions reduced by 43.14% against FY2016 baseline, with absolute operational GHG emissions amounting to 24,580 tCO<sub>2</sub>e in FY2023 (Malaysian operations only).</li> <li>ii. Electricity consumption for Malaysian operations reduced by 5.2%, amounting to 38,631 MWh in FY2023.</li> <li>iii. Water consumption reduced by 8.3% compared to 2022.</li> </ul> </li> </ul> <p><b>Sustainable Supply Chain</b></p> <ul style="list-style-type: none"> <li>We have introduced the ESG Supplier Code of Conduct in FY2023, towards encouraging our suppliers to adopt sustainable practices into their own operations.</li> </ul> <p><b>ESG Risk Management</b></p> <ul style="list-style-type: none"> <li>The Group's ESG Risk Assessment ("ERA") tool is used to assess clients' ESG risk mitigation measures and residual ESG risks. Granting of financing to customers deemed as "High Risk" is contingent on time-bound mitigation measures to manage ESG risks. Our business units will work with clients to guide them towards adopting more sustainable and climate-friendly practices, primarily through the annual review process. Customers' adherence to action plans is closely monitored, to ensure that appropriate ESG risk management measures are properly implemented.</li> </ul> <p><b>Ethics and Conduct</b></p> <ul style="list-style-type: none"> <li>Since FY2017, the Group has published our Sustainability Report on an annual basis, which is aligned to the Bursa Malaysia Sustainability Reporting Guide, as well as relevant sustainability reporting frameworks and standards, including the GRI Standards and the Taskforce on Climate-related Financial Disclosures (TCFD).</li> </ul>

## Our Contribution to SDGs

### SDG Target

#### CLIMATE ACTION



##### Relevant SDG Target

13.1 Strengthen resilience and adaptive capacity to climate-related hazards

13.3 Improve education, awareness-raising and human and institutional capacity on climate change

### RHB's Selected Key Contributions in FY2023

#### Sustainable Financial Services

- As of FY2023, the Group has cumulatively mobilised over RM11.3 billion towards green categories across our business activities of lending and financing, capital markets and advisory, wealth management, investments, and insurance.

Green Category	Cumulative Achievement (July 2021 - December 2023), RHB Group (RM million)	% of Cumulative Green Achievement
Renewable Energy	1,272	11.2%
Energy Efficiency	1,290	11.5%
Pollution Prevention and Control	1,061	9.4%
Environmentally Sustainable Management of Living Natural Resources and Land Use	174	1.5%
Terrestrial and Aquatic Biodiversity Conservation	1	0.01%
Clean Transportation	72	0.6%
Sustainable Water and Wastewater Management	2,416	21.3%
Climate Change Adaption	10	0.1%
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	692	6.1%
Green Buildings	4,330	38.3%
<b>TOTAL</b>	<b>11,318</b>	<b>100%</b>

#### Net Zero by 2050\*

- Established the Group's commitment to achieve Net Zero by 2050, with three Strategic Objectives:
  - Strategic Objectives 1: Decarbonisation across five (5) high impact sectors within our business:
    - Energy Supply
    - Palm Oil
    - Oil & Gas
    - Property & Construction
    - Transport
  - Growth in our Green Financial Services and supporting companies committed to carbon neutrality and have established a transition strategy.
  - Integration of sustainable and low carbon practices into our own operations.
    - Achieve Carbon Neutral Operations by 2030, covering Scope 1 and Scope 2 greenhouse gas emissions. As of FY2023, we have achieved 43.14% reduction in operational GHG emissions against baseline year.

\* For further information on the Group's Net Zero Commitment, decarbonisation strategy and climate-related efforts, please refer to RHB's Climate-related Financial Disclosure on page 82.




#### Climate Risk Management

- The Group Climate Action Programme ("GCAP") has catalysed the integration of climate-related considerations into the Group's business activities and risk management. To this end, we implemented the Group Climate Risk Management Framework and Policy in FY2023.

#### People & Workplace

- Rolled out the Sustainability Capability Building Framework ("SCBF") across the Group in FY2023, to build sustainability capabilities across foundational, intermediate and advanced levels. Over 2,000 employees participated in programmes under the SCBF in FY2023.
- Rolled out two introductory e-learning modules on ESG topics in FY2023, of which one is aimed as an Introduction to Climate Change. Across the two modules, 2,049 employees completed foundational e-learning on ESG topics.

## Our Contribution to SDGs

SDG Target	RHB's Selected Key Contributions in FY2023
<p><b>LIFE BELOW WATER<sup>1</sup></b></p>  <p><b>Relevant SDG Target</b></p> <p>14.2 <i>Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts</i></p> <p>14.5 <i>Conserve coastal and marine areas, consistent with national and international law</i></p>	<p><b>Lifting Communities</b></p> <ul style="list-style-type: none"> <li>Driven by RHB Islamic, the Ocean Harmoni (OH) programme aims to position RHB as a leader within the marine and oceanic (M&amp;O) conservation space. In collaboration with strategic partners, we endeavour to support M&amp;O research and conservation.</li> <li>In FY2023, RHB Islamic hosted the inaugural Ocean Harmoni M&amp;O Awareness Week, featuring exhibits and talks from OH partners that garnered the participation of 210 employees.</li> </ul>
<p><b>PEACE, JUSTICE &amp; STRONG INSTITUTIONS<sup>1</sup></b></p>  <p><b>Relevant SDG Target</b></p> <p>16.4 <i>Significantly reduce illicit financial and arms flows</i></p> <p>16.5 <i>Substantially reduce corruption and bribery in all their forms</i></p> <p>16.6 <i>Develop effective, accountable and transparent institutions at all levels</i></p>	<p><b>Anti-Bribery and Corruption</b></p> <ul style="list-style-type: none"> <li>Held RHB Banking Group's Integrity day in conjunction with National Integrity Month. As part of this event, the Group Chairman and GMD reiterated the Group's commitment to Anti-Bribery and Corruption by renewing the Group's Corruption Free Pledge.</li> <li>Conducted 24 awareness and knowledge-sharing sessions on anti-bribery and corruption throughout FY2023, reaching over 4,000 employees.</li> <li>Hosted an engagement session with 70 of our key suppliers to ensure that suppliers are committed to adhering to our zero tolerance stance towards bribery and corruption.</li> <li>In FY2023, 100% of all new joiners completed mandatory e-learning on Anti-Bribery and Corruption. The Anti-Bribery Corruption module is made mandatory for all employees every two years; it was last made mandatory for all employees in FY2022, where it saw a 100% completion rate. The module will be made mandatory for all employees in FY2024.</li> </ul> <p><b>AML/CFT</b></p> <ul style="list-style-type: none"> <li>The Group's AML/CFT Policy is the Group's key guidance for managing financial crime risks, encompassing money laundering, terrorism and proliferation financing and sanctions.</li> <li>Over 4,400 employees completed training on AML/CFT-related matters in FY2023, with programmes covering AML/CFT Awareness, AML/CFT Awareness and RACE KYC (Know Your Customer).</li> </ul>
<p><b>PARTNERSHIPS FOR THE GOALS<sup>1</sup></b></p>  <p><b>Relevant SDG Target</b></p> <p>17.17 <i>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</i></p>	<p><b>Sustainability Advocacy and Partnerships</b></p> <ul style="list-style-type: none"> <li>The Group actively participates in external associations and memberships to advance sustainable practices: <ul style="list-style-type: none"> <li>RHB is a member of the Joint Committee on Climate Change (Main Committee), as well as a Working Group Member for JC3 Sub-Committee 1 (Risk Management) and JC3 Sub-Committee 3 (Product and Innovation).</li> <li>In 2023, we became a member of the United Nations Global Compact.</li> </ul> </li> <li>In FY2023, the Group established its pioneering collaboration with Tenaga Nasional Berhad ("TNB") to jointly drive the adoption of renewable energy and energy-efficiency solutions among SMEs and individuals. Through this collaboration, we have engaged with 200 SMEs in the Klang Valley region, with further engagements across Malaysia due to take place in 2024.</li> </ul>

<sup>1</sup> New identified and prioritised SDGs for FYE2023

## GRI Content Index

RHB Bank Berhad has reported in accordance with the GRI Standards for the period of 1 January 2023 – 31 December 2023. The following GRI Content Index refers to the information disclosed in the RHB Sustainability Report 2023 unless otherwise stated (e.g. RHB Integrated Report 2023).

<b>Statement of Use</b>	RHB Bank Berhad has reported in accordance with the GRI Standards for the period of 1 January 2023 to 31 December 2023
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable</b>	Not Applicable

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures and References	Omission
<b>General Disclosures 2022</b>			
2-1	Organizational details	Basis of This Report (pages A2-A3)	
2-2	Entities included in the organization's sustainability reporting	Basis of This Report (pages A2-A3)	
2-3	Reporting period, frequency and contact point	Basis of This Report (pages A2-A3)	
2-4	Restatements of information	Any significant restatements of data compared to prior years are noted in the section(s) where they appear.	
2-5	External assurance	Independent Limited Assurance Report (page 267 - 271)	
2-6	Activities, value chain and other business relationships	RHB Integrated Annual Report 2023	
2-7	Employees	Sustainability Performance Data (pages 230-240)	
2-8	Workers who are not employees	Sustainability Performance Data (page 232)	
2-9	Governance structure and composition	RHB Integrated Annual Report 2023	
2-10	Nomination and selection of the highest governance body	RHB Integrated Annual Report 2023	
2-11	Chair of the highest governance body	RHB Integrated Annual Report 2023	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance (pages 30-33)	
2-13	Delegation of responsibility for managing impacts	Sustainability Governance (pages 36-37)	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance (pages 38-39)	
2-15	Conflicts of interest	RHB Integrated Annual Report 2023	
2-16	Communication of critical concerns	Sustainability Governance (pages 32-33)	
2-17	Collective knowledge of the highest governance body	Sustainability Governance (pages 34-36)	
2-18	Evaluation of the performance of the highest governance body	RHB's Climate-related Financial disclosures (pages 83-84)	
2-19	Remuneration policies	Sustainability Governance (pages 38-39)	
2-20	Process to determine remuneration	RHB Integrated Annual Report 2023	
2-21	Annual total compensation ratio	-	We do not disclose against this metric due to confidentiality constraints
2-22	Statement on sustainable development strategy	Sustainability Strategy & Roadmap (pages 19-21)	
2-23	Policy commitments	Policies & Guidelines to Manage Material Matters (pages 79-81)	
2-24	Embedding policy commitments	Policies & Guidelines to Manage Material Matters (pages 79-81)	
2-25	Processes to remediate negative impacts	Creating Value By...Embedding Good Practices - Good Business Governance (pages 164-168)	

## GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures and References	Omission
<b>General Disclosures 2022</b>			
2-26	Mechanisms for seeking advice and raising concerns	Creating Value By...Embedding Good Practices – Good Business Governance (pages 164-168)	
2-27	Compliance with laws and regulations	Policies & Guidelines to Manage Material Matters (pages 79-81)	
2-28	Membership associations	Sustainability Thought Leadership and Advocacy (pages 40-41)	
2-29	Approach to stakeholder engagement	Our Stakeholders Needs and Expectations (pages 56-61)	
2-30	Collective bargaining agreements	Creating Value By...Embedding Good Practices – Good Business Governance (page 163)	
<b>Material Topics</b>			
3-1	Process to determine material topics	Our Material Matters (pages 62-63)	
3-2	List of material topics	Our Material Matters (pages 64)	
<b>Material Matter: Good Business Governance</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices – Good Business Governance (pages 161-162)	
205-1	Operations assessed for risks related to corruption	Creating Value By...Embedding Good Practices – Good Business Governance (page 164)	
205-2	Communication and training about anticorruption policies and procedures	Creating Value By...Embedding Good Practices – Good Business Governance (page 165)	
205-3	Confirmed incidents of corruption and actions taken	Creating Value By...Embedding Good Practices – Good Business Governance (page 167)	
207-1	Approach to tax	Creating Value By...Embedding Good Practices – Good Business Governance (page 168)	
207-2	Tax governance, control, and risk management	Creating Value By...Embedding Good Practices – Good Business Governance (page 168)	
405-1	Diversity of governance bodies and employees	Creating Value By...Embedding Good Practices – Good Business Governance (page 163)	
<b>Material Matter: Data Protection and Cybersecurity</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices – Data Protection and Cybersecurity (pages 169-170)	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Creating Value By...Embedding Good Practices – Data Protection and Cybersecurity (page 171)	
<b>Material Matter: Sustainable Financial Services</b>			
3-3	Management of material topics	Creating Value By...Driving Sustainable & Responsible Finance – Sustainable Financial Services (pages 117-119)	
203-1	Infrastructure investments and services supported	Creating Value By...Driving Sustainable & Responsible Finance – Sustainable Financial Services (pages 120-126)	
<b>Material Matter: Financial Inclusion</b>			
3-3	Management of material topics	Creating Value By...Driving Sustainable & Responsible Finance – Financial Inclusion (pages 138-139)	
203-2	Significant indirect economic impacts	Creating Value By...Driving Sustainable & Responsible Finance – Financial Inclusion (pages 139-141)	
413-1	Operations with local community engagement, impact assessments, and development programmes	Creating Value By...Driving Sustainable & Responsible Finance – Financial Inclusion (pages 139-141)	
<b>Material Matter: Digitalisation and Investment in Technology</b>			
3-3	Management of material topics	Creating Value By...Driving Sustainable & Responsible Finance – Digitalisation and Investment in Technology (pages 142-145)	

# GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures and References	Omission
<b>General Disclosures 2022</b>			
<b>Material Matter: Customer Experience</b>			
3-3	Management of material topics	Creating Value By...Driving Sustainable & Responsible Finance – Customer Experience (pages 151-153)	
<b>Material Matter: Fair Treatment of Financial Customers</b>			
3-3	Management of material topics	Creating Value By...Driving Sustainable & Responsible Finance – Fair Treatment of Financial Customers (pages 157-158)	
417-1	Requirements for product and service information and labelling	Creating Value By...Driving Sustainable & Responsible Finance – Fair Treatment of Financial Customers (pages 158-159)	
<b>Material Matter: Sustainable Supply Chain</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices – Sustainable Supply Chain (pages 204-205)	
203-2	Significant indirect economic impacts	Creating Value By...Embedding Good Practices – Sustainable Supply Chain (pages 206-207)	
204-1	Proportion of spending on local suppliers	Creating Value By...Embedding Good Practices – Sustainable Supply Chain (page 207)	
<b>Material Matter: Climate Change</b>			
3-3	Management of material topics	RHB's Climate-related Financial Disclosures (page 82)	
201-2	Financial implications and other risks and opportunities due to climate change	RHB's Climate-related Financial Disclosures – Climate Strategy (page 104-105)	
305-1	Direct (Scope 1) GHG emissions	RHB's Climate-related Financial Disclosures – Climate-Related Metrics & Targets (page 114)	
305-2	Energy indirect (Scope 2) GHG emissions	RHB's Climate-related Financial Disclosures – Climate-Related Metrics & Targets (page 114)	
305-3	Other indirect (Scope 3) GHG emissions	RHB's Climate-related Financial Disclosures – Climate-Related Metrics & Targets (page 114)	
305-4	GHG emissions intensity	RHB's Climate-related Financial Disclosures – Climate-Related Metrics & Targets (page 115)	
305-5	Reduction of GHG emissions	RHB's Climate-related Financial Disclosures – Climate-Related Metrics & Targets (page 113)	
<b>Material Matter: Environmental Stewardship</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices – Environmental Stewardship (pages 200-201)	
301-1	Materials used by weight or volume	Sustainability Performance Data (page 243)	
302-1	Energy consumption within the organization	Sustainability Performance Data (page 243)	
302-4	Reduction of energy consumption	Sustainability Performance Data (page 244)	
303-5	Water consumption	Sustainability Performance Data (page 243)	
<b>Material Matter: Talent</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices – Talent (pages 172-174)	
401-1	New employee hires and employee turnover	Sustainability Performance Data (pages 234-235)	
401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Creating Value By...Embedding Good Practices – Talent (pages 180-182)	
401-3	Parental leave	Sustainability Performance Data (page 235)	

## GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures and References	Omission
<b>General Disclosures 2022</b>			
<b>Material Matter: Talent (cont'd)</b>			
404-1	Average hours of training per year per employee	Creating Value By...Embedding Good Practices - Talent (page 181)	
404-2	Programmes for upgrading employee skills and transition assistance	Creating Value By...Embedding Good Practices - Talent (pages 182-184)	
404-3	Percentage of employees receiving regular performance and career development reviews	100% of our employees receive regular and scheduled performance appraisals.	
<b>Material Matter: Employee Health, Safety and Wellness</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (page 185)	
201-3	Defined benefit plan obligations and other retirement plans	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (page 190)	
403-1	Occupational health and safety management system	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (pages 189-190)	
403-4	Worker participation, consultation, and communication on occupational health and safety	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (pages 186-187)	
403-5	Worker training on occupational health and safety	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (page 188)	
403-6	Promotion of worker health	Creating Value By...Embedding Good Practices - Employee Health, Safety and Wellness (pages 189-190)	
403-9	Work-related injuries	Sustainability Performance Data (page 191)	
403-10	Work-related ill health	Sustainability Performance Data (page 191)	
<b>Material Matter: Diversity and Equal Opportunity</b>			
3-3	Management of material topics	Creating Value By...Embedding Good Practices - Diversity and Equal Opportunity (pages 192-193)	
405-1	Diversity of governance bodies and employees	Creating Value By...Embedding Good Practices - Good Business Governance (page 198)	
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Performance Data (page 233)	
406-1	Incidents of discrimination and corrective actions taken	No recorded incidents of discrimination	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No recorded incidents of discrimination or risks to freedom of association and collective bargaining	
408-1	Operations and suppliers at significant risk for incidents of child labor	No reported incidents of child or forced labour	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No reported incidents of child or forced labour	
411-1	Incidents of violations involving rights of indigenous peoples	No recorded incidents of human rights violations involving indigenous peoples	
<b>Material Matter: Community Enrichment and Empowerment</b>			
3-3	Management of material topics	Creating Value By...Enriching and Empowering Communities - Community Enrichment and Empowerment (pages 209-210)	
413-1	Operations with local community engagement, impact assessments, and development programmes	Creating Value By...Enriching and Empowering Communities - Community Enrichment and Empowerment (pages 210-228)	

# Performance Data Table from Bursa ESG Reporting Platform

The performance data table below has been prepared in accordance with the requirements of the Bursa Main Market Listing Requirements, and in line with the enhanced Sustainability Reporting Guide, 3<sup>rd</sup> Edition. It summarises the key indicators that are pertinent to RHB's material matters, which are as disclosed on pages 37-41.

Indicator	Measurement Unit	2020	2021	2022	2023
<b>Bursa (Anti-corruption)</b>					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	-	8.90	36.50	11.70
Executive	Percentage	-	14.70	46.30	22.40
Non-executive/Technical Staff	Percentage	-	3.10	12.90	7.00
General Workers	Percentage	-	0.20	0.10	0.60
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	98.50	98.30	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	1	0	1
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	9,151,474.00	3,925,807.00	4,993,868.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	30,992	90,665	50,050
<b>Bursa (Diversity)</b>					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Management Under 30	Percentage	-	3.00	3.30	4.60
Management Between 30-50	Percentage	-	72.70	72.70	70.80
Management Above 50	Percentage	-	24.30	24.00	24.50
Executive Under 30	Percentage	-	29.70	28.70	31.70
Executive Between 30-50	Percentage	-	62.90	62.70	58.40
Executive Above 50	Percentage	-	7.40	8.60	9.80
Non-executive/Technical Staff Under 30	Percentage	-	11.50	9.20	8.10
Non-executive/Technical Staff Between 30-50	Percentage	-	68.60	67.20	65.00
Non-executive/Technical Staff Above 50	Percentage	-	20.00	23.60	26.90
General Workers Under 30	Percentage	-	7.30	7.60	7.70
General Workers Between 30-50	Percentage	-	62.50	61.80	60.30
General Workers Above 50	Percentage	-	30.30	30.70	32.10
Gender Group by Employee Category					
Management Male	Percentage	-	47.50	47.40	46.50
Management Female	Percentage	-	52.50	52.60	53.50
Executive Male	Percentage	-	34.30	47.40	34.80
Executive Female	Percentage	-	65.70	52.60	65.20

Internal assurance    External assurance    No assurance    (\*)Restated



## Bursa Malaysia Sustainability Reporting Disclosures

Indicator	Measurement Unit	2020	2021	2022	2023
Non-executive/Technical Staff Male	Percentage	-	35.40	35.30	34.20
Non-executive/Technical Staff Female	Percentage	-	64.60	64.70	65.80
General Workers Male	Percentage	-	88.90	88.00	88.00
General Workers Female	Percentage	-	11.10	12.00	12.00
<b>Bursa C3(b) Percentage of directors by gender and age group</b>					
Male	Percentage	-	70.00	70.00	70.00
Female	Percentage	-	30.00	30.00	30.00
Under 30	Percentage	-	0.00	0.00	0.00
Between 30-50	Percentage	-	0.00	0.00	0.00
Above 50	Percentage	-	100.00	100.00	100.00
<b>Bursa (Energy management)</b>					
Bursa C4(a) Total energy consumption	Megawatt	-	41,616.00	40,758.00	38,631.00
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities	Number	-	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.26	0.40	0.44
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	255	120	197
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	-	221,157	103,851	135,263
Executive	Hours	-	351,508	122,365	152,493
Non-executive/Technical Staff	Hours	-	64,808	23,052	18,222
General Workers	Hours	-	2,364	384	776
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	4.90	4.70	3.50
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	-	569	696	575
Executive	Number	-	1,444	1,679	1,355
Non-executive/Technical Staff	Number	-	89	73	89
General Workers	Number	-	17	17	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0	0
<b>Bursa (Supply chain management)</b>					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	91.00	93.00	91.00
<b>Bursa (Data privacy and security)</b>					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	4	0	3
<b>Bursa (Water)</b>					
Bursa C9(a) Total volume of water used	Megalitres	-	79.010000	126.220000	115.760000


## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”) GUIDE FOR MALAYSIAN FINANCIAL INSTITUTIONS – BASIC & STRETCH\*

# Recommendations from the TCFD Application Guide

### BASIC RECOMMENDATIONS

Recommendation	Descriptions	Reference
<b>GOVERNANCE</b>		
<b>G1</b> <b>BOARD OVERSIGHT OF SUSTAINABILITY AND CLIMATE-RELATED MATTERS</b>	<ul style="list-style-type: none"> <li>Disclose nature of Board oversight and accountability with respect to sustainability and climate-related matters, risks and opportunities.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 83-84), Sustainability Governance (Pages 30-31)
<b>G2</b> <b>SUSTAINABILITY GOVERNANCE STRUCTURE INCLUDING CLIMATE-RELATED MATTERS AT THE MANAGEMENT LEVEL</b>	<ul style="list-style-type: none"> <li>Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decision making.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 86-87), Sustainability Governance (Pages 33-37)
<b>G3</b> <b>SUSTAINABILITY AND CLIMATE-RELATED BOARD CREDENTIALS</b>	<ul style="list-style-type: none"> <li>Disclose sustainability and climate-related credentials, experience and individual biographies for Board members.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 83-84), Sustainability Governance (Pages 31-34)
<b>G4</b> <b>SUSTAINABILITY AND CLIMATE-RELATED TRAINING</b>	<ul style="list-style-type: none"> <li>Disclose the initiatives undertaken and training programs conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 83-84), Sustainability Governance (page 34-36)
<b>G5</b> <b>SUSTAINABILITY AND CLIMATE-RELATED DISCUSSIONS IN BOARD MEETINGS</b>	<ul style="list-style-type: none"> <li>Disclose the frequency of Board meeting per year in which sustainability and climate-related issues have been a substantial agenda item, and a summary of key climate-related issues and initiatives deliberated.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 85-87), Sustainability Governance (page 32-34)
<b>G6</b> <b>SUSTAINABILITY/CLIMATE-LINKED REMUNERATION</b>	<ul style="list-style-type: none"> <li>Link Board of Director (excluding independent directors) and top management remuneration to performance against specific sustainability and climate-related targets.</li> </ul>	RHB's Climate-Related Financial Disclosures (Pages 88), Sustainability Governance (page 38)

## TCFD Index

Recommendation	Descriptions	Reference
<b>STRATEGY</b>		
<b>S1</b> <b>IDENTIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium- and long-term.</li> </ul>	 RHB's Climate-Related Financial Disclosures (Pages 104-105)
<b>S2</b> <b>IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Assess and disclose how climate-associated risks and opportunities could affect the financial institution's existing businesses, strategy, and financial planning.</li> </ul>	 RHB's Climate-Related Financial Disclosures (Pages 106-107), Sustainability and Climate-related Risk Management (Pages 47-52)
<b>S3</b> <b>STRATEGY AND RISK APPETITE ON CLIMATE CHANGE-RELATED RISKS AND SUSTAINABILITY MEASURES</b>	<ul style="list-style-type: none"> <li>Disclose strategy and appetite with regard to climate-related risks and opportunities and the measures towards sustainability in the financial institution's business activities.</li> </ul>	 RHB's Climate-Related Financial Disclosures (Pages 108-109), Sustainability and Climate-related Risk Management (Pages 52-55)
<b>RISK MANAGEMENT</b>		
<b>R1</b> <b>PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS</b>	<ul style="list-style-type: none"> <li>Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors.</li> <li>Disclose the risk classification framework(s) used.</li> <li>Disclose the risk terminology definitions used or existing risk classification framework(s) used.</li> </ul>	 RHB's Climate-Related Financial Disclosures (Pages 102-107)
<b>R2</b> <b>PROCESS FOR MANAGING CLIMATE-RELATED RISKS</b>	<ul style="list-style-type: none"> <li>Disclose the financial institution's risk management processes and controls.</li> <li>Disclose the identities of individual(s)/functions(s) responsible for oversight of climate-related risks and its relationship with the business operations.</li> </ul>	 RHB's Climate-Related Financial Disclosures (Pages 108-109)

# TCFD Index

Recommendation	Descriptions	Reference
<b>RISK MANAGEMENT (CONT'D)</b>		
<p><b>R3</b></p> <p><b>PROCESS FOR INTEGRATING (I) PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS AND (II) PROCESS FOR MANAGING CLIMATE-RELATED RISKS; INTO OVERALL RISK MANAGEMENT.</b></p>	<ul style="list-style-type: none"> <li>• Disclose the integration of processes for identifying, assessing, and managing climate-related risks into overall risk management.</li> <li>• Disclose processes for prioritising climate-related risks, including how materiality determinations are made within the financial institution.</li> </ul>	<p>▲ RHB's Climate-Related Financial Disclosures (Pages 112-115)</p>
<b>METRICS &amp; TARGETS</b>		
<p><b>M1</b></p> <p><b>KEY CLIMATE-RELATED METRICS</b></p>	<ul style="list-style-type: none"> <li>• GHG Emissions: Disclose historical and current GHG Emissions (Example unit of measure – MT of CO<sub>2</sub>e).</li> <li>• Transition Risks: Disclose amount and extent of assets or business activities vulnerable to transition risks (Example unit of measure – Amount or percentage).</li> <li>• Physical Risks: Disclose amount and extent of assets or business activities vulnerable to physical risks (Example unit of measure – Amount or percentage).</li> <li>• Climate-Related Opportunities: Disclose proportion of revenue, assets or other business activities (financing &amp; investment) aligned with climate-related opportunities (Example unit of measure – Amount or percentage).</li> <li>• Client Engagement: Disclose client engagements on climate-related risks and opportunities (Example unit of measure – percentage).</li> <li>• Capital Deployment: Disclose amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (Example unit of measure – Reporting currency).</li> <li>• Remuneration: Disclose proportion of director and/or senior management remuneration linked to sustainability considerations (Example unit of measure – Percentage, weighting, description, or amount in reporting currency).</li> </ul>	<p>▲ RHB's Climate-Related Financial Disclosures (Pages 112-115)</p>
<p><b>M2</b></p> <p><b>KEY CLIMATE-RELATED TARGETS</b></p> <p><b>Description</b> Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector specific metrics and/or institution-specific metrics).</p>	<ul style="list-style-type: none"> <li>• Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector specific metrics and/or institution-specific metrics).</li> </ul>	<p>▲ RHB's Climate-Related Financial Disclosures (Pages 110-112)</p>

\* The TCFD Index was referenced to the Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions by The Joint Committee on Climate Change (JC3).

TCFD Index

STRETCH RECOMMENDATIONS

Recommendation	Descriptions	Reference
<b>GOVERNANCE</b>		
<p><b>G7</b></p> <p><b>SEPARATE COMMITTEE ON SUSTAINABILITY AND CLIMATE-RELATED MATTERS</b></p>	<ul style="list-style-type: none"> <li>Set up a separate committee to oversee sustainability-related matters, reporting to the Board of Directors for all sustainability and climate-related matters.</li> </ul>	<p>▲ RHB's Climate Related Financial Disclosures (Pages 82-115), Sustainability Governance (Pages 83-88)</p>
<b>STRATEGY</b>		
<p><b>S4</b></p> <p><b>SCENARIO ANALYSIS AS AN OPPORTUNITY TO IMPROVE STRATEGIC RESILIENCE AND EXPLORE CLIMATE VULNERABILITIES</b></p>	<ul style="list-style-type: none"> <li>Perform climate-related scenario analysis to assess potential business implications of climate-related risks and opportunities over time and under different conditions as well as related strategy to manage these.</li> </ul>	<p>▲ RHB's Climate Related Financial Disclosures (Pages 82-115), Climate Strategy (Pages 89-101)</p>
<b>RISK MANAGEMENT</b>		
<p><b>R4</b></p> <p><b>PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS</b></p>	<ul style="list-style-type: none"> <li>Disclose the financial institution's risk management processes used to identify and assess climate-related risks.</li> <li>Disclose the financial institution's climate-related risks and their significance within existing risk categories such as credit, market, operational, liquidity risk.</li> <li>Disclose the financial institution's processes for assessing the potential size and scope of identified climate-related risks.</li> <li>Disclose key sectors in the financial institution's portfolio that are identified as being highly exposed to climate risk.</li> <li>Set out the financial institution's risk management controls or actions in managing impacts from direct climate-related risks (i.e. through own operations).</li> </ul>	<p>▲ RHB's Climate-Related Financial Disclosures (Pages 102-107), Sustainability Governance (Pages 31-37)</p>
<p><b>R5</b></p> <p><b>PROCESS FOR MANAGING CLIMATE-RELATED RISKS</b></p>	<ul style="list-style-type: none"> <li>Disclose the financial institution's processes for managing climate-related risks including decisions to mitigate, transfer, accept, or control those risks.</li> <li>Disclose improvements planned/completed by the financial institution to enhance capabilities and incorporate climate-related risks into existing risk management framework.</li> <li>Conduct training and employee readiness planning as well as programmes.</li> <li>Disclose how the financial institution's customers are engaged and helped in mitigating climate-related risks.</li> <li>Use metrics and targets to monitor progress in managing climate-related risks (i.e. exposure to, and quantification of, risk types by business segment and jurisdiction).</li> <li>Set out the financial institution's risk management controls or actions in managing impacts from indirect climate-related risks (i.e. through activities of its clients).</li> <li>Disclose the financial institution's exposure to, and quantification of, sustainable financing.</li> </ul>	<p>▲ RHB's Climate-Related Financial Disclosures (Pages 108-109), Sustainability Governance (page 36)</p>

# TCFD Index

Recommendation	Descriptions	Reference
<b>RISK MANAGEMENT (CONT'D)</b>		
<p><b>R6</b></p> <p><b>PROCESS FOR INTEGRATING (I) PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS AND (II) PROCESS FOR MANAGING CLIMATE-RELATED RISKS; INTO OVERALL RISK MANAGEMENT.</b></p>	<ul style="list-style-type: none"> <li>• Disclose how the financial institution has integrated climate-related risks into existing risk categories such as credit, market, operational, insurance and liquidity risks.</li> <li>• Disclose how the financial institution has integrated climate-related risks into existing risk framework(s) and/or directly into credit and investment decision-making (e.g. lending policies, underwriting standards, risk ratings, pricing models).</li> <li>• Disclose the financial institution's exposure to physical and transition risks within its operations and business model, including concentrations of risk at portfolio and transaction levels, and by geographical footprint.</li> <li>• Disclose the financial institution's efforts in supporting clients through mitigating climate-related risks via sustainable finance solutions.</li> <li>• Implement policies that restrict/divest from high-risk exposures and in line with international commitments/frameworks.</li> <li>• Enhance the financial institution's climate risk management framework to be more predictive.</li> </ul>	<p>▲</p> <p><i>RHB's Climate-Related Financial Disclosures (Pages 102-109)</i></p>

<b>METRICS &amp; TARGETS</b>		
<p><b>M3</b></p> <p><b>KEY CLIMATE-RELATED METRICS</b></p>	<ul style="list-style-type: none"> <li>• GHG Emissions – Historical, current and future GHG Emissions (Example unit of measure – MT of CO<sub>2</sub>e).</li> <li>• Transition Risks – Amount and extent of assets or business activities vulnerable to transition risks (Example unit of measure – Amount or percentage).</li> <li>• Physical Risks – Amount and extent of assets or business activities vulnerable to physical risks (Example unit of measure – Amount or percentage).</li> <li>• Climate-Related Opportunities – Proportion of revenue, assets or other business activities (financing &amp; investment) aligned with climate-related opportunities (Example unit of measure – Amount or percentage).</li> <li>• Portfolio Alignment – Forward-looking assessments of the convergence between the emissions profile of a portfolio, and the sectoral decarbonization trajectory necessary to achieve climate goals.</li> <li>• Client Engagement – Client engagements on climate-related risks and opportunities (Example unit of measure – Amount or percentage).</li> <li>• Internal Carbon Prices – Price on each ton of GHG emissions used internally by an organisation (Example unit of measure – Price in reporting currency, per MT of CO<sub>2</sub>e).</li> <li>• Performance – Impact of climate-related risks or opportunities on financial performance (Example unit of measure – Percentage, weighting, description, or amount in reporting currency).</li> <li>• Financial Position – Impact of climate-related risks or opportunities on financial position (Example unit of measure – Amount or percentage).</li> </ul>	<p>▲</p> <p><i>RHB's Climate Related Financial Disclosures (Pages 82-115), Sustainability and Climate-related Risk Management (Pages 46-55), Sustainable Financial Services (Pages 117 - 137)</i></p>

## Independent Limited Assurance Report



### Independent Limited Assurance Report on Subject Matter Information in RHB Bank Berhad's Sustainability Report 2023

To the Board of Directors of RHB Bank Berhad

We have been engaged by RHB Bank Berhad to perform an independent limited assurance engagement on selected material sustainability indicators (hereinafter referred to as the "Subject Matter Information") as reported by RHB Bank Berhad in its Sustainability Report for the year ended 31 December 2023 (the "Report").

#### Our Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information contained in the Sustainability Report for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the Reporting Criteria set out on pages 11 to 263 of the Report and referenced in the "Reporting Criteria" section below.

#### Subject Matter Information

The following information collectively known as Subject Matter Information on which we provided limited assurance consists of:

No.	The Subject Matter Information	Reporting Criteria applied	Scope	Figures disclosed in the Report
1.	<b>Sustainable financial services</b>			
1(a)	Total sustainable financial services	RHB's internal framework/guideline	Total sustainable financial services for Malaysia and its overseas operations.	RM12,543 million
1(b)	Total sustainable financial services, by type of activities: (a) Green Activities, (b) Social Activities, and (c) ESG-linked activities	RHB's internal framework/guideline	Total sustainable financial services, by type of activities, for Malaysia and its overseas operations.	<u>Green</u> RM6,682 million <u>Social</u> RM2,196 million <u>ESG-linked</u> RM3,665 million
2.	<b>Empowering targeted individuals and businesses</b>			
2(a)	Empowering Targeted Individuals - Total amount of individuals that have been empowered through (a) MySISWA project, and (b) Empowering Youths	RHB's internal framework/guideline	Total amount of individuals that have been empowered within the Malaysia operations.	<u>MySISWA</u> 357,746 individuals <u>Empowering Youths</u> 2,900 individuals

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my



No.	The Subject Matter Information	Reporting Criteria applied	Scope	Figures disclosed in the Report
2(b)	Empowering Targeted Businesses - total amount of businesses that have been empowered through (a) SME e-Solutions, and (b) MSME Capability Building	RHB's internal framework/ guideline	Total amount of businesses that have been empowered within the Malaysia operations.	<u>SME e-Solutions</u> 4,297 businesses  <u>MSME Capability Building</u> 329 businesses
<b>3.</b>	<b>Carbon neutral operations</b>			
3(a)	<b><u>Scope 1 GHG Emissions</u></b> 1. Stationary Combustion (generator sets)  2. Mobile Combustion (company-owned vehicles)	<ul style="list-style-type: none"> <li>• Bursa Common Indicator C11 (a)</li> <li>• GRI 305-1</li> </ul>	Total Scope 1 GHG emissions for the Malaysia operations.	193 tCO <sub>2</sub> e
3(b)	<b><u>Scope 2 GHG Emissions</u></b> 1. Purchased Electricity 2. Purchased Cooling	<ul style="list-style-type: none"> <li>• Bursa Common Indicator C11 (b)</li> <li>• GRI 305-2</li> </ul>	Total Scope 2 GHG emissions for the Malaysia operations.	22,099 tCO <sub>2</sub> e
<b>4.</b>	<b>Diversity, Equity and Inclusion</b>			
4(a)	Workforce Breakdown by Position (%)	RHB's internal framework/ guideline	Workforce breakdown by position in percentage within Malaysia and overseas operations.	<u>Senior Management</u> 1.6%  <u>Management</u> 34.8%  <u>Executive</u> 49.3%  <u>Non-Executive</u> 14.3%
4(b)	Female Employees by Position (%)	RHB's internal framework/ guideline	Total number of female employees by position in percentage within Malaysia and overseas operations.	<u>Senior Management</u> 33.9%  <u>Management</u> 53.5%  <u>Executive</u> 65.2%  <u>Non-Executive</u> 59.5%



## Independent Limited Assurance Report



No.	The Subject Matter Information	Reporting Criteria applied	Scope	Figures disclosed in the Report
4(c)	Breakdown of Senior Management by Gender	RHB's internal framework/ guideline	Breakdown of number of senior management by gender within Malaysia and overseas operations.	<u>Senior management by gender</u> Male: 158 Female: 81 Total: 239  <u>Women against total senior management</u> 33.9%
4(d)	Employee Turnover Rate	RHB's internal framework/ guideline GRI 401-1	Voluntary attrition rate in percentage within Malaysia and overseas operations.	12.4%
4(e)	Total and Average Training hours	RHB's internal framework/ guideline	<ul style="list-style-type: none"> <li>Total training hours within Malaysia and overseas operations.</li> <li>Average training hours per employee per year</li> </ul>	313,783 training hours  22 training hours per employee per year

Our assurance was with respect to the financial year ended 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the RHB Bank Berhad's Sustainability Report 2023 and, therefore, do not express any conclusion thereon.

### Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which RHB Bank Berhad is solely responsible for selecting and applying.

The reporting criteria used for the reporting of the Subject Matter Information are:

- the Sustainability Reporting Guide (3<sup>rd</sup> Edition) issued by Bursa Malaysia Securities Berhad;
- the Bank's internal sustainability reporting guidelines and procedures by which the Subject Matter Information is gathered, collated and aggregated internally;
- Global Reporting Initiative's Sustainability Reporting Standards ("GRI standards") for disclosures, and
- GHG Protocol Corporate Accounting and Reporting Standard (hereinafter referred to as the "Reporting Criteria")

### Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement basis and can affect comparability between entities and over time. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Independent Limited Assurance Report



### Responsibilities of the Directors and management

Management of RHB Bank Berhad is responsible for the preparation of the Subject Matter Information included in the RHB Bank Berhad's Sustainability Report 2023 in accordance with the Reporting Criteria.

This responsibility includes the selection and application of appropriate methods to prepare the Subject Matter Information reported in the RHB Bank Berhad Sustainability Report 2023 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by RHB Bank Berhad which are reasonable in the circumstances.

Those charged with governance are responsible for overseeing RHB Bank Berhad's sustainability reporting process.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 (Revised) for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Subject Matter Information is free from material misstatement. The accuracy of the Subject Matter Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our limited assurance report should therefore be read in conjunction with the Reporting Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of the RHB Bank Berhad's use of the Reporting Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), 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.

## Independent Limited Assurance Report

**Main Assurance Procedures**

Our work included the following procedures:

- Evaluated the suitability in the circumstances of RHB Bank Berhad's Reporting Criteria as the basis for preparing the Subject Matter Information;
- Obtained understanding of the Bank's control environment, processes and systems relevant to the preparation of the Subject Matter Information at the consolidated level and operating unit level. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by RHB Bank Berhad, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate RHB Bank Berhad's estimates;
- Performed analytical procedures for consistency of data with trends and our expectation;
- Performed limited substantive testing on a selective basis on transactions included in the Subject Matter Information at RHB Bank Berhad's which involved agreeing data points to/from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
- Checked mathematical formulas, proxies and default values used in the Subject Matter Information against RHB Bank Berhad's internal sustainability reporting guidelines and procedures; and
- Evaluated the appropriateness of the disclosures and presentation of the Subject Matter Information based on the Reporting Criteria.

**Restriction on Distribution and Use and Disclaimer of Liability to Third Parties and For Any Other Purpose**

This report, including the conclusion, has been prepared solely for the Board of Directors of RHB Bank Berhad in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matter Information as reported by RHB Bank Berhad in its Sustainability Report 2023 and should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the RHB Bank Berhad's Sustainability Report 2023 to be disclosed in the website of RHB Bank Berhad at [www.rhbgroup.com](http://www.rhbgroup.com), in respect of the financial year ended 31 December 2023, to assist the Directors in responding to in responding to paragraph 6.2(e) of Practice Note 9 of the Main Market Listing Requirements by obtaining an independent limited assurance report on the Subject Matter Information in connection with the preparation of RHB Bank Berhad's Sustainability Report for the year ended 31 December 2023. As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers PLT'.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
25 March 2024



[www.rhbgroup.com](http://www.rhbgroup.com)

**RHB Bank Berhad** 196501000373 (6171-M)  
Level 10, Tower One, RHB Centre, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia  
Tel : 603-9287 8888  
Fax : 603-9281 9314

**RHBGroup**



**rhbgroupmy**



**RHB Foundation**



Printed On:

