

NEWS RELEASE

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18 April 2024

RHB SETS SIGHTS ON NET ZERO BY 2050

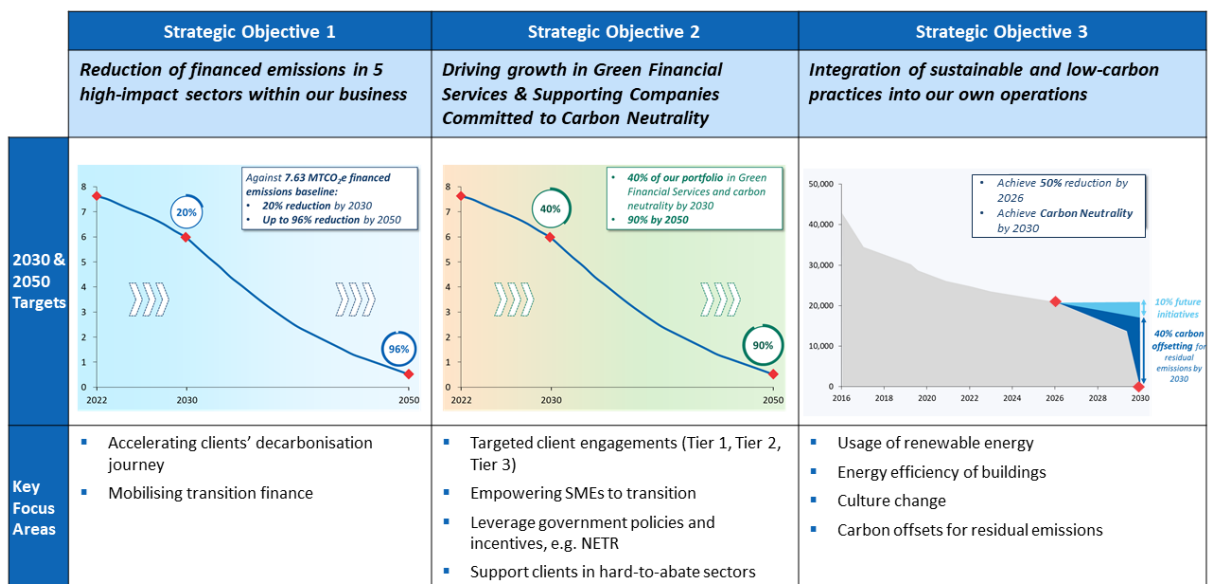
Group increases sustainable finance target to RM50 billion by 2026

Kuala Lumpur – The RHB Banking Group (“RHB” or the “Group”) is charting a bold course towards a climate-positive future by unveiling a comprehensive pathway to achieve net zero emissions by 2050. This ambitious goal aligns RHB with ASEAN’s just and responsible transition to a low-carbon economy.

Leveraging its 5-Year Sustainability Strategy and Roadmap (2022-2026), RHB strengthens its climate commitment by establishing a new Pillar 2, ‘Committed to Achieving Net Zero by 2050’. This pillar expands upon the Group’s existing climate focus, outlining focus areas: Reduction of Financed Emissions, Driving growth in Green Financial Services and Supporting Companies Committed to Carbon Neutrality, and Integration of sustainable and low-carbon practices into its own operations.

RHB’s Net Zero commitment aligns with Malaysia’s ambition to achieve net-zero GHG emissions by 2050, as outlined in the National Energy Transition Roadmap (“NETR”) and supported by frameworks like the Hydrogen Economy & Technology Roadmap and New Industrial Master Plan 2030 (“NIMP 2030”). The Group’s Net Zero commitment acknowledges the financial sector’s crucial role in directing capital towards sustainable and low-carbon activities.

RHB has established a three-pronged strategy with clearly defined objectives to translate this commitment into action:



Strategic Objective 1: Reduction of financed emissions in five high-impact sectors within RHB's business

In developing its Net Zero commitment, RHB undertook a comprehensive financed emissions baselining exercise in FY2023, establishing a baseline of 9.26 MTCO₂e¹ for total financed emissions as at December 31, 2022. Recognising that some sectors contribute more significantly, RHB prioritises five high-impact sectors: energy supply, palm oil, oil & gas, property & construction, and transportation. These sectors represent nearly 60% of the Group's financial exposure and over 80% of financed emissions (7.63 MTCO₂e).

RHB's strategy to achieve Net Zero by 2050 focuses on reducing the financed emissions arising from these five high-impact sectors. By 2030, RHB aims to achieve a 20% reduction in these sectors. By 2050, RHB's goal is to accomplish up to 96% reduction in financed emissions across these sectors.

Strategic Objective 2: Driving growth in Green Financial Services & Supporting companies committed to Carbon Neutrality

Strategic Objective 2 will complement Strategic Objective 1 as it targets to achieve 40% of the Group's portfolio in Green Financial Services and supporting companies committed to carbon neutrality with a clear and established transition strategy by 2030, with that number rising to 90% by 2050. The Group takes a targeted client engagement approach across varying levels of ESG maturity (Tier 1, Tier 2 and Tier 3 clients) based on their decarbonisation maturity and needs. RHB also leverages on the business and investment opportunities arising from the NETR's initiatives and enablers.

"Demonstrating our commitment to sustainability, we have cumulatively mobilised RM23.8 billion in sustainable financial services by the end of FY2023, exceeding our initial target of RM20 billion by 2026. Of this, RM11.3 billion was directed towards green activities, including renewable energy projects and energy efficiency solutions, contributing towards our goal of achieving Net Zero by 2050. Considering our strong achievements to date, we have increased our target to RM50 billion by 2026," said Mohd Rashid Mohamad, Group Managing Director/Group Chief Executive Officer of RHB Banking Group.

Strategic Objective 3: Integration of sustainable and low-carbon practices into RHB's own operations

RHB has made significant progress towards carbon neutral operations, achieving a 43% reduction in operational GHG emissions against a 2016 baseline, encompassing Scopes 1, 2, and 3 (Business Travel by

¹ The financed emissions baseline was computed using the Partnership for Carbon Accounting Financials ("PCAF") methodology, covering all seven PCAF asset classes and all sectors which RHB is exposed to.

Road and Air). The Group aims to achieve a 45% reduction in operational GHG emissions by 2026 and achieve carbon neutral operations by 2030 through internal initiatives and carbon offsets.

“Our Net Zero pathway is a commitment to the communities we serve, the environment, and the future, ensuring progress happens for everyone. However, we recognise that our journey to achieving Net Zero cannot be carried out in silo. We will continue to engage with our clients, business partners, employees, and the broader community to embark on our Net Zero journey together. We shall also collaborate with governmental bodies, regulatory authorities and other stakeholders in order to create a scalable impact, while at the same time, be guided on the progress and development of government policies, directives and incentives towards achieving our Net Zero 2050 Commitment,” Mohd Rashid added.

To learn more about RHB’s sustainability initiatives, do scan the QR code or download the Group’s latest Sustainability Report here: <https://www.rhbgroup.com/-/media/Assets/Corporate-Website/Document/Annual-Reports/Sustainability-Report/RHB-Bank-SR-2023.pdf>



Note: RHB acknowledges that financed emissions management is a new and evolving field for the financial sector. The Group’s financed emissions baseline, emissions trajectory and strategy to achieve Net Zero by 2050 is dependent on factors such as the latest available financed emissions calculation methodology, availability and quality of climate-related data, industry players’ climate-related commitments, national policies and incentives in relation to climate change, as well as climate-related regulations. With this in mind, RHB will closely monitor the development of the aforementioned factors and may further refine, enhance and revise the Group’s approach as new developments arise.

RHB's 5-Year Sustainability Strategy & Roadmap (2022-2026)

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 inclusion¹ 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 Emissions²**
Reducing carbon emissions in five high-impact sectors within our business³
- **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

¹ Provision of affordable and quality financial products and services

² GHG emissions associated with RHB Group's business activities

³ Energy Supply, Palm Oil, Oil & Gas, Property & Construction, and Transport