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**Disclaimer and Limitation of Liability**

This Sustainability Report contains operational, financial statements, projections and plans, strategy implementation, and CIMB Niaga's policies and objectives, which are classified as forward-looking statements in the implementation of the law and applicable regulations, except for historical matters. These statements have the prospect of risk uncertainty and may result in actual developments being materially different from those reported.

These prospective statements are made based on various assumptions regarding current conditions and predicted conditions future in the business environment in which the Bank conducts business activities. CIMB Niaga does not guarantee that documents whose validity has been confirmed will bring certain results as expected.

## THE RISE OF INDONESIA

### #KEJARMIMPI

We are determined to continuously provide support to our country in fulfilling our dreams, realizing every plan as well as contributing to the country with our aspirations, innovations, and creativity.

Together we rise and build a more prosperous and advanced Indonesia.

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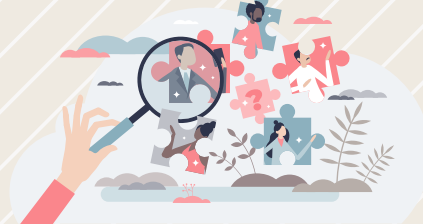
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CIMB Niaga has set strategies and targets to develop business innovations as well as low-carbon solutions for sustainable growth.






**OUR SUSTAINABILITY APPROACH**

[SUSBA 1.1.1.4]

PT Bank CIMB Niaga Tbk (hereinafter referred to as 'CIMB Niaga' or 'Bank'), as a subsidiary of the CIMB Group, has adopted the 'Forward23+' strategy, which incorporates sustainability issues as one of the main strategies in conducting business activities. CIMB Niaga has set strategies and targets to develop business innovations as well as low-carbon solutions for sustainable growth through our #SekarangUntukMasaDepan (#ThankYouFromTomorrow) commitment. This strategy is consistent with efforts to close funding gaps and meet market demand through financing and investment activities supporting our sustainability priorities.

CIMB Niaga's approach to integrating business with environmental, social, and governance (ESG) aspects, including the Sustainable Development Goals (SDGs), are guided by five key sustainability pillars (Sustainable Action, Sustainable Business, Corporate Social Responsibility, Governance & Risk, and Stakeholder Engagement & Advocacy). This year, in an effort to support sustainability practices, Bank has initiated sustainability-related Key Performance Indicators (KPI) for all employees. Bank has also submitted the 2019-2023 Sustainable Finance Action Plan (RAKB) to regulators as a roadmap for implementing Sustainable Finance.

**Sustainability Pillars**

 <p><b>BANK</b> <i>Sustainable Action</i> How we embed sustainability principles in all our business operations and processes to reduce our negative impact, such as carbon footprint and generate positive impact through our business</p>	 <p><b>OUR CLIENTS</b> <i>Sustainable Business</i> How we responsibly generate profits, creating net positive impact through the products and services we provide, and by assisting and encouraging our customers and clients on their own sustainability journeys</p>	 <p><b>SOCIETY</b> <i>Corporate Social Responsibility</i> How we use a portion of our profits to enhance and contribute towards sustainable long-term positive impacts in the communities around us</p>	 <p><b>Governance and Risk</b> How we govern and report sustainability risks, including setting targets and tolerance levels, and how we organize and mobilise ourselves for best results</p>
			 <p><b>Stakeholder Engagement and Advocacy</b> How we champion, engage, build capability and capacity, raise awareness and drive participation for sustainability, both internally and externally</p>

# Sustainability Performance



## Sustainable Action

	2021	2020	2019
<b>Environmental Performance</b>			
Energy for Electricity and Fuel (GJ)	156,850.33	156,798.74	191,422.71
GHG Emission (Scope 1 + Scope 2) (tonnes CO <sub>2</sub> e)	21,528.65	33,880.84	37,160.69
GHG Emission (Scope 3) (tonnes CO <sub>2</sub> e)	857.58	-	-
Water (m <sup>3</sup> )	245,720	136,905	192,340
Paper (Reams)	13,433	18,406	32,545
<b>Economic Performance</b>			
Local Suppliers	416	399	420
Suppliers Reviewed by Sustainability Due Diligence	100%	-	-
<b>Social Performance</b>			
Internal Customer Satisfaction Survey (Target >3)	3.11	3.07	3.14

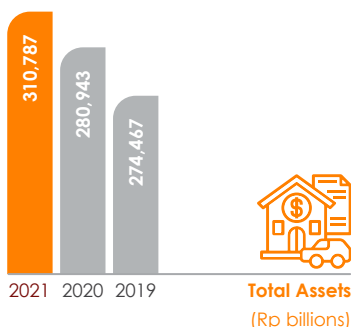
Note:  
Environmental performance data covering all branch offices in Indonesia, except paper usage data which only covers head offices.



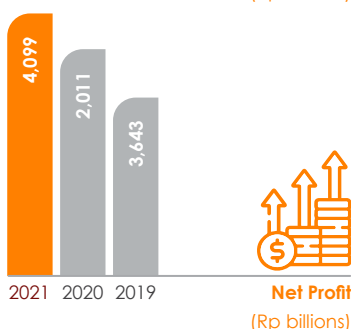
## Sustainable Business

### Economic Performance

[FN-CB-240a.1]



Total Assets  
(Rp billions)



Net Profit  
(Rp billions)

### Total Products and Services

**194**

2020 **193** 2019 **195**

### Number of Sustainable Business Activities Category (KKUB) Products

**8**

2020 **3** 2019 **-**

### Financing of Sustainable Business Activities Category (KKUB)

**Rp45,069 billion**

2020 **50,120** 2019 **75,668**

### Micro, Small and Medium Enterprises Financing (MSME)

**Rp20,595 billion**

2020 **21,112** 2019 **23,136**

### Operating Income

**Rp17,568 billion**

2020 **16,359** 2019 **16,825**



## Corporate Social Responsibility

### Social Performance

	2021	2020	2019
<b>Realization of CSR Fund</b>	<b>32,365</b> Rp millions	28,046 Rp millions	28,951 Rp millions

<b>Qardhul Hasan Fund</b>	<b>3,177</b> Rp millions	16,400 Rp millions	14,397 Rp millions
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### Environmental Performance – Biodiversity

<b>Number of Bamboo (Accumulated)</b>	<b>30,400</b>	30,400	30,200
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## Governance and Risk

**Percentage of Complaints (Whistleblowing) Investigated out of Total Complaints Received**

**27%**  
2020 **30%**    2019 **34%**

**Number of Anti-Fraud Training Participants**

**3,220** Participants  
2020 **3,554**    2019 **2,829**



## Stakeholder Engagement and Advocacy

**Customer Complaints Resolved**

**98%**  
2020 **99%**    2019 **99%**

**Customer Loyalty - Net Promoter Score (NPS)**

**28%**  
2020 **24%**    2019 **18%**

**Sustainable Finance Training for Board of Directors (Senior Executive) and Board of Commissioners**

**13**  
2020 **4**    2019 **8**



## **CIMB NIAGA** **SOLIDAWAN COVID** [403-6][403-7][403-10]

Bank formed the 'Bank CIMB Niaga COVID-19 Task Force', which is comprised of leaders from Human Resources, Business Continuity Management, Operational Risk Management, Strategic Procurement & Admin Property Management, and Compliance work unit. Evaluation of the COVID-19 Task Force's effectivity is being held every two weeks. The evaluation's findings are then communicated to the Board of Directors, who will follow up if there are any critical issues that require immediate attention. Furthermore, Bank also published COVID-19 Handling Guidelines to display government health protocol policies and conduct routine field inspections.

CIMB Niaga regulates employment, health, and safety (OHS) policies to increase employee productivity and quality of life, particularly during the COVID-19 pandemic. Apart from providing a decent, safe, and comfortable work environment for its employees, CIMB Niaga also maintains physical distancing in the workplace, distributes face masks and hand sanitizers, and sprays disinfectants throughout the office on a routine basis. Additionally, clean restrooms, pantry rooms, lactation rooms, smoke detectors, fire extinguishers, places of worship, and vehicle parking areas are available in the offices.

In 2021, Bank continued our Anti Mati Gaya Program, which aims to instill a positive attitude in employees and maintain engagement through relaxing and exciting activities during the pandemic and the new normal. The programs include promoting Mental and Physical Health, Hobbies, Sharing Sessions, Competitions, Spirituality, Volunteering, and routine socialization via an e-mail blast. CIMB Niaga also held a COVID-19 Vaccination Program in 2021 for approximately 57,000 employees, employees' families, and the general public in several cities throughout Indonesia.

Bank has also introduced a flexible way of working named Hybrid Working Arrangement, or 'HyWork'. The objectives are to promote a healthy working environment, strengthen Bank's image to attract and retain the best employees, increase employee productivity and engagement, save cost by optimizing work locations, and contribute to environmental sustainability. This initiative is a response to Bank's employee survey, which resulted in 90% of respondents supporting a hybrid work mechanism.



## ➤ Awards

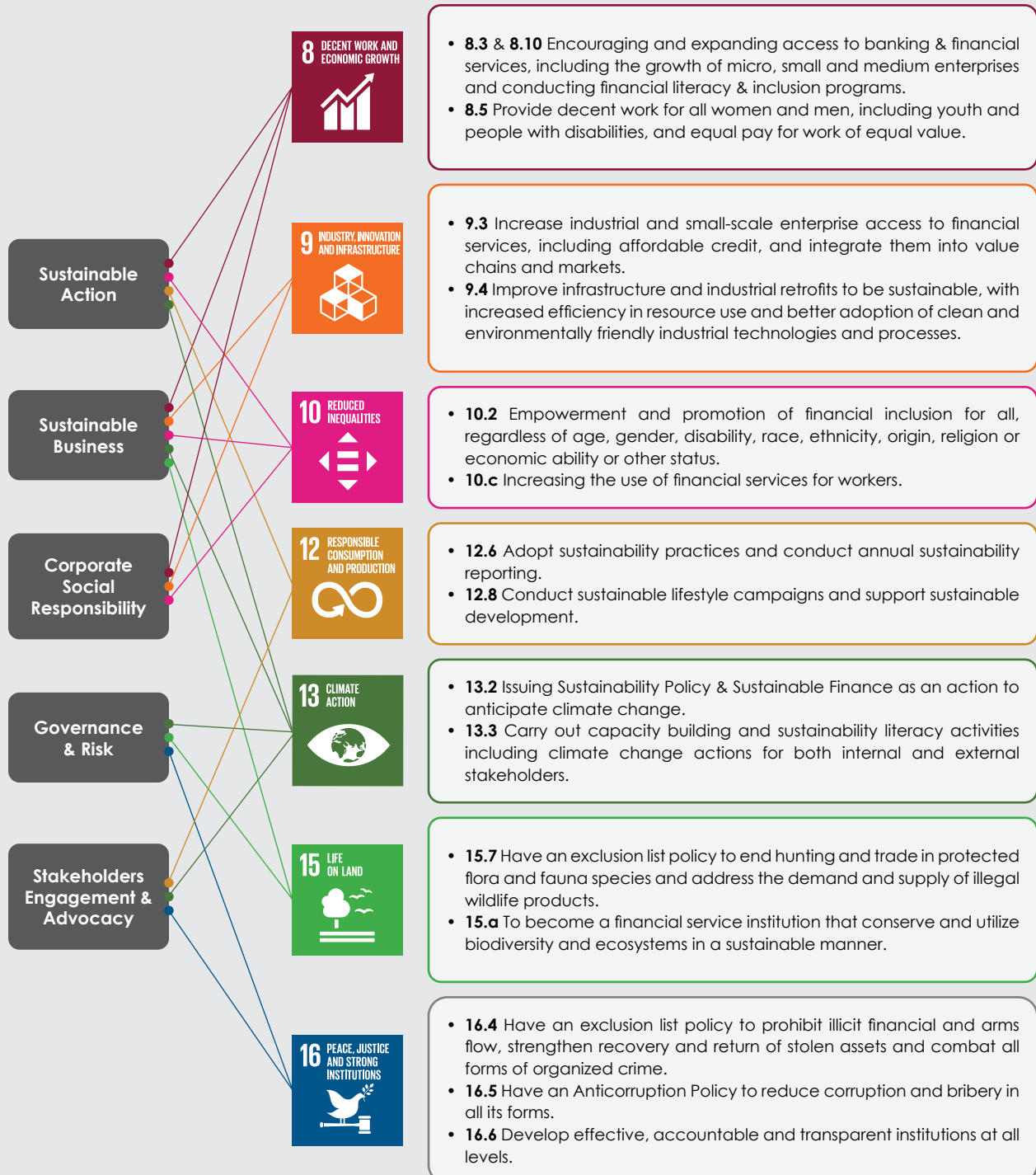


Corporate Emission Awards 2021	IDX Channel Indonesia Innovation Award 2021	FIHRRST Best Sustainability Report from a Public Company	Asia Sustainability Reporting Awards
<p><b>Category:</b></p> <ul style="list-style-type: none"> <li>Reduction of Corporate Emissions in Banking Sector - Green Category</li> <li>Transparency in Corporate Emissions Calculation in Banking Sector - Gold Category</li> </ul>	<p><b>Category:</b></p> <p>Online Financial Literacy Sustainability Innovation</p>	<p><b>Category:</b></p> <p>"A" Rating for 2020 Sustainability Report</p>	<p><b>Category:</b></p> <ul style="list-style-type: none"> <li>Asia's Best Sustainability Report (Standalone) - Finalist</li> <li>Asia's Best Community Reporting - Finalist</li> </ul>

# ➤ Our Support For The Sustainable Development Goals

## Sustainability Pillars

## Relevant SDGs Targets



# ➤ Sustainable Governance Approach On The Sustainable Development Goals (SDGs) In Reference To Global Investors For Sustainable Development (GISD)



## GOVERNANCE

1. Bank recognizes that efforts to mitigate the impact of risks associated with the Sustainable Development Goals will be successful only if they are integrated into an effective governance framework.
2. Bank currently has a GCG & Sustainability Work Unit overseen by the Director Responsible for Sustainability.
3. This governance structure is one way of responding to Sustainable Development Goals issues and ensures that initiatives and actions aimed at achieving the Sustainable Development Goals can be implemented in the entire organization.



## STRATEGY

1. Bank has established and is operating a sustainability due diligence mechanism.
2. This due diligence covers both financing and non-financing activities.
3. Due diligence is exercised by taking into account various social and environmental aspects, including achieving the Sustainable Development Goals (SDGs).
4. Additionally, Bank has a strategy for identifying opportunities and challenges associated with the Sustainable Development Goals (SDGs).











## RISK MANAGEMENT

1. Considering the risks associated with the Sustainable Development Goals when assessing financial and non-financial risks.
2. Strive to raise debtors' awareness of achieving the Sustainable Development Goals (SDGs), reviewing and incorporating aspects of the SDGs into Sustainability Due Diligence.
3. Improving Bank's internal, clients, and vendors literacy on sustainability risk and the Sustainable Development Goals.
4. Identifying potential risks associated with the Sustainable Development Goals.
5. Developing financing risk profile scenarios for the Sustainable Development Goals.



## METRICS AND TARGET

1. Identifying portfolios/debtor groups that have a positive impact and contribution to the achievement of the Sustainable Development Goals (SDGs).
2. Sustainability Due Diligence conducted on Bank's financing portfolio.

Metrics	Sustainable Development Goals (SDGs)	Contribution	References
GHG emissions associated with financed companies and projects, using defined methodologies		Calculation of GHG emissions for financed companies and projects is still in the planning phase and will be carried out in stages.	GISD (new)
Percentage of investment portfolios aligned with the Sustainable Development Investing (SDI) definition	Diverse	Bank has a sustainable investment portfolio in the form of a subscription of Green Sukuk issued by the Government of Indonesia, which amounted to US\$75 million in 2018.	GISD (new)
Number of loans outstanding, value of loans outstanding (disaggregated by SME and microfinance borrowers)	 	In 2021, Bank had MSME financing with an outstanding of Rp20.60 trillion to 22,604 debtors consisting of Rp18.71 trillion of SME financing and Rp1.89 trillion of microfinancing.	HIPSO – FI-01/02
Number and value of no-cost checking accounts to previously unbanked or under-banked customers	 	As of 31 December 2021, there are 39,980 savings accounts for students that amounted to Rp 8.41 billion from the financial inclusion and literacy program.	Sustainability Report
New and existing business activities (loans, investments, insurance) to thermal coal mining and oil and gas exploration companies.	Diverse	Loan to thermal coal mining and oil and gas exploration companies reached 1% of Bank's total loans. Moreover, there was no new financing for thermal coal mining expansion activities.	Sustainability Report
Total and value of green and sustainability-linked financing		KKUB financing in 2021 reached Rp 45.07 trillion distributed for more than 22,000 clients.	GISD (new)
A portfolio impact analysis is conducted to inform business strategy, with the process and output of this analysis confirmed and submitted in accordance with applicable guidelines.	Diverse	14% of Bank's total loans are considered as having high sustainability risk. [201-2]	UNEP FI
Existence and implementation of systems of impact analysis and engagement of clients/investee companies	Diverse	Bank has established Sustainability Due Diligence for clients and business partners with sustainability requirements referring to international best practices.	UNEP FI
Number of transactions and active users of checking accounts	 	In 2021, Bank had 27,223 individual checking account clients valued at Rp1.86 trillion.	IRIS+

Metrics	Sustainable Development Goals (SDGs)	Contribution	References
Total incentives offered to establish savings accounts.	 	Savings accounts for students under the financial literacy program reached 5,367 accounts with incentives valued at Rp541 million.	IRIS+
Total and value of ESG-linked financing, where terms are contingent on sustainability performance.		Sustainable Finance Program with Rp332.3 billion financed to 3 clients in 2021.	Sustainability Report
Number of women-owned accounts in countries with significant gender disparities in financial inclusion.	  	There are 6,795 women-owned MSME accounts.	GISD (new)

**SHARIA SUSTAINABLE DEVELOPMENT GOALS INITIATIVES**

Sharia Sustainable Development Goals Initiatives, or Abhipraya Project, which Sharia Business Unit initiated in 2020, has recorded several achievements. Abhipraya Project aims to support the acceleration of achieving the SDGs and sustainable economic growth and support the creation of a low carbon economy. Some of the achievements include:

Sustainability Pillars	Program	SDGs Targets	Description
 Sustainable Business	Green Mortgage	  	Bank has collaborated with 13 developers to socialize the concept of green housing and green mortgages. In 2021, the Green Mortgage Bank portfolio reached Rp85.32 billion.
 Sustainable Business	Sustainability-linked Waqf		Bank held 18 webinar sessions with Partners (Nadzhir) in relation to the Sustainability-linked Waqf program. The total value of waqf savings that supported the SDGs in 2021 reached Rp154.38 billion.
 Corporate Social Responsibility	Qardhul Hasan Program	  	In 2021, Qardhul Hasan Program distributed Rp3.18 billion to 169 activities that support the SDGs, including assistance to MSMEs affected by the pandemic, renovations for schools, and places of worship, and a resilient livestock program for communities impacted by the Mount Semeru eruption.

## ➤ Message from Board of Directors

[GRI 2-22] [SUSBA 1.1.1.3]

“

CIMB Niaga is committed to fully supporting Indonesia's GHG emission reduction targets through carbon neutrality in 2030, coal phase-out in 2040 and Net Zero in 2050.



### *Dear respected Stakeholders,*

Since 2020, the COVID-19 Pandemic continues to affect us, posing challenges and bringing unexpected changes. All parties, including CIMB Niaga, assisted one another in mitigating the pandemic's impact through disciplined implementation of health protocols, vaccination programs, and loan/financing restructuring program for impacted clients. We endeavor to recover Indonesia's health together and will continue to work tirelessly in achieving our dreams.

The World Economic Forum's January 2022 report states that, aside from the threat of the pandemic, environmental issues continue to be the primary risk to the global economy. Climate change impact, such as rainfall anomalies and extreme weather are the two most significant environmental risks. Numerous efforts have been made to address this condition, including reinforcing the commitment to reduce greenhouse gases (GHG), which was reiterated during the November 2021 United Nations (UN) Climate Change Conference (COP26). Subsequently, in October 2022, Indonesia will host the 'G20 Leader Summit,' which will include discussions on climate resilience.

In light of these developments, we at CIMB Niaga have consistently supported various initiatives, such as the implementation of a sustainable finance action plan (RAKB), raising awareness through regular training sessions, and supported sustainability-themed events such as 'The Cooler Earth Sustainability Summit' by CIMB Group. We have also initiated the adoption of guidelines developed by the Taskforce for Climate-related Financial Disclosure (TCFD) to assist us in conducting climate risk assessments, including physical and transition risk. In addition, there are other aspects taken into consideration, such as Human Rights, changes in the land-use, and biodiversity. While related to sustainable finance portfolio, we conduct environmental, social and governance (ESG) due diligence, as well as to learn more on implementing recent Indonesia's Green Taxonomy.

### OUR RESPONSE TO CHALLENGES

Adopting sustainable business practices and financing poses various challenges. Not only health challenges, but economic challenges are also faced by all business sectors, including our clients.

In 2020, we initiated the *#SolidLawanCovid* movement to assist the government in mitigating the impact of COVID-19 pandemic. We continued this movement in 2021, including by conducting a COVID-19 vaccination program which held by CIMB Niaga itself as well as part of the national "Gerakan Peduli Insan Perbankan" initiative, which was spearheaded by five national banks and supported by the Ministry of Health of the Republic of Indonesia and the Financial Services Authority (OJK). These are just a few of the collaborative efforts we are undertaking with stakeholders to improve the health and to recover the country.

We are also committed to assist our clients impacted by the COVID-19 pandemic by loan/financing restructuring in accordance with the Government's program. We hope that by restructuring their loan/financing, clients will be able to endure and thrive, thereby assisting the recovery of national economy. Furthermore, we have increased the availability of alternative customer service networks, such as digital lounges and mobile cash cars, as well as the convenience and security of banking transactions conducted through branchless banking channels. It aims to minimize customer mobility, while maintaining their convenience in doing banking transactions.

### COMMITMENTS AND STRATEGIES TOWARD SUSTAINABLE FINANCE

We have implemented a strategy to implement sustainable finance and to encourage our clients to join us in transitioning business as usual towards low-carbon economy. We, together with CIMB Group, are committed to achieve carbon neutral in 2030, coal phase-out in 2040 and to achieve Net-Zero target in 2050. To that end, we have incorporated the Sustainability Pillars into all aspects of our business. In developing a sustainability strategy, we have taken into account the Bank's business strategy, performance targets, financing portfolio, macroeconomic conditions, global issues, and alignment with the Sustainable Development Goals (SDGs) as well as Indonesia's Nationally Determined Contribution (NDC) target. All Board of Directors and Board of Commissioners members are involved in developing and monitoring the Bank's sustainability strategies, which include an emphasis on ESG risks.

### SUSTAINABILITY AND SUSTAINABLE FINANCE VALUES

We foster a culture of sustainability through our core values of Customer Obsessed, High Performance, Integrity, Diversity and Inclusion, and Agility (CHIDA). These values underpin a sustainability strategy that is focused on five pillars, including Sustainable Action, Sustainable Business, Corporate Social Responsibility, Governance & Risk Management, and Stakeholder Engagement & Advocacy.

### SUSTAINABILITY RISK MANAGEMENT

We also manage risk at an operational level in relation to ESG risk. To achieve optimal returns, we utilize an Enterprise-Wide Risk Management (EWRM) framework that is proactive and forward looking. By aligning risk appetite with business strategy, EWRM manages the risk of implementing sustainable finance. This risk management involves all levels of the Board of Directors, senior management, and all employees, and is overseen directly by the Board of Commissioners.

The rapid advancement of technology also requires data resilience and security in order to combat technological crimes, including the risk of cyber-attack. In overcoming the issue, we have adopted an information security management system in accordance with ISO 27001:2013 and other international standards. The IT Security Work Unit, under the supervision of the IT Director, is responsible for enforcing ISO 27001:2013 to ensure data and transaction security, customer privacy, and solid digital infrastructure.

### SUSTAINABILITY IMPLEMENTATION AND SUSTAINABLE FINANCE PERFORMANCE

Economic activity increased in 2021 compared to 2020. This situation is inextricably linked to the Government's support through economic stimulus policies, the acceleration of vaccination programs, the management of COVID-19, and the National Economic Recovery (PEN). On the other hand, we are continuing to expand the role of banks in financing the nation's economic growth.

In 2021, the Bank achieved net profit of Rp4.10 trillion. The total distribution of Bank's financing reached Rp181.61 trillion and with the KKUB category receiving 25% of total financing. The biggest portion of KKUB financing is distributed to micro, small, and medium enterprises (MSMEs) with Rp20.54 trillion. We also launched several sustainable financial programs, namely Green Mortgage, Electric Motor X-tra, Solar Panel Financing, Sustainability-linked Loan/Financing, and Sustainable Financing, to encourage customers in incorporating ESG factors into their operations. The total distribution of this program reached Rp0.45 trillion at the end of 2021.

In terms of operational performance, we are constantly striving to provide the best possible service to our customers. Throughout 2021, we continued to improve our digital banking platform, which processed more than 325 million digital and branchless banking transactions. It is estimated that 25,000 tonnes CO<sub>2</sub>e of GHG emissions have been avoided in 2021 based on the total number of digital banking transactions. Concurrently, we are also



committed to further developing the green banking concept, which includes significantly reducing our reliance on paper and our consumption of energy and water in daily operations.

Bank has put a sustainability performance target to reduce GHG emissions intensity by 2% in 2021. Bank's GHG emissions intensity in 2021 is 1.23 tonnes CO<sub>2</sub>e for each billions Rupiah or 41% reduction. Details of sustainable finance performance against its targets are disclosed further in this Sustainability Report.

Bank has received several awards for our sustainable finance performance, such as Indonesia Green Award 2021, Emisi Korporasi 2021, and IDX Channel Anugerah Inovasi Indonesia 2021.

#### **CONTINUING BUSINESS AND SUSTAINABILITY PROSPECTS**

Accelerated technological advancements during COVID-19 has provided banks with new business opportunities and prospects. The shift in people's lifestyles toward a cashless society has increased the attractiveness of digital-based banking services due to the ease of transactions.

Sustainable financing is also a business opportunity and prospect for the Bank, though implementing it will take time and support from various parties. However, we believe that the business prospect from an ESG perspective will be a transformation of the business that enables it to compete successfully in both domestic and global markets. Additionally, the Government's support and commitment to climate finance mobilization represent excellent opportunities for the future. All of these efforts align with the OJK Phase II Sustainable Finance Roadmap Plan for 2021-2025.

#### **HEALTHY THE NATION, RECOVER INDONESIA**

We would like to express our heartfelt gratitude and appreciation to all Stakeholders who have collaborated with us and are committed to implementing sustainable practices and realizing a hopeful future.

Let us continue to shape our dreams and accomplishments together through perseverance and consistency.

*Let us work together to serve Indonesia.*

*Let us strengthen our spirits through excellent health.*

*Let us realize our dreams of recovering our Nation.*

#SekarangUntukMasaDepan

Jakarta, 10 March 2022

**Lani Darmawan**

## ➤ Board of Commissioners' Responsibility Statement for the 2021 Sustainability Report of PT Bank CIMB Niaga Tbk

Board of Commissioners' Responsibility Statement for the 2021 Sustainability Report of PT Bank CIMB Niaga Tbk

We the undersigned, Board of Commissioners of PT Bank CIMB Niaga Tbk hereby declare that all information in the 2021 Sustainability Report of PT Bank CIMB Niaga Tbk is presented in its entirety, and we take full responsibility for the correctness of the contents of this Sustainability Report.

This statement is made in all truthfulness.

10 March 2022

By the undersigned,



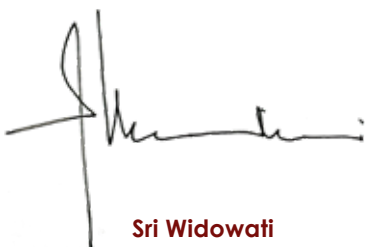
**Didi Syarifuddin Yahya**  
President Commissioner



**Glenn Muhammad Surya Yusuf**  
Vice President Commissioner  
(Independent)



**Jeffrey Kairupan\***  
Independent Commissioner



**Sri Widowati**  
Independent Commissioner



**Dato' Abdul Rahman Ahmad**  
Commissioner



**Vera Handajani**  
Commissioner

\* Appointed as a Senior Independent Commissioner of the Bank through the Circular Resolution of the Board of Commissioners of CIMB Niaga No. 014/DEKOM/KP/VI/2019 dated 28 June 2019.

## ➤ Board of Directors' Responsibility Statement for the 2021 Sustainability Report of PT Bank CIMB Niaga Tbk

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This statement is made in all truthfulness.

10 March 2022

By the undersigned,



**Lani Darmawan\*\***  
President Director



**Lee Kai Kwong**  
Director



**John Simon**  
Director



**Pandji P. Djajanegara**  
Director



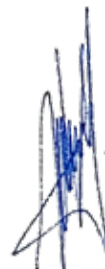
**Fransiska Oei**  
Director



**Tjioe Mei Tjuen**  
Director



**Rusly Johannes\***  
Director



**Joni Raini\*\***  
Director



**Henky Sulisty\*\***  
Director

\* Effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval

\*\* Effective as of 9 March 2022

## Board of Commissioners



**Didi Syafruddin Yahya**  
President Commissioner



**Glenn Muhammad Surya Yusuf**  
Vice President Commissioner  
(Independent)



**Jeffrey Kairupan\***  
Independent Commissioner



**Sri Widowati**  
Independent Commissioner



**Dato' Abdul Rahman Ahmad**  
Commissioner



**Vera Handajani**  
Commissioner

## Sharia Supervisory Board



**Prof. Dr. M. Quraish Shihab, MA**  
Chairman



**Dr. Yulizar D. Sanrego, M.Ec**  
Member



**Prof. Dr. Fathurrahman  
Djamil, MA**  
Member

\* Appointed as a Senior Independent Commissioner of the Bank through the Circular Resolution of the Board of Commissioners of CIMB Niaga No. 014/DEKOM/KP/VI/2019 dated 28 June 2019.

## Board of Directors



**Lani Darmawan\*\***  
President Director



**Lee Kai Kwong**  
Director



**John Simon**  
Director



**Pandji P. Djajanegara**  
Director



**Fransiska Oei**  
Director



**Tjioe Mei Tjuen**  
Director



**Rusly Johannes\***  
Director



**Joni Raini\*\***  
Director



**Henky Sulisty\*\***  
Director

\* Effective upon obtaining OJK approval and/or fulfilled the requirements as determined in the OJK approval.

\*\* Effective as of 9 March 2022

# CIMB NIAGA At A Glance

[GRI 2-1][GRI 2-6]



Since 1955, we have passed several significant milestones in expanding our business to become a leading financial services provider. Today, we serve around 7 million customers in Indonesia through our 427 offices and e-channel networks.



**Company Name**  
PT Bank CIMB Niaga Tbk

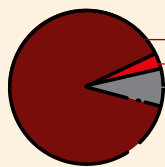


#### Legal Entity and Share Ownership

- Limited Liability Company
- Listed on the Indonesia Stock Exchange (IDX) on 29 November 1989
- Stock and Bond Code: BNGA
- Share Ownerships: Diagram Lingkar



**Date and Year of Establishment**  
26 September 1955



**91.48%**  
CIMB Group Sdn. Bhd

**1.02%**  
PT Commerce Kapital

**7.50%**  
Other Public Shareholders

#### Legal Basis of Establishment



Deed of establishment No. 90 before Raden Meester Soewandi, notary, dated 26 September 1955, amended by deed No. 9 dated 4 November 1955 before the same notary.



#### Head Office

Graha CIMB Niaga  
Jl. Jend Sudirman Kav. 58  
Jakarta 12190, Indonesia  
Telp: (+62-21) 250 5252, 250 5353  
Faks: (+62-21) 250 5205



**Website**  
[www.cimbniaga.co.id](http://www.cimbniaga.co.id)



#### E-mail Address

- Corporate Secretary: [corporate.secretary@cimbniaga.co.id](mailto:corporate.secretary@cimbniaga.co.id)
- Sustainability: [sustainability@cimbniaga.co.id](mailto:sustainability@cimbniaga.co.id)
- Investor Relations: [Investor.relations@cimbniaga.co.id](mailto:Investor.relations@cimbniaga.co.id)

**SIGNIFICANT CHANGES TO CIMB NIAGA IN 2021**

[GRI 2-6]

Changes were made in the Board of Commissioners and Board of Directors composition in 2021. Detailed information on these changes can be seen in the 2021 CIMB Niaga Annual Report. Additionally, as part of its commitment to low-carbon development, Bank closed down 24 branch offices in 2021. This initiative aims to maximize digital transactions and digital banking, which is more environmentally friendly.

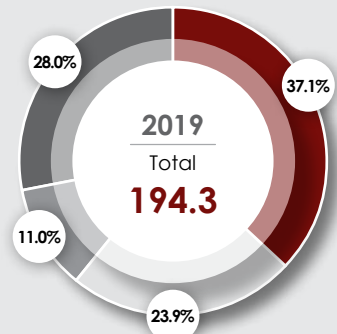
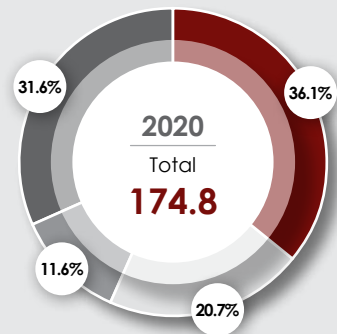
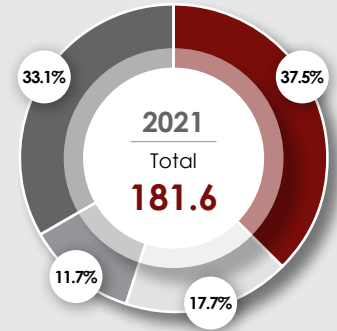
**CREDIT PORTFOLIO BY SEGMENT**

[FS6] [FN-CB-410a.1]

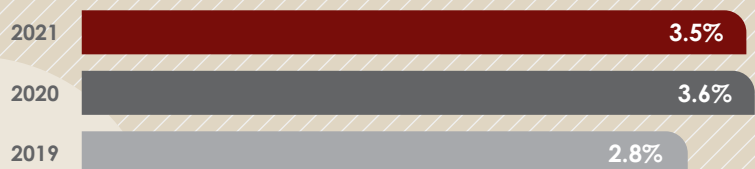
CIMB Niaga provides banking services to individuals and businesses ranging from small and medium-sized enterprises (SME) to large corporations. In line with the economic recovery in 2021, we saw a 3.9% increase in the loan portfolio in Indonesia, to Rp181.61 trillion. This accomplishment was balanced by improvements to credit quality and expansion of the customer base, all of which were achieved while adhering to the precautionary principle and through strict monitoring. Credit quality and collectability improvements were reflected in the Non-Performing Loan (NPL) rate decline in 2021, indicating that lending to productive businesses increased.

**Financing Portfolio Based on Business Segment (Trillion Rp)**  
[FN-CB-000.B]

- Corporate
- Commercial
- Emerging Business Banking (EBB)
- Consumer



**Non-Performing Loan (NPL) Ratio**  
[FN-CB-240a.2]



Detailed information on the Financing by Sector, Credit Quality, and Number of Customer can be found in the Economic Performance Appendix.

# ➤ Sectors and Markets Served

[GRI 2-6]

CIMB Niaga offers consumer, small and medium-sized enterprises (SME), commercial, and corporate banking services. These services are supported by robust treasury and transaction banking capabilities, as well as a dependable branchless banking network. Additionally, CIMB Niaga offers sharia-compliant products and services via CIMB Niaga Sharia Business Unit.

Bank is listed as having equity participation in its subsidiaries, including PT CIMB Niaga Auto Finance (CNAF), a finance company, and PT CIMB Niaga Sekuritas (CNS), a securities firm.

## Market Served





<b>Emissions Footprint</b> (tonnes CO <sub>2</sub> e)						
	<b>Aceh</b>	367.53	<b>Bangka Belitung Islands</b>	33.14	<b>Bali</b>	1,336.67
	<b>North Sumatra</b>	511.52	<b>Lampung</b>	23.63	<b>West Nusa Tenggara</b>	3.79
	<b>West Sumatra</b>	80.94	<b>Banten</b>	1,051.54	<b>East Nusa Tenggara</b>	34.78
	<b>Riau</b>	143.31	<b>West Java</b>	1,894.04	<b>North Kalimantan</b>	34.54
	<b>Riau Islands</b>	274.95	<b>DKI Jakarta</b>	10,766.82	<b>West Kalimantan</b>	188.90
	<b>Jambi</b>	9.81	<b>Central Java</b>	1,453.11	<b>Central Kalimantan</b>	31.58
	<b>Bengkulu</b>	-	<b>DI Yogyakarta</b>	248.20		
	<b>South Sumatra</b>	90.59	<b>East Java</b>	984.49		
					<b>South Kalimantan</b>	0.97
					<b>East Kalimantan</b>	1,277.74
					<b>Gorontalo</b>	-
					<b>North Sulawesi</b>	22.09
					<b>West Sulawesi</b>	-
					<b>Central Sulawesi</b>	-
					<b>South Sulawesi</b>	25.87
					<b>Southeast Sulawesi</b>	-
					<b>North Maluku</b>	-
					<b>Maluku</b>	603.20
					<b>West Papua</b>	-
					<b>Papua</b>	34.90



**THE CIMB NIAGA VALUES**

[SUSBA 1.1.1.1]

Having a clear purpose and strong values has never been more important in these challenging times. We may adapt to change while remaining focused on the long-term picture we envisioned. Instilling the right behaviors and encouraging actions that are aligned with organizational values are essential.

**VISION**

To be the Leading ASEAN Company

**MISSION**

To provide universal banking services in Indonesia as a high-performing, institutionalized and integrated company located in ASEAN and key markets beyond, and to champion the acceleration of ASEAN integration and the region's links to the rest of the world

**CORE VALUES:****C CUSTOMER OBSESSED**

We are here for our customers, to ensure they're happy and satisfied.

**H HIGH PERFORMANCE**

We always strive to go above and beyond in everything we do.

**I INTEGRITY**

We're always honest, responsible and accountable in everything we do. Be vigilant, be alert, be thorough.

**D DIVERSITY AND INCLUSION**

We believe everyone has something to contribute, regardless of race, gender or opinions.

**A AGILITY**

We must respond quickly to change and be problem solvers.

**Key Behaviors**

1. "Go the extra-mile to delight customers"
2. "Respect each other, engage openly, and work together"
3. "Recognise each other's efforts and always back each other up"

## ➤ About The Report

### REPORT PROFILE

[GRI 1] [GRI 2-3] [GRI 2-4] [GRI 2-5] [FN-CB-550A.1] [SUSBA 1.6.2.9]

PT Bank CIMB Niaga Tbk ("CIMB Niaga" or "Bank") prepares a Sustainability Report that includes information on Bank's sustainability performance, including economic, social, and environmental aspects, and distributes it to all Stakeholders on an annual basis. This Sustainability Report is a continuation of the report published on 10 March 2021. This report contains no restatement of information. In addition, CIMB Niaga has not yet been identified under Global Systemically Important Bank (G-SIB) list.

CIMB Niaga has reported the information cited in the GRI content index for the period 1 January until 31 December 2021 with reference to the GRI Standards.



This Sustainability Report was prepared based on the following standards and frameworks:

- Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance and Preparation of Sustainability Reports
- Reporting with reference to the GRI Standards 2021 and GRI-G4 financial sector supplement indicator
- Financial Services sector of the Sustainability Accounting Standard Board (SASB)
- The WWF Sustainable Banking Assessment (SUSBA) and the Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Global Investors for Sustainable Development (GISSD) Alliance

The report's information and data on sustainability performance have been independently verified and conform to the AA1000 standard. The verification process was conducted online on 17-18 February 2022. CIMB Niaga has ensured that there are no conflicts of interest with any party and that the Board of Directors has approved the appointment of an independent party.

### REPORTING SCOPE

[GRI 2-2]

The report contains information and data gathered from CIMB Niaga's Head Office and operational activities across Indonesia. Financial information is derived from the audited and consolidated financial statements of all CIMB Niaga work units and subsidiaries, specifically PT CIMB Niaga Auto Finance (CNAF) and PT CIMB Niaga Sekuritas (CNS). Meanwhile, employee data and electricity consumption are collected from CIMB Niaga work units and branch offices throughout Indonesia.

**REPORT CONTENT AND QUALITY DETERMINATION**

The Sustainability Report is guided by the following principles: accuracy, balance, clarity, comparison, completeness, sustainability context, timeliness, and verifiability. CIMB Niaga has also consulted with stakeholders to determine the contents of the report.

**MATERIAL TOPICS PRIORITIZATION**

[GRI 3-1] [GRI 3-2] [GRI 3-3]

Material topic priority determination is carried out through a materiality assessment conducted by

CIMB Niaga together with CIMB Group and external subject matter experts by adjusting issues and performance relevant to CIMB Niaga. In addition, CIMB Niaga also receives input from several external stakeholders such as investors and rating agencies through investor and analyst meetings. So that on 17 November 2021, the Board of Directors of CIMB Niaga agreed to make adjustments to material topics compared to the previous report, namely adding material topics regarding Climate Change to be a high priority.

**HIGH**



**1 Technology**  
 9 Environmental Pollution  
 12 Community Development  
 13 Data Privacy

**2 Climate Change**  
 13 Climate Change

**3 Sustainable Finance**  
 8 Greenhouse Gas Emissions  
 9 Environmental Pollution  
 10 Biodiversity  
 12 Community Development  
 13 Climate Change  
 15 Air Quality  
 16 Water Pollution

**4 Customer Experience**  
 9 Environmental Pollution  
 10 Biodiversity

**5 Governance**  
 16 Anti-Corruption

**MEDIUM**



**6 Financial Literacy, Inclusion, and Empowerment**  
 8 Greenhouse Gas Emissions  
 9 Environmental Pollution  
 10 Biodiversity

**7 Talent Attraction, Growth, and Retention**

**10 Welfare, Health, and Safety**

**9 Sustainability Education and Participation**

**8 Diversity and Inclusion**

**LOW**

**11 Organizational Culture**

**12 Sustainable Supply Chain**

**13 Corporate Citizenship and Volunteerism**

# ➤ Boundaries and Management Approach for High Priority Material Topics

<b>Technology</b> [GRI 3-1, 3-2, 3-3]					
Material Topic Boundaries		Impact on Stakeholders			
Important Information	Internal	External			
<ul style="list-style-type: none"> <li>Technology development</li> <li>Policies for fair design and sale of financial products and services [FS15]</li> <li>Approaches for dealing with data security risks</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Regulators</li> </ul>			
<b>Material Topic and its Importance for Company Sustainability</b> Technology plays a critical role in quantifying and reporting digital trust and experience scores.					
<b>Policies:</b> <ul style="list-style-type: none"> <li>Strategy and Information Technology (IT) Organization</li> <li>IT Systems Development</li> <li>IT Operations</li> <li>IT Communications Network</li> <li>Information Security</li> <li>IT Continuity</li> <li>End-User Computing</li> <li>Digital Banking</li> <li>Use of IT Service Providers</li> <li>IT Processes, Risks, and Compliance</li> </ul>		<b>Performance Targets:</b> Zero complaints regarding customer data privacy			
<b>Achievement Strategies:</b> <ul style="list-style-type: none"> <li>Training and workshops related to information and technology.</li> <li>Utilizing technology efficiently, timely, and cost-effectively to produce quality, reliable, and safe banking products and services.</li> </ul>		<b>Achievements:</b> <ul style="list-style-type: none"> <li>Exploring CIMB Niaga technology landscape in terms of applications, infrastructure, IT service management, and organization to establish a foundation for mapping IT capabilities to operational models/frameworks used by leading companies.</li> <li>Implement an API-First strategy to ensure a consistent, clear, and adaptable approach to API usage.</li> <li>Continuation of the adoption of microservices architecture and cloud technology.</li> <li>Process automation optimization through Robotic Process Automation (RPA) technology and testing automation. Conduct technology-based research to explore technologies relating to master data management, artificial intelligence/machine learning, cloud adoption expansion, cloud ecosystem &amp; security, and Intelligent Security Operational Centers.</li> </ul>			
<b>Evaluation Method:</b> Strengthening IT security capabilities and capacities to address IT security threats and mitigate digital risks.		<b>Responsible Directorate:</b> Operations and Information Technology Directorate			

## Climate Change

[GRI 3-1, 3-2, 3-3]



Material Topic Boundaries	Impact on Stakeholders	
Important Information	Internal	External

- Energy Use
- Paper Saving
- Water Management
- Waste Management

- Shareholders

- Local Communities

### Material Topic and its Importance for Company Sustainability

Climate change is an important topic because it has the potential to affect economic and social aspects, as well as banking performance. Climate change may also affect physical risks, putting customers' assets and ability to meet their obligations at risk.

#### Policies:

- Sustainability Policy No. M.08
- Smart Spending Policy
- Green Office Policy

#### Performance Targets:

- Carbon neutral operations by 2030 for Scope 1 and 2 GHG Emissions
- Net Zero Scope 1, 2, and 3 GHG Emissions by 2050

#### Achievement Strategies:

- Monitor and evaluate activities and/or portfolios that have the potential to generate or contribute to GHG emissions under Scope 1, 2, and 3.
- Conducting a study on the implementation of internal carbon pricing.
- Implement energy-efficiency initiatives

#### Achievements:

- Energy intensity was 8.93 GJ/Rp billions or a 7% decrease compared to 2020.
- GHG Emissions Scope 1 and 2 intensity was 1.23 tonnes CO<sub>2</sub>e or decreased by 41% compared to 2020.
- Water use intensity reached 13.99 m<sup>3</sup>/Rp billions.
- Paper use intensity was 1.91 kg/Rp billions or a 27% decrease compared to 2020.

#### Evaluation Method:

GHG emissions reporting with initiatives to reduce GHG emissions in accordance with predefined sustainability performance targets.

#### Responsible Directorate:

Strategy, Finance & Strategic Procurement, and Admin Property Management (SPAPM) Directorate, specifically the SPAPM work unit and supported by all other work units.

## Sustainable Finance

[GRI 3-1, 3-2, 3-3]



Material Topic Boundaries	Impact on Stakeholders	
Important Information	Internal	External
<ul style="list-style-type: none"> <li>• Economic Performance [201-1][201-2][201-3][201-4]</li> <li>• Product Portfolio and Loan Quality [SUSBA 1.1.1.10]</li> <li>• Policies related to social and environmental components and their implementation in the Company's business [FS1]</li> <li>• Percentage of the Company's business portfolio according to banking sector for constrained individuals [FS6]</li> <li>• Approach for including ESG factors in credit analysis</li> <li>• ESG risk assessment and mitigation at portfolio level</li> <li>• Disclosure of ESG exposures and targets</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Regulators</li> </ul>

### Material Topic and its Importance for Company Sustainability

Sustainable Finance is important for mapping Bank's portfolio of products and services that can assist in achieving the SDGs, including climate change mitigation actions and the establishment of a low-carbon economic ecosystem.

#### Policies:

- Sustainability Policy No. M.08 and Sustainability Procedure No. M.08.P.01
- Sustainable Finance Policy No. M.10 and Sustainable Finance Procedure No. M.10.P.01
- High Sustainability Risk Sector List
- Sector Guidance

#### Performance Targets:

- Plans to issue additional sector guidance for land-based sectors
- Strive to increase sustainable finance portfolio
- Strive to increase sustainability and sustainable finance literacies

#### Achievement Strategies:

- Bank conducts all aspects of due diligence related to a customer's/prospective customer's sustainability, including through Sustainability Due Diligence (SDD), Enhanced Sustainability Due Diligence (ESDD), and Sector Guidance.
- Bank provides an Action Plan to customers/potential customers who do not meet Bank's minimum sustainability requirements.
- Bank continuously encourages customers/prospective customers to adopt and implement sector-specific best practices for sustainability.
- Identify and classify Bank's portfolio in terms of sustainability risks, categories of sustainable business activities, and categories of products and services with environmental, social, and sustainable impacts (Green Social Sustainable Impact Products and Services).

#### Achievements:

- The total financing portfolio in the category of sustainable business activities reached Rp45.07 trillion.
- Rp170.56 billion MSMEs were financed through channeling, where 56% of funds were distributed to 1,305 women debtors (53% out of total MSME channeling debtors).
- Rp6.7 trillion in total financed for sustainable palm oil (customers pursuing or have ISPO/RSPO certification).
- Issuance of Sector Guidance for Coal, Oil & Gas, Forestry, and Construction, Real Estate, & Infrastructure sectors.

#### Evaluation Method:

Reviewing the findings of SDD and ESDD result in corporate banking financing.

#### Responsible Directorate:

Compliance, Corporate Affairs, and Legal Business Unit and Directorate, specifically the Good Corporate Governance & Sustainability Work Unit

## Customer Experience

[GRI 3-1, 3-2, 3-3]



Material Topic Boundaries	Impact on Stakeholders	
Important Information	Internal	External
<ul style="list-style-type: none"> <li>Consumer Health and Safety</li> <li>Customer Information Protection [418-1]</li> <li>The financial value of products and services designed to support social welfare [FS7]</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Regulators</li> <li>Local Communities</li> </ul>

### Material Topic and its Importance for Company Sustainability

Customer experience reflects service satisfaction, making it a material topic that must be managed for its positive impact while mitigating its negative impact.

#### Policies:

- Bank Indonesia Regulation No. 22/20/PBI/2020 concerning Bank Indonesia Consumer Protection
- Financial Services Authority (OJK) Regulation No. 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector
- OJK Regulation No. 1/ POJK.07/2013 concerning Consumer Protection in the Financial Services Sector
- Customer Protection Policy No. E.04 A.10

#### Performance Targets:

- Reducing the number of complaints received by Bank
- Improving customer experience by measuring Net Promoter Score (NPS)

#### Achievement Strategies:

- Provide various service channels, including branch offices, Digital Lounges, a 24/7 contact center, a website, e-mail: 14041@cimbniaga.co.id, a live chat feature, and social media accounts on Facebook, Twitter, and Instagram.
- Improving the performance of the Customer Care Unit by enhancing the quality of customer complaint resolution.
- Bank has set KPIs for products and services by measuring NPS.

#### Achievements:

- Customer Loyalty has increased compared to 2020 (2020: 24%, 2021: 28%).
- 98% customer complaint resolution rate.
- Bank has received fewer complaints. This decrease was attributed to the Customer Care work unit's proactive role in coordinating the efforts of all front/middle/back office units in providing solutions to customers. Additionally, Bank is constantly improving its process and system for resolving customer complaints.

#### Evaluation Method:

Conducting customer satisfaction surveys

#### Responsible Directorate:

Consumer Banking Directorate, specifically the Customer Care and Customer Experience unit



## Governance

[GRI 3-1, 3-2, 3-3]



Material Topic Boundaries	Impact on Stakeholders	
Important Information	Internal	External
<ul style="list-style-type: none"> <li>• Anticorruption [205-1][205-2][205-3]</li> <li>• Audit scope and frequency with which social and environmental policies are implemented, as well as risk assessment procedures [FS9][SUSBA 1.4.1.8]</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Employees</li> <li>• Union</li> </ul>	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Regulators</li> <li>• Investors</li> <li>• Suppliers</li> </ul>

### Material Topic and its Importance for Company Sustainability

Governance is the basis for all Bank performance, including the implementation of ESG aspects

#### Policies:

- Governance Policy No. M.12
- Anticorruption Policy No. M.11
- Anti-Money Laundering and Counter-Terrorism Financing Policy No. C.02

#### Performance Targets:

- Embedding sustainability culture and incorporating sustainability principles into business processes.
- ASEAN Asset Class Publicly Listed Companies Award in the ASEAN Corporate Governance Scorecard (ACGS).

#### Achievement Strategies:

- Establishment of a sustainability organization
- Issuance of sustainability and sustainable finance policies and procedures
- Adjustment of various charters and policies
- Evaluation of governance implementation based on ACGS criteria
- Certification of governance procedures in accordance with international standards, such as OECD and ISO

#### Achievements:

- Obtained the Golden Star Trophy from the 2021 TOP GRC (Governance, Risk, and Compliance) Awards, successfully obtaining the Top GRC #5 Stars award for 3 consecutive years. CIMB Niaga is rewarded as an excellent company in its systems, GCG infrastructure and implementation, risk management, and compliance.
- Application of Artificial Intelligence (A.I.) by the Internal Audit Unit (SKAI).
- Utilization of IT systems for the preparation and monitoring of legal credit documents, including the commencement of the use of e-signature in several Bank operational activities.
- Electronically conducting the Extraordinary General Meeting of Shareholders (e-GMS) via the eASY.KSEI platform.

#### Evaluation Method:

Evaluation of Good Corporate Governance implementation using OJK and ACGS parameters.

#### Responsible Directorate:

Compliance, Corporate Affairs, and Legal Directorate, specifically the Good Corporate Governance & Sustainability Work Unit together with the Anti Fraud Management Work Unit

## Financial Literacy, Inclusion, and Empowerment

[GRI 3-1, 3-2, 3-3]



Material Topic Boundaries	Impact on Stakeholders	
Important Information	Internal	External
<ul style="list-style-type: none"> <li>Access points in low-populated or economically disadvantaged areas by type [FS13]</li> <li>Initiatives to improve access to financial services for disadvantaged people [FS14]</li> <li>Initiatives to improve financial literacy by type of beneficiary [FS16]</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Local Communities</li> <li>Regulators</li> <li>Investors</li> </ul>

### Material Topic and its Importance for Company Sustainability

Financial literacy, inclusion, and empowerment are vital elements in ensuring that Bank's existence benefits the community

#### Policies:

- Presidential Regulation Number 59 of 2017 concerning Implementation of the Achievement of Sustainable Development Goals
- Presidential Instruction, Financial Services Authority (OJK) Regulation, and OJK Circulars regarding literacy, education, and financial inclusion for the public
- The National Strategy for Financial Inclusion (SNKI), which was inaugurated by the President of the Republic of Indonesia on December 7, 2020
- Financial Services Authority Regulation No. 51/POJK.03/2017 concerning the implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. The Sustainable Finance Action Plan (RAKB) contains commitments to conduct CSR activities that support the implementation of sustainable finance and the SDGs.
- Financial Services Authority Regulation No. 76/POJK.07/2016 concerning Improving Financial Literacy and Inclusion in the Financial Services Sector for Consumers and/or the Community
- Corporate Social Responsibility (CSR) Policy No. M.09
- Corporate Social Responsibility (CSR) Procedure No. M.09.P.01

#### Performance Targets:

Increasing the number of participants in the Ayo Menabung dan Berbagi (AMDB), Tour de Bank (TDB), and Simpanan Pelajar (SimPel) programs.

#### Achievement Strategies:

- Ayo Menabung dan Berbagi (AMDB) program for students ranging from junior high schools (SMP), to high schools (SMA) or vocational high schools (SMK).
- Tour de Bank (TDB) program, designed to expose elementary school children to banking activities in order to foster financial literacy and a culture of saving from an early age.
- Simpanan Pelajar (SimPel) Program, which allows students to open a special student account that is not subject to administrative fees.
- Financial literacy education through channels aimed at the younger generation, such as social media and schools.

#### Achievements:

- The 2021 pre- and post-test results indicate that participants' understanding of banking has increased.
- An increase in the number of schools and students participating in the AMDB and TDB program.

#### Evaluation Method:

An accountability program for the implementation of AMDB and TDB

#### Responsible Directorate:

Directorate of Compliance, Corporate Affairs, and Legal, specifically the Community Development Work Unit



# Pillar 01

## Sustainable Action



“

CIMB Niaga implements various energy efficiency and carbon emission reduction initiatives that are guided by its Smart Spending Policy, Green Office, and environmentally friendly living culture.



⬇️ **7%**

Energy intensity from 2020



⬇️ **27%**

Paper use from 2020



⬇️ **41%**

GHG emissions intensity from 2020



✅ **100%**

Suppliers reviewed by Sustainability Due Diligence



✅ **3.11**

Internal Customer Satisfaction Survey (Target >3)

## ➤ We and Green Office

[SUSBA 1.6.2.7]

“

In 2021, CIMB Group, including CIMB Niaga, is committed to a 'carbon neutral' target for Scope 1 and 2 GHG emissions for its operations by 2030 and a Net Zero target by 2050.

Bank understands that the potential climate change risks can impact business activities and operations. CIMB Niaga adopts a holistic approach to climate change by implementing various energy efficiency and carbon reduction initiatives to mitigate these risks. These initiatives are based on the Smart Spending and Green Office policies as well as an environmentally friendly living culture.

To meet the carbon neutral target, Bank has benefited from Green Office policy, which promotes energy efficiency, paper use reduction, and increased recycling of office and electronic waste. We strive to manage building facilities to the highest standards of sustainability. Bank also has implemented various measures to meet the 2021 emission reduction target, including maintaining paper use, energy, and emissions calculations. In this Report, Bank has disclosed GHG emissions for scopes 1, 2, and 3. This calculation was aimed to describe the overall condition of CIMB Niaga.



Graha CIMB Niaga Building has been certified by the Singapore Building and Construction Authority (BCA) as a 'Platinum' green building. The building manager has also adhered to ISO 50001: 2018 for Energy Management Systems.

## PAPER SAVING

Bank has prioritized the development of digital databases and digital banking to meet employees' operational needs and make more convenient transactions for customers. Paper use data in 2021 indicates a decrease by 27%, or 12.4 tonnes CO<sub>2</sub>e (310 trees) compared to 2020. Assuming that each tree can absorb 0.02 tonnes CO<sub>2</sub>e GHG emissions, the potential GHG emissions avoided through this initiative can reach more than 6 tonnes CO<sub>2</sub>e. This decrease reflects a result of several initiatives within Bank's operations, including the digitization from hardcopy into softcopy for documentation archives, report submissions, and meeting materials. The result was also supported by using recycled paper for back-and-forth photocopying, letter drafts, and

internal memos, as well as optimizing multi-functional printer facilities for scanning and faxing, which can reduce the printing of the documents. In addition, Bank continues to implement a number of digital banking initiatives, including optimizing e-channels and mobile banking for customer transactions, converting the current account to e-statements, and implementing formless transactions to replace transaction slips/forms with a validation site. In 2021, Bank issued over 1.5 million electronic statements, which equates to a paperless conversion of 23.9 tonnes of paper materials. Thus, the potential for avoided GHG emissions is estimated to be 12 tonnes CO<sub>2</sub>e.

Description	Unit	2021	2020	2019
Volume of Paper Used	Reams	13,433	18,046	32,545
	Kg	33,608	46,015	81,363
Paper Procurement Costs	Rp millions	419.22	776.69	1,263.32
Operating Income	Rp billions	17,568	16,358	16,825
Paper Usage Intensity	Kg/Rp billions	1.91	2.81	4.84

Note:

The calculation of paper usage includes activities at the head office. The volume of a ream of paper in kilograms is 1 ream = 2.5 kg

**WATER MANAGEMENT**

Bank utilizes water for operational purposes, including hygiene, sanitation, and ablution. Due to Bank's office location, the majority of water is sourced from drinking water companies (PAM). Bank always socializes efficient water use campaigns. Used water is disposed of under the building management's wastewater management system. The green building's office is equipped with a system for reusing used water and rainwater via a sediment pond system. Water treated for irrigation and vehicle washing is reused, while water used for ablution is used for flushing toilets.



Note:

Water consumption for 2020 and 2021 was calculated in conjunction with building managers at the head office and 100% of branch offices. Meanwhile, 2019 water data covers only 90% of branch offices. All water used is PAM water.

**WASTE MANAGEMENT**

[306-1] [306-2]

CIMB Niaga's environmental stewardship is also demonstrated by collaborating with third parties to manage electronic waste (e-waste). Several branch offices have separated waste besides e-waste and have distributed them to Waste Banks. Bank's operations do not result in waste generation in the form of Toxic and Hazardous Materials (B3) or significant spills.





## ENERGY SAVING

[302-1]

Bank's operations require electrical energy, which is supplied by PLN (Persero) Tbk and accounts for the majority of energy consumption. To ensure (near) zero downtime for technology-based information, Bank maintains a diesel-fueled generator as a backup in

the event of a power outage. Furthermore, Bank runs operational vehicles and cash mobile vehicles using fuel oil (gasoline and diesel). Bank has implemented an energy efficiency strategy to manage its energy consumption throughout its operations.

# 7%

Reduction in Bank's energy intensity compared to 2020 as a result of energy efficiency and Work from Home (WFH) measures.



## Energy Saving Initiatives

[302-4]

### Electricity Saving

- Power outage of non-essential electrical equipment, such as lights, air conditioning, computers, and photocopiers, is not used outside of working hours.
- Use of LED lights in all Bank offices within the Greater Jakarta area
- Utilization of energy-saving features on computer equipment, such as a screen saver or power save mode.
- Enhancing the efficiency of teleconference/video conference facilities for meetings.
- Conducting a campaign to promote energy conservation.

### Fuel Saving

- Perform routine maintenance and repair on operational vehicle equipment.
- Monitoring and optimizing the use of operational vehicles and the shuttle car for transportation between branch offices.

## Energy by Source

[302-1] [302-2] [302-3]

Description – Non-Renewable Energy	Unit	2021	2020	2019
<b>Banking Support Activities</b>				
PLN Electricity	GJ	98,900.89	140,415.55	145,134.32
Diesel Generators	GJ	898.22	1,505.52	4,223.61
Fuel Generators	GJ	1,538.84	280.10	262.59
<b>Transportation Support Activities</b>				
Diesel	GJ	1,043.33	184.50	384.63
Fuel	GJ	54,469.05	14,413.08	41,417.56
<b>Total Energy Usage</b>	<b>GJ</b>	<b>156,850.33</b>	<b>156,798.74</b>	<b>191,422.71</b>
Operating Income	Rp billions	17,568	16,358	16,825
Energy Intensity	GJ/Rp billions	8.93	9.58	11.38

**Note:**

The energy usage data covers all branch offices. Energy sourced by electricity and fuel oil were calculated based on payment invoices managed by the SPAPM Work Unit. Electricity energy conversion factor from KWh to GJ is  $36 \times 10^{-4}$ ; Gasoline energy conversion factor from L to GJ is  $33 \times 10^{-3}$  for petrol and  $36 \times 10^{-3}$  for diesel oil; Methodology used in conversion factor follows Ministry of Environment and Forestry (2017).



In 2021, Bank succeeded in reducing GHG emissions intensity by 41% from the initial target of 2%.

**GHG EMISSIONS FOOTPRINT** [305-5]

Climate change is a significant issue in operational activities, where efforts are being made to reduce direct and indirect GHG emissions. Since 2018, Bank has been managing the environmental impact of its operations collectively and using a data-driven approach to calculate its annual carbon footprint. In 2021, Bank added a portion of Scope 3 GHG emissions, including those associated with employee business trips via land and air transportation and those associated with the CIMB Niaga Gunung Geulis Bumi Learning Center. Bank continues to monitor its GHG emissions and has set a target of Net Zero emissions by 2050. In 2021, Bank succeeded in reducing GHG emissions intensity by 41% from the initial target of 2%.

**GHG Emissions Reduction Targets**

Description	Target	2021	2022	2023	2024
GHG (Scope 1 & 2)	Decrease in intensity (based on the 2019 baseline study)	2%	-	-	-
	Decrease in emissions (absolute) (based on the 2019 baseline study)	-	12%	18%	24%

**GHG Emissions by Source (tonnes CO<sub>2</sub>e)**

[305-1] [305-2] [305-3] [305-4]

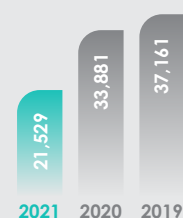
Description	Unit	2021	2020	2019
<b>Scope 1 GHG Emissions</b>				
Transportation – Diesel	tonnes CO <sub>2</sub> e	77.66	13.73	28.63
Transportation – Fuel		3,964.48	1,049.04	3,014.54
Generators – Diesel		66.86	112.06	314.38
Generators – Fuel		112.00	20.39	19.11
<b>Scope 2 GHG Emissions</b>				
PLN Electricity	tonnes CO <sub>2</sub> e	17,307.65	32,685.62	33,784.04
<b>Total GHG Emissions (Scope 1 + Scope 2))</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>21,528.65</b>	<b>33,880.84</b>	<b>37,160.69</b>
Operating Income	Rp billions	17,568	16,358	16,825
<b>GHG Emissions Intensity (Scope 1 + Scope 2)</b>	<b>tonnes CO<sub>2</sub>e / Rp billions</b>	<b>1.23</b>	<b>2.07</b>	<b>2.21</b>
<b>GHG Emissions Scope 3</b>				
Business Trip (Land and Air Transportation)	tonnes CO <sub>2</sub> e	679.30	-	-
CIMB Niaga Gunung Geulis Bumi Learning Center		178.28	-	-

Note:

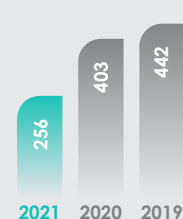
GHG emissions data were collected from almost all CIMB Niaga offices in Indonesia. The electricity emission conversion factor (2019 & 2020) was based on a modified method developed by the Ministry of Energy and Mineral Resources in 2016 totaled 8.38 x 10<sup>-4</sup> tonnes CO<sub>2</sub>e/KWh. In 2021, the emissions factor method was adjusted to use a modified method developed by the Ministry of Energy and Mineral Resources in 2019, amounted to 6.3 x 10<sup>-4</sup> tonnes CO<sub>2</sub>e/KWh. Additionally, the conversion factor for fuel oil (BBM) emissions is based on the Ministry of Environment and Forestry's 2012 method, with 2.68 for diesel and 2.40 for gasoline. GHG Scope 3 calculation refers to EPA, "Emission Factors for Greenhouse Gas Inventories," Table 8 Business Travel and Employee Commuting, March 9, 2018. Pillar 1 Appendix contains the calculation of GHG emissions for 2019-2021 using a modified methodology developed by Ministry of Energy and Mineral Resources (2016) and IPCC Guidelines for National Greenhouse Gas Inventories (2006).

**Total GHG Emissions Scope 1 and 2 Equivalent to Other Gases**

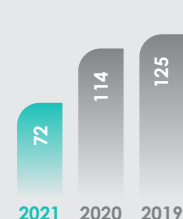
tonnes CO<sub>2</sub>e



tonnes CH<sub>4</sub>e



tonnes N<sub>2</sub>O e



# We Together With Business Partners

[GRI 2-6] [GRI 2-24] [204-1] [SUSBA 1.2.1.11] [SUSBA 1.3.2.1]

## PRIORITY FOR LOCAL BUSINESS PARTNERS

The procurement process at CIMB Niaga is managed by the Strategic Procurement & Admin Property Management (SPAPM) Work Unit collaborates with other work units, including Legal, Finance, and Operational Risk Management. CIMB Niaga conducts the procurement based on a competitive bidding process, evaluating and observing business licenses, qualification assessment processes, and transparent governance. Furthermore, CIMB Niaga evaluates/monitors the implementation of sustainability through the Sustainability Due Diligence (SDD) process, which includes environmental management, workplace safety, adherence to responsibilities, and human rights in line with United Nations Guiding Principle (UNGP) in the workplace, and community empowerment for partners. This mechanism aims to ensure that all supply chain partners of CIMB Niaga adhere to applicable laws and regulations and sustainability principles. SDD was conducted on 32 new partners in 2021, and the results indicated that none of the new partners had environmental or social issues. Additionally, Bank has conducted sustainability practice training for 76 vendors. This training was designed to communicate sustainability best practices and assist Bank's sustainable supply chain practices.

Bank CIMB Niaga prioritizes local vendors and partners, as stated in Goods and Services Procurement Policy No. E.03.01 and Goods and Services Procurement Procedures No. 03.01.P.01. Local partner is defined as a business partner who possesses an Indonesian identity. As many as 92% out of Bank's partners are local partners who provide security personnel, sales and promotion, cleaning, and transportation services, among others.

### 2021 INDICATORS

Total Partners

454

Local Partners

92%

Sustainability Training

76 vendors

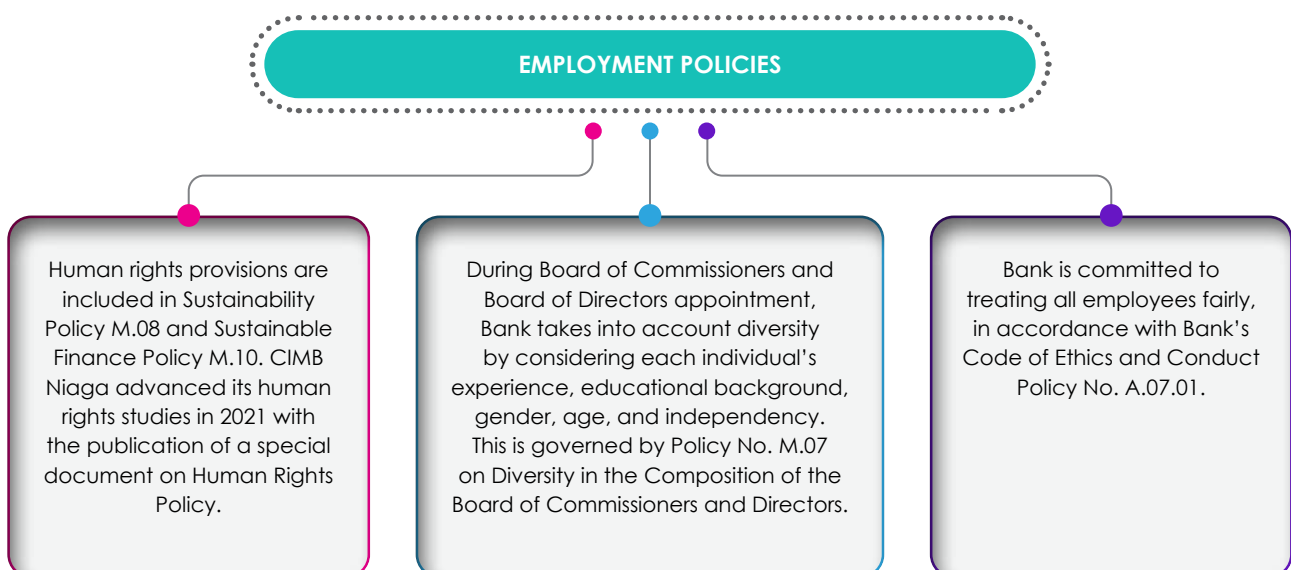




## ► We Together with Employees

### EMPLOYMENT AND EMPLOYEE EQUALITY

Bank CIMB Niaga operates in a manner that respects and upholds human rights. CIMB Niaga is committed to diversity in the workplace and ensures no practice in bonded labor (debt labor), child labor/underage workers, migrant workers, and human trafficking. Furthermore, Bank CIMB Niaga ensures equal opportunity for all employees regardless of ethnic origin, religion, race, intergroup, social status, gender, or any other discriminative factors that may constitute a violation of human rights.



**RESPECTING EMPLOYEE RIGHTS**

[GRI 2-30] [401-3] [410-1]



**Freedom of assembly and association**

CIMB Niaga provides freedom for employees to form Labor Unions. Labor Union activities may take place during working hours and may make use of Bank’s facilities. CIMB Niaga had four trade unions in 2021, representing employees at its head office and branch offices throughout Indonesia. The Labor Unions, in its capacity as employee representatives, and Bank Management review and update the Collective Labor Agreement (CLA) periodically. The CLA serves as a guideline for labor and industrial relations management and covers all employees (100%) of CIMB Niaga.



**Working hours**

Employees of CIMB Niaga work eight hours per day or 40 hours per week, excluding rest time. Employee working hours policies are governed by Article 17 of the CIMB Niaga CLA and are compliant with the Manpower Laws.



**Equality in the recruitment process**

CIMB Niaga conducts its recruitment process fairly and in accordance with Human Resources Compliance on Recruitment and Selection Policy No. A.02.01. Furthermore, the recruitment process is prioritized to ensure its transparency and free of corruption, collusion, and nepotism, as well as to ensure that no candidate is discriminated against on the basis of their background.



**Underaged or child labor**

CIMB Niaga strictly prohibits the employment of underage workers and child labor. CIMB Niaga also expects and urges its business partners to refrain from employing underage workers/child laborers through cooperation procedures and financing requirements for debtors.



**Maternity leave permission**

CIMB Niaga offers progressive annual leave and special leave for employees attending religious worship, unpaid leave, menstrual leave, maternity leave, and miscarriage leave for female employees. CIMB Niaga also provides male employees three days of leave if their legal wives give birth or miscarry. CIMB Niaga guarantees every female employee the right to three months of maternity leave and the opportunity to return to their original position or a similar position. Maternity leave is unaffected by the pandemic's implementation of work-from-home policies and is calculated separately from annual leave. Furthermore, CIMB Niaga provides a comparable guarantee to employees who travel on pilgrimage.

**Maternity Leave**

Maternity Leave	2021	
	Male	Female
Employees entitled to maternity leave	284	272
Employees taking maternity leave	177	251
Employees who return to work after maternity leave	277	251



**Human rights training for security personnel**

CIMB Niaga ensures that all security personnel understands how to handle various situations while still adhering to human rights principles. CIMB Niaga partners with third parties to provide security personnel with human rights training. In 2021, 1,014 security personnel (100%) received human rights training.

**2021 INDICATORS [GRI 2-7] [405-1]**

**Comparison of male and female employees**



**Comparison of permanent and contract employees**



**30%**

Female representatives on Board of Commissioners and Directors

**32%**

Female representatives in senior management

**ENSURING EMPLOYEE WELFARE**

[GRI 2-19] [GRI 2-20] [GRI 2-21] [201-3] [404-2] [405-2]

CIMB Niaga complies with all applicable laws and regulations governing wage and remuneration provisions. Bank pays salaries and benefits that exceed regional and provincial minimum wages (UMR and UMP). CIMB Niaga does not differentiate salary between male and female employees as compensation is determined by the achievement of work objectives, scope, and risks.

The General Meeting of Shareholders (GMS) determines the compensation for Board of Commissioners and Board of Directors members based on the Nomination and Remuneration Committee's recommendation and takes into account the company's performance, business size, and the results of banking industry remuneration survey. Furthermore, compensation for the Board of Directors and certain employees who are classified as Material Risk Takers is determined using a risk-based remuneration system.

**1 : 38.5**

Compensation ratio of highest-earning employee against median income employees

**4.5%**

Growth in median compensation employees

**1.14 : 1**



**1.22 : 1**



Entry-level employees compensation ratio against average Provincial Minimum Wage

**1 : 22.1**

Median compensation growth ratio of all employees against the highest-earning employees

**115%**

Compensation growth of highest-earning employees

**0.97 : 1**

Lowest compensation ratio for male and female employees

CIMB Niaga enrolls its employees in the BPJS Employment program, covering work-related accidents, old age, and death. CIMB Niaga contributes 6.24% to the BPJS Employment program, while the employee contributes 3%. CIMB Niaga has set aside Rp562.35 billion for pension benefits in 2021, including both defined benefit and defined contribution pension plans. Furthermore, Bank has a pension and other post-employment benefits liabilities of Rp767.40 billion. Independent actuary performed the allowance calculation for all permanent employees who are the participants.

### EMPLOYEE BENEFITS BASED ON EMPLOYMENT STATUS

[401-2]

CIMB Niaga provides life insurance and health care benefits, both for permanent and contract employees. Retirement preparation is provided exclusively to permanent employees through a retirement training program agenda designed to assist employees in preparing for the end of their service period while maintaining their ability to perform activities and generate benefits. Training covers psychological, health, and financial preparation for the attendees. 102 employees have participated in the retirement training program in 2021.

### EMPLOYEE PERFORMANCE APPRAISAL

[404-3] [SUSBA 1.4.2.4]

Bank guarantees career development opportunities to all employees (100%) regardless of ethnic origin, religion, race, intergroup relations, social status, gender, or any other factor that may constitute a violation of human rights. Career development opportunities are practiced through a performance appraisal mechanism that takes key performance indicators (KPIs) into account. Starting this year, one of the key performance indicators for the Board of Directors and all employees is the achievement of sustainability performance. One of the KPIs for the GCG & Sustainability Work Unit includes the assessment of sustainable finance performance targets. CIMB Niaga's KPI assessment in 2021 reported that 1,393 employees received promotions.





## EMPLOYEE HEALTH AND SAFETY

[403-1] [403-2] [403-3] [403-4] [403-5] [403-6] [403-8] [403-9]

CIMB Niaga has implemented an Occupational Health and Safety (OHS) Management System that is integrated with Bank's employee health and safety management, as specified in the Collective Labor Agreement (CLA). OHS regulations are based on the following:

- Law of the Republic of Indonesia No. 1 of 1970 concerning Occupational Safety and Health
- Minister of Manpower Regulation No. 5 of 1996 concerning Occupational Health and Safety Management System
- Employment Policy No. A.11.01 concerning Management of Employee Safety and Security Risks

### Occupational Accident Risk Management

#### IN BUSINESS AREAS:

Multi-story buildings, home offices, shophouses, and e-channel-based mobile working units

- Annual OHS training by building managers
- Annual training and education on evacuation from multi-story buildings
- Basic fire extinguisher use
- Victim rescue training from buildings participated by building security personnel

#### OUTSIDE BUSINESS AREAS

Travel to or from work, site field visits, and client visiting activities

- All employees are provided with work accident insurance policies through BPJS Health and Employment.

CIMB Niaga is committed to a zero-accident rate target. In 2021, CIMB Niaga identified no work that poses a significant health risk and no workplace accidents. CIMB Niaga provides health benefits to its permanent and contract employees, including

medical check-ups, health insurance, a clinic and lactation room at the head office, and BPJS Health insurance. Furthermore, CIMB Niaga provides permanent employees general health insurance, eyeglasses, and dental insurance.

Details of data or other supporting information relating to or referencing **Pillar 1: Sustainable Action** from the last three years can be accessed via the QR Code or can be found in Annual Report 2021.



# Pillar 02

## Sustainable Business



“

CIMB Niaga implements Sustainable Finance Policy which forms the basis of Sector Guidances and the implementation of Sustainability Due Diligence.



✓ **20%**

Oil palm plantation financing portfolio that has or is in the process for ISPO and/or RSPO certification



✓ **25%**

Sustainable Business Activities Category (KKUB) Financing



✓ **> 25.000** ton setara CO<sub>2</sub>

Potential Greenhouse Gases (GHG) emissions avoided through digital banking



✓ **> 346.000** ton setara CO<sub>2</sub>

Greenhouse Gases (GHG) emissions avoided through Green Sukuk investments



✓ **28%**

Customer Loyalty (NPS)

Financing Sector Guidance with environmental, social, and governance (ESG) aspects



Oil Palm Plantation



Coal



Forestry



Oil and Gas



Construction, Real Estate, and Infrastructure



## ➤ Sustainable Finance

### SUSTAINABLE FINANCE IMPLEMENTATION

[FS9] [SUSBA 1.2.1.2] [SUSBA 1.2.2.1] [SUSBA 1.2.2.4] [SUSBA 1.3.1.3] [SUSBA 1.3.2.6] [SUSBA 1.4.1.8] [SUSBA 1.5.1.1]

CIMB Niaga adheres to the Sustainable Finance Policy and its procedures when implementing sustainable finance. This policy also serves as the foundation for developing Sector Guidances and implementing Sustainability Due Diligence (SDD) as well as Enhanced Sustainability Due Diligence (ESDD). In the Sector Guidance, Bank supports debtors to reduce the negative impact or increase the positive impact of their operations in line with the objectives of the Paris Agreement. In 2021, CIMB Niaga implemented a coverage audit conducted by the Internal Audit Work Unit based on a comprehensive Risk-Based Audit methodology and an internal control framework that refers to the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) – Internal Control Integrated Framework.

Currently, sustainable finance is adopted through corporate banking segmentation and financing portfolio studies. These studies categorize portfolios

according to the Sustainable Business Activities Category (KKUB) and sustainability risk identification. In 2022, the KKUB classification and identification of environmental, social, and governance (ESG) risks will be applied to commercial banking segmentation.











### KKUB FINANCING

[SUSBA 1.5.1.3]

CIMB Niaga has put several sectors that are the focus of KKUB financing targets, including the following: a) oil palm plantations that have received or are in the process of obtaining sustainability certification; b) environmentally friendly projects (green real estate/ projects); and c) other sectors that contribute to climate change mitigation and adaptation actions, as well as supporting low-carbon development. In addition to KKUB financing, Bank also distributes financing for activities that support affordable housing (SDG 1 and 11) of Rp62.39 billion in 2021 and Rp66.83 billion in 2020.

## Environmental and Social Sector Financing

[FS11]

Description	Unit	2021	2020	2019	Support for the Sustainable Development Goals
<b>Number of Products that Meet the KKUB Criteria</b>					
a. Funds Collection - Waqf Savings	Rp millions	154,381	6,662.28	-	
b. Xtra Electric Motorbike Financing	Rp millions	44	0	-	 
c. Environmentally Friendly Vehicle Financing*	Rp millions	28,053	11,635.83	-	 
· Electric Cars	Rp millions	14,392	3,485.08	-	
· Hybrid Cars	Rp millions	13,661	8,150.75	-	
d. Green Mortgage Financing	Rp millions	85,316	-	-	 
e. Sustainability-linked Loan/ Financing & Sustainable Finance Program	Rp millions	332,331	-	-	  
<b>Total Aset Produktif KKUB</b>					
a. Total KKUB Loans	Rp millions	45,068,614	50,119,835	75,668,439	
b. Total Non-KKUB Loans – Green Sukuk Investment**	US\$ millions	75	75	75	
Percentage of KKUB Financing to Total Loans (%)	%	25	28.68	41.82	

\* Financing by subsidiary, PT CIMB Niaga Auto Finance (CNAF);

\*\* The Government of Indonesia issued Global Green Sukuk, which are used to fund climate change mitigation and adaptation projects.















### GREEN BUILDING FINANCING

Bank's financing strategy includes a focus on environmentally friendly projects, such as green buildings. Currently, one corporate banking customer has been awarded the BCA Green Mark certificate. This certification demonstrates the company's efforts to conserve water, improve environmental quality, and mitigate potential negative environmental impacts. In addition, individual consumers have benefited from the 'Green Mortgage' program, enabling them to purchase and own homes in development areas that have received green building certification from Green Building Council Indonesia (GBCI), such as EDGE or GREENSHIP. As of December 2021, financing for Green Mortgages reached Rp85.32 billion.

### Composition and Quality of KKUB Loans

[FS8] [SUSBA 1.6.2.1]

No	Sustainable Business Activities Category (KKUB)	Non-MSME (Rp trillions)	MSME (Rp trillions)	Total (Rp trillions)	NPL (%)*
1.	 Renewable Energy	-	-	-	-
2.	 Energy Efficiency	-	-	-	-
3.	 Pollution Prevention and Control	0.09	-	0.09	-
4.	 Management of Natural Resources and Sustainable Land Use	6.15	0.02	6.17	1.61
5.	 Conservation of Land and Water Biodiversity	0.02	-	0.02	-
6.	 Environmentally Friendly Transportation	1.63	-	1.63	-
7.	 Sustainable Water and Wastewater Management	0.16	0.01	0.17	-
8.	 Climate Change Adaptation	-	-	-	-
9.	 Products that Help Conserve Resources and Contribute to Less Pollution	4.94	0.03	4.97	-
10.	 Environmentally Friendly Buildings that Meet National, Regional, or International Recognized Standards/Certification	1.03	-	1.03	-
11.	 Other Environmentally Friendly Business and/or Other Activities	10.45	-	10.45	-
12.	 MSME Activities	-	20.54	20.54	3.96
Total		24.47	20.60	45.07	

\* NPL percentage (gross) is calculated based on the total portfolio of each KKUB.

**KKUB FINANCING FOR OTHER LAND-BASED SECTORS**

[SUSBA 1.2.2.1]

Bank believes that it is essential to continuously promote sustainability in various sectors, especially land-based sectors. The land-based sectors in question are frequently classified as Agriculture, Forestry, and Other Land-Use (AFOLU). AFOLU sectors contribute significantly to GHG emissions. Bank has consistently favored climate mitigation actions in practicing sustainable financing for AFOLU sectors. In 2021, Bank's financing portfolio identified ten customers in the AFOLU sectors with sustainability certifications, valued at Rp2.59 trillion. AFOLU sectors that have obtained sustainability certification are regarded to have implemented Good Agricultural Practices (GAP) and 'Regenerative Agriculture' practices to perform optimal and sustainable production.

Sector	Certification	Total Debtors	Total Financing (Rp trillions)
 Agriculture	Organic - Rainforest Alliance (RA)	1	0.09
 Fishery	Best Aquaculture Practice Aquaculture Stewardship Council Good Agriculture Practice (Good Fish Breeding and Cultivation Method)	1	0.21
 Forestry	Forest Stewardship Council (FSC) Chain of Custody (COC) Timber Legality Verification System (SVLK) FSC COC & SVLK	1 5 2	0.15 2.11 0.03



## FINANCING HIGH SUSTAINABILITY RISK SECTORS

[FS12] [SUSBA 1.1.1.2][SUSBA 1.6.2.6] [FN-CB-410a.2]

Bank has identified business activities with a relatively high ESG risk in implementing sustainable finance. Enhanced Sustainability Due Diligence (ESDD) Process is conducted periodically for all customers/potential customers under sustainability high-risk sectors to measure the risks faced by Bank and ensure the relevance of sustainability issues.

Bank has not conducted a voting policy mechanism towards investment with ESG issues. However, Bank has issued Sector Guidances outlining the minimum sustainability requirements that customers must meet, what is prohibited, and what aspects of sustainability

best practices are encouraged. The land-based sectors covered by the Sector Guidance include oil palm plantations, coal, oil and gas, forestry, construction, real estate, and infrastructure. The implementation of the Sector Guidance allows Bank to conduct more quantifiable supervision in mitigating ESG risks.

Bank has identified 14% of its total financing portfolio as having a high potential for ESG risk, which is managed through the application of SDD, ESDD, and Sector Guidances.

## KKUB FINANCING FOR OIL PALM PLANTATIONS

[FS8] [SUSBA 1.2.1.4] [SUSBA 1.2.1.5] [SUSBA 1.2.1.13] [SUSBA 1.2.2.2] [SUSBA 1.2.2.3] [SUSBA 1.6.2.5]

Oil palm plantations are one of the industries whose operations can impact the environment potentially cause deforestation. CIMB Niaga requires certification or is in the process of obtaining ISPO and/or RSPO certificates as a prerequisite. Bank continuously encourages customers with oil palm plantations to follow the No Deforestation, No Peat, and No Exploitation (NDPE) principles.

### Financing Based on ISPO, RSPO, and ISCC Certifications

Certification	Total Debtors	Financing Amount (Rp trillions)
RSPO* and ISPO**	10	4.43
RSPO*	5	0.43
ISPO**	21	1.53

Certification	Total Debtors	Financing Amount (Rp trillions)
In the ISPO process**	2	0.04
In the RSPO process*	7	0.31
ISCC***	8	4.58

RSPO = Roundtable Sustainable Palm Oil; ISPO = Indonesia Sustainable Palm Oil; ISCC = International Sustainability and Carbon Certification; \*As per national interpretation of the RSPO Principles and Criteria (2018), oil palm plantations that have obtained an RSPO certificate have complied with the No Peat principle in the principles of No Deforestation, No Peat, and No Exploitation; \*\*ISPO is an oil palm plantation sustainability standard that is applicable in Indonesia in accordance with applicable laws and regulations; \*\*\*ISCC is one of the leading certification systems for sustainability and greenhouse gas emissions. In July 2011, ISCC was recognized by the European Commission as one of the first certification schemes capable of demonstrating compliance with the EU's Renewable Energy Directive (RED) requirements.

According to scientific reports, the oil palm sector and other land-based sectors, collectively referred to as Agriculture, Forestry, and Other Land Use (AFOLU), face a number of possible risks. These risks are classified into two categories, environmental and social, each of which addresses a different aspect, such as biodiversity, climate change, community, and indigenous peoples, as well as human rights and employment.

### Sustainability Commitments for Oil Palm Customers

Commitment	Total Debtors	Financing (Rp trillions)
No Deforestation, No Peat, No Exploitation (NDPE)	15	4.86
Free, Prior, and Informed Consent (FPIC)	36	6.39
High Conservation Value (HCV) and/or High Carbon Stock (HCS)	15	4.86



**KKUB financing for coal mining and coal-fired power plants**

[SUSBA 1.2.1.3] [SUSBA 1.6.1.3]



To support the Government of Indonesia in ratifying the Paris Agreement and achieving Net Zero target by 2050, Bank has already developed a Sector Guidance for sectors/industries identified as having high sustainability risks, including coal. Sector/industry identification is based on ESG, climate change, carbon emissions, biodiversity, and human rights considerations.

Bank requires debtors of coal mining and coal-fired power plants companies to have Environmental Documents. Debtors of coal-fired power generation companies must also have a strategy for diversifying

their energy mix. In addition, Bank continues to encourage debtors to adopt best sustainability practices in the sector and to adhere to Indonesia Green Taxonomy guidelines issued by Financial Services Authority (OJK). These sustainability best practices include the following: establishing a policy or code of ethics that prohibits all forms of bribery and corruption; establishing a transparent mechanism for all stakeholders to lodge complaints; establishing a gender equality policy in business processes; upgrading or repairing inefficient plants with high-efficiency and low-emissions technology; and monitoring and disclosing environmental and social data regularly.

Subsequently, as part of the CIMB Group, which is a signatory to the United Nations Principles for Responsible Banking (UN PRB) and the Collective Commitment on Climate Action (CCCA), CIMB Niaga will contribute positively to the low carbon economy by gradually reducing coal sector financing through a phase-out plan in 2040.

**Sustainability Due Diligence Recapitulation**  
[SUSBA 1.6.2.4]

**48.0%**

debtors from the AFOLU sectors recommended

**0.4%**

debtors from the AFOLU sectors not recommended

**51.6%**

debtors from non-AFOLU sectors recommended

**0.0%**

debtors from non-AFOLU sectors not recommended

## PROBLEMS, DEVELOPMENTS, AND EFFECTS OF SUSTAINABLE FINANCE IMPLEMENTATION

[201-4] [FS14] [SUSBA 1.1.2.2]

In 2021, CIMB Niaga did not utilize any financial assistance from the Government. However, CIMB Niaga strives to implement sustainable business and finance practices. CIMB Niaga has identified challenges to sustainable finance implementation in Indonesia, such as the following:

- a. Lack of understanding and competence of human capital in implementing sustainable finance.
- b. Lack of understanding from debtors of business activities that support SDGs, climate change mitigation and adaptation, as well as a low-carbon economy.
- c. Obstacles faced by several debtors in implementing Government policies, whether economic conditions, capacity, or other technical constraints.
- d. Low compliance toward applicable regulations.
- e. Risk from changes in regulations issued by Regulators and/or the Government.
- f. Relatively low number of green projects in Indonesia.

The five pillars of sustainability, specifically on Sustainable Business (Pillar 2) and Stakeholder Engagement and Advocacy (Pillar 5), address the aforementioned issues in a variety of ways, including the following:

- a. Conducting internal training on Bank's Sustainability Policy and Sustainable Finance Policy as they pertain to the industrial sectors on which Bank concentrates its efforts on.
- b. Educating customers about the benefits of sustainable finance.
- c. Educating stakeholders about Bank's internal platform and electronic transactions.
- d. Contributing in focus group discussions with government institutions, regulators, and non-profit organizations, as well as serving as a speaker at seminars to convey recommendations regarding the transition to environmentally friendly and low-carbon industries, as well as their relationship to the more effective implementation of sustainable finance.
- e. Support banking access for people with disabilities telebanking service and assistance by security officers when conducting transactions at branch offices.



Sustainable finance is implemented through short-term dan long-term action plans that become priorities in the 2019-2023 Sustainable Finance Action Plan (RAKB). CIMB Niaga conducts periodic evaluations on challenges encountered in implementing the RAKB. In 2021, the ongoing COVID-19 pandemic conditions required CIMB Niaga to continue restructuring and relaxing financing to carry out the RAKB 2021.

Despite this challenge, CIMB Niaga remains committed to assisting debtors who require assistance with loan restructuring and relaxation under government programs, including debtors with KKUB-classified business activities, especially MSME. Through this assistance, Bank can support debtors in surviving and developing their businesses, as well as contribute to the country's economic recovery.

### CREDIT RESTRUCTURING TO MINIMIZE THE IMPACT OF THE COVID-19 PANDEMIC

[FN-CB-550a.2]

The grant of this relaxation is part of a countercyclical policy on the impact of the COVID-19 virus's spread that is carried out in accordance with operational guidelines that include the following:

- POJK No.11/POJK.03/2020 concerning National Economic Stimulus, which regulates the criteria for debtors who are eligible for restructuring and stress testing the impact of restructuring on bank capital and liquidity.
- Coordinating Minister for Economic Affairs Regulation No.8 of 2020 concerning Changes in Special Treatment for People's Credit for Business Recipients Affected by the COVID-19 Virus Pandemic.

CIMB Niaga operates in both business as usual and crisis conditions (stress tests) by monitoring a variety of liquidity indicators, including the minimum liquidity gap, the liquidity coverage ratio (LCR), and the net stable funding ratio (NSFR). These liquidity indicators are monitored in accordance with the liquidity risk management framework, which is designed to ensure that internal management and regulators are meeting the bare minimum requirements.

## ➤ Responsible Banking

### FINANCIAL INCLUSION THROUGH MSME FINANCING

[203-2]

CIMB Niaga contributes to the growth of Micro, Small, and Medium-Sized Enterprises (MSME) through three financing products, namely working capital financing, investment financing, and supply chain financing. MSME financing is distributed through two sub-segments, Emerging Business Banking (EBB) banking and micro-linkage at commercial banking. CIMB Niaga recorded Rp20.60 trillion in MSME financing up until the end of 2021.

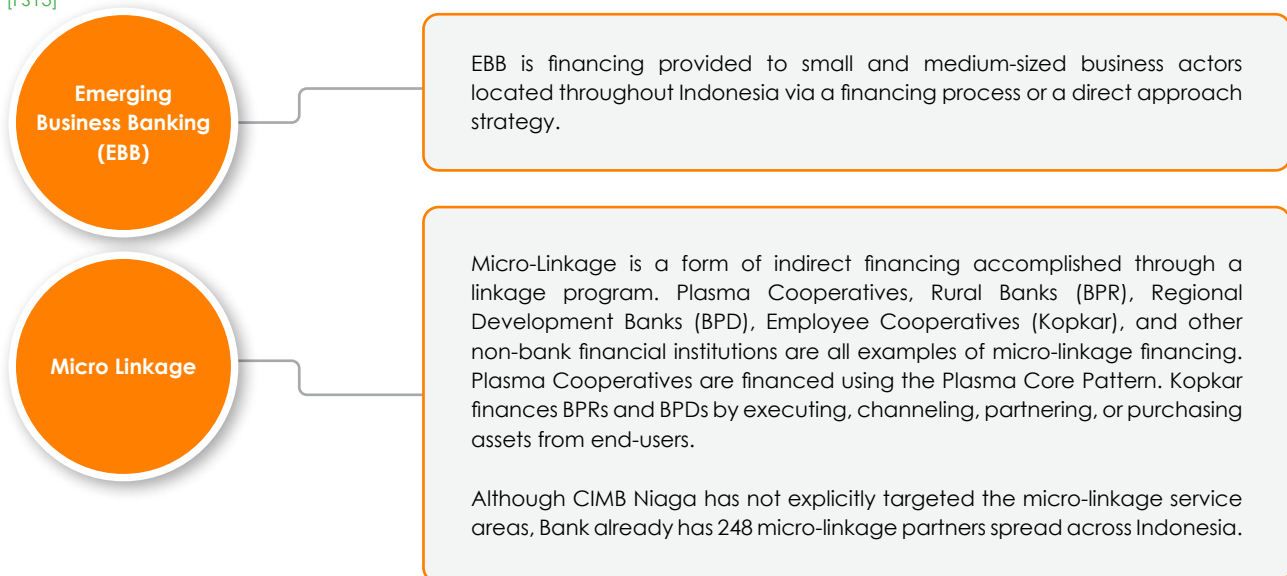
In 2021, CIMB Niaga partnered with PT Berdayakan Usaha Indonesia (Batumbu), a peer-to-peer lending financial technology (fintech) company, through the provision of a loan/financing channeling scheme.

Through this scheme, CIMB Niaga is able to channel loans for Batumbu partners Batumbu's platform. The debtors, in this case, are business actors in the MSME segment with financing in the form of invoice financing.

As the name implies, Berdayakan Usaha Indonesia, or Empowering Indonesian Businesses, Batumbu is committed to advancing the Indonesian MSME business sector, which CIMB Niaga views as consistent with Bank's business growth strategy which will prioritize the MSME sector. This also reflects the Government's direction, as articulated by the President and OJK, to achieve a Macroprudential Inclusive Financing Ratio (RPIM) of 30% out of total bank loans nationwide.

### Description of the two segments in MSME financing

[FS13]



### STRENGTHENING DIGITAL BANKING TO IMPROVE CONSUMER AND EBB SEGMENT SERVICES

Technology is currently advancing at a phenomenal rate, including the rapid development of digital banking services. Gradually, customer transaction patterns have shifted toward a cashless society, which enables the acceleration of financial inclusion. At CIMB Niaga, technology implementation is evaluated directly by the work units headed by the Director of Operations and Information Technology.

CIMB Niaga continuously develops and updates its mobile and internet banking services to meet the evolving needs of its customers. CIMB Niaga offers digital banking services through OCTO Mobile, OCTO Clicks, and other E-channels.

**Total Digital Platform Transactions**

Digital Transactions*	2021		2020		2019	
	Financial Transactions	Non-Financial Transactions	Financial Transactions	Non-Financial Transactions	Financial Transactions	Non-Financial Transactions
OCTO Mobile	112,314,098	410,758,558	56,431,233	249,059,462	37,723,944	273,009,024
OCTO Clicks	20,872,720	314,536,432	17,325,817	280,844,402	19,792,885	310,768,814
Mobile Account	22,604,200	-	30,779,471	-	58,719,840	-
BizChannel@CIMB	64,346,291	-	60,374,559	-	115,913,553	-
ATM, CDM/MDM, and CRM	104,870,789	32,983,584	120,301,874	43,818,159	166,267,996	51,820,672

\* CIMB Niaga provides digital banking services in the following forms: a) OCTO Mobile, formerly known as Go Mobile, a one-stop mobile financial solution that can handle all of a customer's financial needs, from opening an account to reporting credit card bills; b) OCTO Clicks, formerly known as CIMB Clicks, which was developed to complement the digital portfolio for users with more complex transaction needs; and c) other E-channels, including Mobile Accounts (Rekening Ponsel), Automated Teller Machines (ATM), Electronic Data Capture (EDC), Cash Deposit Machines (CDM), Cash Recycle Machines (CRM), Multo Denom Machines (MDM), Digital Lounge, and BizChannel.

**INNOVATION AND DEVELOPMENT OF SUSTAINABLE FINANCE PRODUCTS/PROGRAMS**

[SUSBA 1.5.1.2]



**Sustainability-linked Loan/Financing (SLL) & Sustainable Financing**

The Sustainability-Linked Loan/Financing (SLL) program is a financing program that provides incentives to customers who meet the sustainability performance target (SPT) as agreed prior to the program, while Sustainable Financing program is designed for CIMB Niaga financing customers who are involved in ESG-focused businesses.

**Waqf Savings Program (Tabungan iB Mapan Berhadiah Wakaf)**

Tabungan iB Mapan Wakaf with Mudharabah principle is a time-saving mechanism that utilizes a regular monthly deposit system in accordance with the customer's chosen time period. Customers will receive a direct gift from Bank CIMB Niaga Syariah in the form of a Waqf program, which will be transferred directly to the Current Account of the Waqf Institution. This Waqf program is channeled to fund a well project supporting climate adaptation actions.

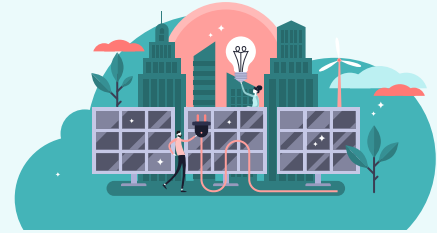


**Green Mortgage**

Bank offers a mortgage (KPR) facility for green-certified housing/apartments on a national and international scale.

### Solar Panel Financing

Bank, in collaboration with PT Energi Indonesia Berkarya (SUNterra), provides a special offer to CIMB Niaga credit card holders when purchasing rooftop Solar Power Plant (PLTS).



### 'EBB Green Recycle' and 'EBB Green Energy' Programs

In 2021, Bank launched two sustainability-focused financial solutions programs in the form of attractive interest rates targeted at customers engaged in product manufacturing/trading activities which directly involved in recycling materials and renewable energy. This program is available to EBB segment customers. This program, which covers all EBB areas in Indonesia, was launched at the end of 2021.



### PROTECTION OF CUSTOMER DATA SECURITY AND PRIVACY

[416-1] [416-2] [418-1] [FS15] [FN-CB-230a.1] [FN-CB-230a.2] [FN\_CB-510a.1]

Rapid technological advancements can potentially increase the likelihood of cyber attacks and technological crimes. As a result, CIMB Niaga has an IT Security Work Unit tasked with the responsibility of ensuring data security and customer privacy, as well as safeguarding transactions and digital infrastructure against various cyberattack risks and technological crimes.

CIMB Niaga is committed to guaranteeing and protecting customer and partner data confidentiality and security. All information is stored in a database that is accessible only to authorized individuals and is updated in accordance with Information Security Policy No. H.05. Acquisition of customer data or information is permitted only in accordance with applicable laws and regulations, the Customer Protection Policy, and the Information Security and Data Classification Policy. Furthermore, CIMB Niaga does not tolerate any parties found to have abused customer data.

CIMB Niaga ensures that all products are 100% compliant with applicable laws and regulations, including consumer protection regulations. CIMB Niaga also ensures product safety, including services during financial literacy activities. In addition, CIMB Niaga ensures the reliability of the information provided to customers, including information about product features, costs, benefits, and inherent risks. Authorized and accountable work units review all information provided to customers. Similarly, financial literacy information is delivered via a learning big data platform powered by artificial intelligence and machine learning to share real-time and relevant information.

In 2021, no Bank products or services were recalled or discontinued from marketing. Furthermore, CIMB Niaga has ensured that no customer complaints or incidents of regulatory non-compliance were made that resulted in fines or penalties, as well as warnings regarding violations of data security and privacy regulations, business competition, and data loss due to data theft (cybercrime).

### POST-IMPLEMENTATION REVIEW (PIR)

Post-implementation review (PIR) is a process that CIMB Niaga conducts through its responsible work units to ensure that the process of launching new products and activities is carried out according to management-approved proposals. Work units responsible for launching new products and activities must conduct PIR and ensure that all new products and activities have been reviewed and evaluated for customer safety within 12 months. PIR is also implemented in accordance with Policy on New Products and Activities No. B.04.

### CUSTOMER SATISFACTION AND COMPLAINTS RESOLUTION LEVEL

[GRI 2-25]

CIMB Niaga has a Customer Care Work Unit (CCU) responsible for resolving any issues that may arise with products, services, or data security. CCU will evaluate corrective actions and expedite the resolution of customer complaints periodically to improve the quality of customer complaint resolution. Bank also has a Customer Experience Work Unit responsible

for managing the customer experience during any interactions and transactions within Bank's banking services.

Each year, CIMB Niaga conducts a customer satisfaction survey to assess service delivery and customer protection, as well as satisfaction level with sustainable finance products and/or services. The annual survey examines products, service channels, and service quality to determine the Net Promoter Score (NPS). Customer satisfaction level increased in 2021, with NPS values of 28%, 24%, and 18% in 2021, 2020, and 2019, respectively.

CIMB Niaga has resolved 98% of complaints received in 2021, with CCU's proactive role and collaboration with the Customer Experience Work Unit, Customer Service Work Unit, and all related work units. The 2021 CIMB Niaga Annual Report contains detailed information on customer complaints' type and degree of resolution. Customers may lodge complaints in person at the office or via a variety of channels, including:



### COMPLAINT CHANNELS

- **Contact Center:**  
Phone: 14041 or +62 21 2997 8888 (International)  
E-mail: 14041@cimbniaga.co.id
- **Business Banking Contact Center:**  
Phone: 14042 or +62 21 8065 5111 (International)
- **Live Chat at the CIMB Niaga website ([www.cimbniaga.co.id](http://www.cimbniaga.co.id))**
- **CIMB Niaga Whistleblowing System**

Details of data or other supporting information relating to or referencing **Pillar 2: Sustainable Business** from the last three years can be accessed via the QR Code or can be found in Annual Report 2021.



## Pillar 03



# Corporate Social Responsibility



“

CIMB Niaga supports the achievement of Sustainable Development Goals and strives to have a positive impact in surrounding communities to achieve 'no one left behind'.





> **1,120** students

Accumulated CIMB Niaga Scholarship Recipients from 2006 to 2021



> **450** schools and  
> **57,900** students

Accumulated AMDB activities from 2011 to 2021



> **230** schools and  
> **11,400** students

Accumulated TDB activities from 2015 to 2021



> **33,000** beneficiaries

Total CIMB Niaga Donations in 2021



> **39,900** accounts  
worth Rp**8.40** billion

Accumulated savings for students from 2017 to 2021



> **300** people

Accumulated disability empowerment training participants from 2020 to 2021

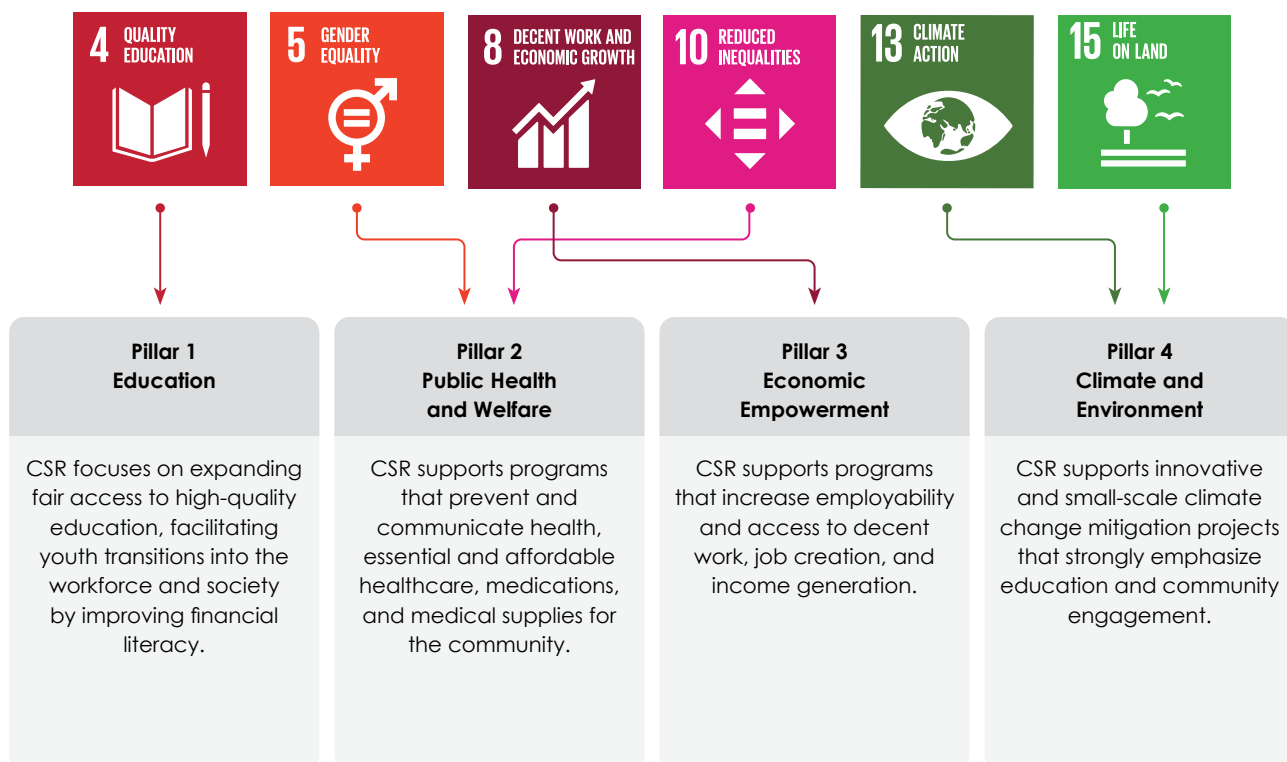


> **4,000** tonnes CO<sub>2</sub>e

Accumulated potential carbon absorption from bamboo planting until 2021

CIMB Niaga contributes to the development of a healthy and resilient community through all of its operations as a cornerstone of a strong economic and social order. CIMB Niaga is committed to addressing crucial issues, meeting the needs of stakeholders, and making a positive impact on the surrounding community in order to ensure that “no

one left behind”. Bank also provides opportunities and incentives for employees and stakeholders to act as agents of change. Bank’s support for the Sustainable Development Goals (SDGs) is prioritized around four pillars of Corporate Social Responsibility (CSR), targeting SDG 4, 5, 8, 10, 13, and 15. [SUSBA 1.6.2.10]



## ► Pillar 1: Education

### Realizing the Dream of the Nation's Generation through Scholarship Programs

CIMB Niaga Scholarship Program embodies Bank’s responsibility that aims to improve quality education in Indonesia and prepare the next generation of outstanding individuals. The COVID-19 pandemic did not deter CIMB Niaga from returning and reigniting the students’ enthusiasm for further achievement. This scholarship award is consistent with CIMB Niaga’s brand promise of ‘Forward,’ and aspires to ‘Forward Your Dream.’

2021 Scholarship Recipients



50

University Students



16

Universities in Indonesia

Along with funding scholarships, Bank provides soft skills education to scholarship recipients through various educational programs such as the Be Smart Program, the Dream Warrior Program, Financial Literacy Webinars, and other educational webinars such as public speaking and branding topics. Scholarship recipients are also invited to participate during the Goes to Orphanage program.



**ADITYA NUR PRASETYO**

2021 CIMB Niaga Scholarship Program Recipient  
Accounting Major - Universitas Brawijaya, Malang

Through social media, I learned about the 2021 CIMB Niaga Scholarship Program, which was currently accepting applications. After completing the selection process, I was selected as one of the CIMB Niaga

I am grateful to have been awarded a scholarship after undergoing a rigorous application process and competing against over 26,000 other applicants. I hope that CIMB Niaga can reach a broader community through its CSR programs, as CIMB Niaga already possesses more than enough necessary capital to be the pioneer of progress in Indonesia.

**BUILDING A CULTURE OF SAVING AND INVESTING**

[FS7] [FS16] [FN-CB-240a.3] [FN-CB-240a.4]

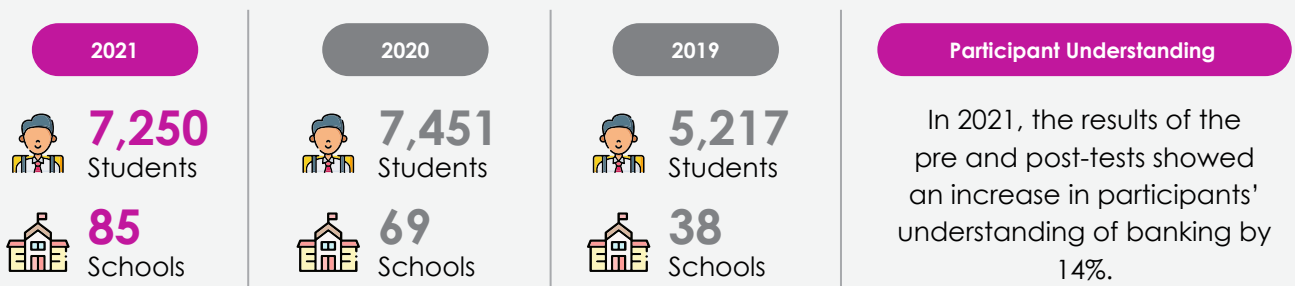
CIMB Niaga supports the Government in achieving its target of 90% financial inclusion by 2024 through financial literacy and inclusion program guided by the Financial Services Authority's (OJK) Regulations, Corporate Social Responsibility Policy No. M.09 and Corporate Social Responsibility Procedure No. M.09.P.01. Ayo Menabung dan Berbagi (AMDB) and Tour De Bank (TDB) are two of these financial literacy and inclusion programs.



**AYO MENABUNG DAN BERBAGI (AMDB)**

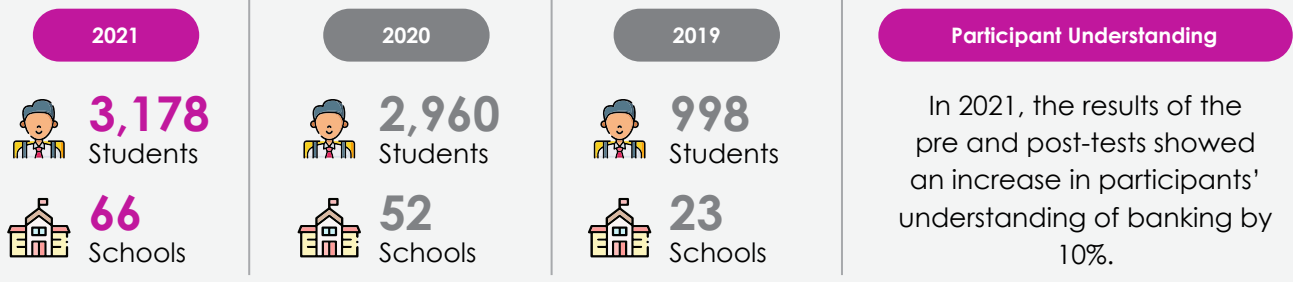
AMDB Program is a financial literacy program for the younger generation that provides presentations on the world of banking and financial planning to students in Junior High School (SMP), High School (SMA), and Vocational High School (SMK). In accordance with the Government's directive

on distance learning, the AMDB program was conducted online in 2021 through a dedicated website that participants could access at any time and from any location. Along with financial literacy, In addition to financial literacy, AMDB also promotes awareness in social and environmental conservation activities through the collection of donations in the form of cash or used plastic bottles.



**TOUR DE BANK (TDB)**

TDB is one of CIMB Niaga's programs to support OJK's regulation on the Financial Literacy and Inclusion activity for Indonesian Students. TDB's mission is to introduce elementary school students to banking tools and their various functions. Participants in the TDB are invited to tour branch offices and become acquainted with the operations of Tellers, Customer Service, Automated Teller Machines (ATM), and other Bank departments. In 2021, the TDB program was also conducted online through a dedicated website, in accordance with the Government's directive on Distanced Learning.



**SAVINGS FOR STUDENTS**

CIMB Niaga introduced various savings products and financial literacy programs for students, including AMDB and TDB. In 2021, CIMB Niaga opened 5,367 savings accounts for students totaling Rp541 million through the AMDB, TDB, and Community Link #JadiPeduli programs.



# #KEJAR MIMPI

## EDUCATION FOR EMPOWERMENT (#KEJARMIMPI GOES TO ORPHANAGE)

[FN-CB-240a.4]

In 2021, CIMB Niaga continued the #KejarMimpi Goes to Orphanage program while adhering to strict health protocols in six foundations located throughout several cities, including Padang, Jakarta, Yogyakarta, Pontianak, Makassar, and Bandung.



Year	#KejarMimpi Program			
	#KejarMimpi Goes to School		#KejarMimpi Goes to Orphanage	
	Total Schools	Total Students	Total Cities	Total Orphans
2021	-	-	6	188
2020	-	-	7	330
2019	9	1,212	-	-



## PROVISION OF BANKING EDUCATION FACILITIES

CIMB Niaga aims to improve the younger generation's knowledge and skills in banking business activities by providing real-world experience through the procurement of Mini Banking Laboratorium devices at the Vocational University of Indonesia (UI) and a Bourse Game Laboratory at the UI Salemba Master of Management, as well as teaching staff.

## SEJUTA BUKU PROGRAM (ONE MILLION BOOKS)

Sejuta Buku is an assistance program to provide students with knowledge and education books. In 2021, CIMB Niaga donated books in six cities, including Padang, Jakarta, Yogyakarta, Pontianak, Makassar, and Bandung.



## THE COMPLETE KAMPUS MERDEKA INTERN

[GRI 2-8]

Kampus Merdeka is a comprehensive career preparation program designed to develop Indonesia's best generation. This program is part of the Ministry of Education, Culture, Research, and Technology of the Republic of Indonesia's Merdeka Belajar (Freedom to Learn) policy, which provides opportunities for students to develop their talents and interests through direct exposure to the world of work as preparation for future careers. The internship program at CIMB Niaga began on 23 August 2021 and ended on 22 February 2022.



# 17,266

students registered for Kampus Merdeka



# 93

interns involved in 38 cross-directorate projects



# 41

universities in Java, Bali, and Kalimantan, as well as several cities in Eastern Indonesia, participated in the Kampus Merdeka program

“

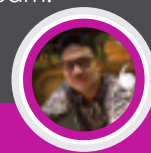
“In my opinion, **the working environment at CIMB Niaga is very pleasant and fun**, the mentor is very kind, the tasks assigned are real, and the mentor always respects the interns' work.”



**Brenda Putri Ramadhanty**  
Universitas Bina Nusantara –  
Marketing Communication  
Culture – Communication  
Intern

“

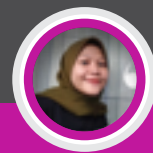
“During my internship, I was taught to always **work with the team, to accept and appreciate** every input from the team, and to be **courageous enough to communicate our ideas and thoughts** to the team.”



**Bagas Julian Utomo**  
Perbanas Institute –  
Engineering Informatics  
System Analyst &  
Programmer Intern

“

“Throughout the project, I was **able to learn about various processes/work systems** that laypeople like me are unaware of.”



**Selvi Minarti**  
Universitas Esa Unggul  
– Universitas Esa Unggul –  
Accounting  
Unit Sales & Contact Center  
Support Intern

## ➤ Pillar 2: Health and Community Well Being

### FOOD DONATIONS AND VACCINATION PROGRAM

As part of CIMB Niaga's contribution in tackling the impact of the COVID-19 pandemic in 2021, CIMB Niaga has donated to several communities directly.



**5,320**

People in vulnerable to COVID-19 have received food packages.



**57,000**

Employees, employees' families, and the general public in several cities in Indonesia have received vaccinations.

### SHELTER RUMAH KITA

The 'Shelter Rumah Kita' program is a joint effort between CIMB Niaga and the Embassy of the Republic of Indonesia (KBRI) to provide shelter/temporary housing for Indonesian citizens/migrant workers in Malaysia who require protection from the Indonesian Embassy due to certain reasons.

### DONATIONS FOR DISASTERS AND RELIGIOUS ACTIVITIES

CIMB Niaga contributes financially to the improvement of public health and welfare. Some of the donations made in 2021 benefitted victims of natural disasters such as earthquakes, floods, and Mount Merapi's eruption. In addition, Bank contributes to religious activities during Ramadan, Eid al-Adha, and Christmas. Bank's donations reached 33,173 beneficiaries.





## ➤ Pillar 3: Economic Empowerment



### COMMUNITY LINK

The Community Link program encourages community to actively improve community welfare and foster good synergy among employees and customers.

#### COMMUNITY LINK PROGRAM #JADIPEDULI

Community Link #JadiPeduli is a program that enables branch office employees to channel their ideas into community service. Due to the COVID-19 pandemic, the #JadiPeduli Community Link program was implemented online through the AMDB and TDB programs. In 2021, 75 branch offices and 1 Enabler Unit participated in the Community Link #JadiPeduli program.

#### COMMUNITY LINK PROGRAM #JADINYATA

Community Link #JadiNyata is a social program that engages customers and the community in identifying and resolving social issues in Indonesia in order to foster the development of a more advanced Indonesia. Community Link #JadiNyata is a social program that engages customers and the community in identifying and resolving social issues in Indonesia in order to foster the development of a more advanced Indonesia. In 2021, 623 participants took part in Community Link #JadiNyata.





**EMPOWERMENT TRAINING FOR PEOPLE WITH DISABILITIES**

CIMB Niaga employs people with disabilities for our banking activities, ensuring equal opportunity for both the disabled and other employees. In accordance with POJK No. 1/POJK.07/2013, CIMB Niaga takes special care to provide various facilities for people with disabilities in order to foster an equal, safe, and comfortable work environment.

Until the end of 2021, CIMB Niaga employed nine people with disabilities at Bank's Contact Center. These individuals receive the same treatment as other employees and are measured based on their performance.

In 2021, CIMB Niaga collaborated with ThisAble Enterprise to host a Barista Training for people with disabilities. This activity drew 20 participants and was conducted in two batches. Along with theoretical discussions about coffee and baristas, participants were allowed to complete a one-month internship at Coffee Sunyi. Three trainees worked successfully as baristas, one worked in the hospitality sector, one worked in a mini cafe, one worked in the retail fashion sector, and 14 others aspired to become entrepreneurs.



**WOMEN EMPOWERMENT TRAINING**

In 2021, CIMB Niaga, in collaboration with the KEHATI Foundation, provided training to 26 mothers at Desa Nginamanu, Kecamatan Wolomeze, Kabupaten Ngada, Flores, Nusa Tenggara Timur as capacity building through bamboo weaving handicrafts. Participants received training from upstream to downstream in order to enable mothers to weave bamboo products such as flower pots and coffee packaging. It is hoped that the training will bring economic benefit for both the participants and the Desa Nginamanu community.

## ➤ Pillar 4: Climate and Environment

CIMB Niaga ensures that no operational activity has an adverse effect on or disrupts biodiversity, including rare flora and fauna protected by the International Union for Conservation of Nature and Natural Resources (IUCN). This concern is addressed through the conservation of bamboo and other supporting activities that contribute to the preservation of local nature while also providing economic and environmental benefits.

### BAMBOO CONSERVATION

Bamboo conservation activities aim to improve the quality of groundwater absorption, prevent erosion in the planting area, and increase the absorption of Greenhouse Gas (GHG) emissions. Potential carbon sequestration of planted bamboos will be evaluated periodically. Potential carbon sequestration reached more than 1,700 tonnes CO<sub>2</sub>e, according to the results of the 2021 analysis. Cumulatively since 2019, bamboo conservation program has been able to contribute positively to climate mitigation action

through carbon absorption for more than 4,000 tonnes CO<sub>2</sub>e.

Since 2011, CIMB Niaga has partnered with the Biodiversity Foundation (KEHATI) in its bamboo conservation activities, and until 2021, CIMB Niaga has planted 30,400 bamboos, including Black Bamboo (*Gigantochloa atroviolacea*), Tabah Bamboo (*Gigantochloa nigrociliata* (Buese) Kurz), and Betung Bamboo (*Dendrocalamus asper*).

### LIHAT KEBUNKU PROGRAM

The Lihat Kebunku Program demonstrates CIMB Niaga's commitment to environmental preservation. This program invites CIMB Niaga employees to participate in gardening activities at their homes as a means of preserving the environment and increasing productivity and self-relaxation during the COVID-19 pandemic.



Michael Ridwan Sudiono  
Fruit Category



Windy Wahyuni  
Vegetable Category



Andri Johannes  
Ornamental Plants Category



Veronica Tania Lie  
Medicinal Plants Category

## ➤ Realization of Corporate Social Responsibility (CSR) Fund

Realization of CSR Fund (Rp millions)

CSR Pillars	2021	2020	2019
Education	8,329	10,146	17,236
Health & Community Well Being	14,593	7,211	1,662
Economic Empowerment	3,743	4,857	4,552
Climate & Environment	1,482	820	994
Others	4,218	5,013	4,507
<b>Total</b>	<b>32,365</b>	<b>28,046</b>	<b>28,951</b>

## ➤ Realization of Qardhul Hasan Fund



Details of data or other supporting information relating to or referencing **Pillar 3: Corporate Social Responsibility (CSR)** from the last three years can be accessed via the QR Code or can be found in Annual Report 2021.



## Pillar 04



# Governance and Risk



“

Bank recognises the importance of sustainability risks associated with deforestation, human rights, waters, and marine issues, and thus the importance of Sustainability Due Diligence and Enhanced Sustainability Due Diligence processes, as well as the evaluation of Sector Guidances.



## **VISION** For Sustainable Finance

[SUSBA 1.1.1.1]

To be the leading ASEAN company that embraces the harmony of economic, social, and environmental aspects.

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## **MISSION** of Sustainable Finance

Conduct sustainable business activities that results in continuous and integrated growth.

# Sustainability Governance

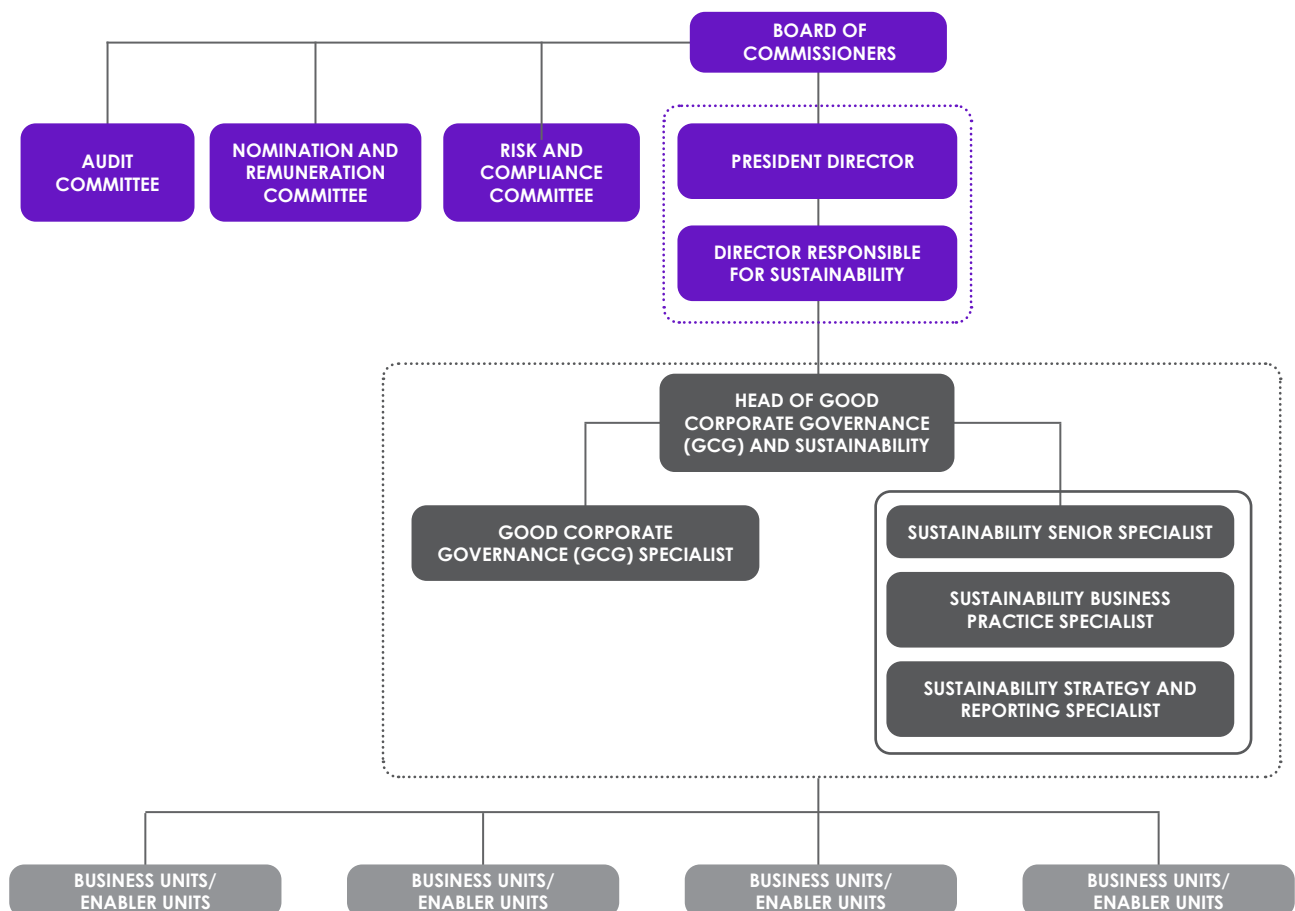
[GRI 2-9][GRI 2-11][GRI 2-12][GRI 2-13][SUSBA 1.4.1.7]

Bank is aware of the global economic challenges posed by climate change, particularly in Indonesia. As a financial services provider, CIMB Niaga plays a vital role in climate mitigation and adaptation actions by developing governance that refers to the Task for Climate-related Financial Disclosure (TCFD) to achieve Bank's Net Zero 2050 target. CIMB Niaga has adjusted the scope of the Good Corporate Governance & Sustainability Work Unit by referring to

the TCFD framework. This work unit is responsible for mapping and classifying internal business activities in accordance with the risk posed by climate change. Furthermore, to mitigate the negative impacts and forms of adaptation actions associated with climate change, Bank will develop a strategy that includes risk profile adjustment for extreme climate-related events.

## SUSTAINABILITY GOVERNANCE BODY AT CIMB NIAGA

[SUSBA 1.4.1.7]



**NOTE**

  Supervision

  Implementation

  Good Corporate Governance Sub-Directorate (GCG and Sustainability)

  Supporting/Coordination

  Board of Directors

  Sustainability Work Unit

Board of Commissioners is the highest governance body, followed by President Director, Director of Compliance, Corporate Affairs, and Legal Director and Head of Good Corporate Governance & Sustainability, who supervises GCG and Sustainability Specialists. Board of Directors is responsible for implementing the principles of sustainable finance and ensuring its sustainability in economic, social, environmental, and governance aspects. Board of Directors is directly supervised by Board of Commissioners. Audit Committee assists Board of Commissioners in ensuring that Board of Directors adheres to sustainability principles at CIMB Niaga, per the Audit Committee Charter 2020. The development of Audit Committee Charter has also considered sustainability matters. Detailed explanation regarding the duties and responsibilities of the Audit Committee can be found in the Attachment to Pillar 4

#### **DUTIES AND RESPONSIBILITIES OF THE HIGHEST GOVERNANCE BODY FOR SUSTAINABILITY AND SUSTAINABLE FINANCE**

[GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-19] [SUSBA 1.1.2.2] [SUSBA 1.4.1.2] [SUSBA 1.4.1.6] [SUSBA 1.4.1.7]

Corporate governance is the fundamental tenet of managing an organization with ethics, integrity, and accountability in order to foster stakeholder trust. In addition, Bank already has Board of Commissioners Charter 2019 which has accommodated sustainability matters in the duties and responsibilities of Board of Commissioners as well as Nomination and Remuneration Committee Charter 2020, which has also considered sustainability matters in the committee duties and responsibilities related to nomination and remuneration of the Board of Commissioners and the Board of Directors. Detailed explanations regarding the duties and responsibilities of the Board of Commissioners and the Nomination and Remuneration Committee can be found in Pillar Attachment 4.

Board of Directors duties and responsibilities in relation to sustainable finance principles and sustainability implementation aspects include the following:

- Ensuring that the sustainability strategy is in line with Bank's overall strategy



- Approving Policies and Procedures related to sustainability aspects and sustainable finance principles
- Preparing the RAKB to be submitted to OJK after obtaining approval from the Board of Commissioners
- Conducting periodic reviews to evaluate sustainability performance and sustainable finance

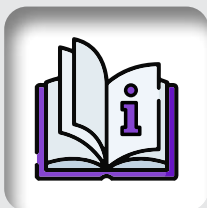
Compliance, Corporate Affairs, and Legal Director has duties and responsibilities for sustainable finance principles and sustainability implementation aspects within Bank, including the following:

- Leading the preparation of the Sustainable Finance Action Plan (RAKB)
- Ensuring that the RAKB is aligned with the vision and mission
- Coordinating, evaluating, and following up the implementation of the RAKB periodically
- Ensuring the implementation of adequate frameworks, policies, methodologies, procedures and/or controls to mitigate sustainability risks (e.g., environmental and social risks, human rights-related risks, and climate change-related risks)

- Supervising and ensuring the implementation of sustainable activities/initiatives in line with Bank's strategy
- Paying attention to and providing input on the sustainability report

The duties and responsibilities of GCG & Sustainability Work Unit related to the sustainability implementation and sustainable finance principles include the following:

- Proposing and ensuring that the vision and mission of sustainable finance is reviewed periodically and is in line with Bank's vision and mission
- Developing the Sustainability and Sustainable Finance policies
- Preparing the RAKB to be submitted to regulators
- Supervising the RAKB implementation for the development of sustainable financial products/ services, capacity building, and internal adjustments by Bank
- Undertake initiatives and supervise the implementation of sustainability culture and activities/initiatives in Bank's internal environment
- Increasing awareness of sustainable finance practices and culture in Bank
- Ensuring communications take place with stakeholders on the implementation of sustainable finance
- Mapping business segments that have a climate change risk and categorizing financing to high, medium, or low-risk groups.



Detailed description and disclosure of information regarding Corporate Governance; nomination and remuneration criteria for Board of Directors (BoD) and Board of Commissioners (BoC); authorities of the GMS; duties and responsibilities of Board of Directors and Board of Commissioners; as well as Audit Committee and Nomination and Remuneration Committee Charter are presented in Annual Report 2021, which is prepared separately from this Report but is complementary.

[GRI 2-9] [GRI 2-10] [GRI 2-15] [GRI 2-17] [GRI 2-18] [GRI 2-19] [SUSBA 1.4.1.5] [SUSBA 1.4.1.6] [SUSBA 1.4.1.7]

## MANAGEMENT REVIEW OF SUSTAINABILITY PERFORMANCE

[GRI 2-12] [GRI 2-13] [SUSBA 1.4.1.1] [SUSBA 1.4.1.2] [SUSBA 1.4.1.3] [SUSBA 1.4.1.6] [SUSBA 1.4.1.7] [SUSBA 1.4.2.1]

As mentioned in Board of Directors Charter, Board of Directors is responsible for paying attention to economic, social, environmental, and governance when developing a business strategy and carrying out business activities consistent with sustainable banking principles. CIMB Niaga's entire Board of Directors are responsible for Sustainable Finance Action Plan (RAKB) implementation. Compliance, Corporate Affairs, and Legal Director has been appointed as the Director responsible for implementing the RAKB, as well as monitoring and evaluating its implementation.

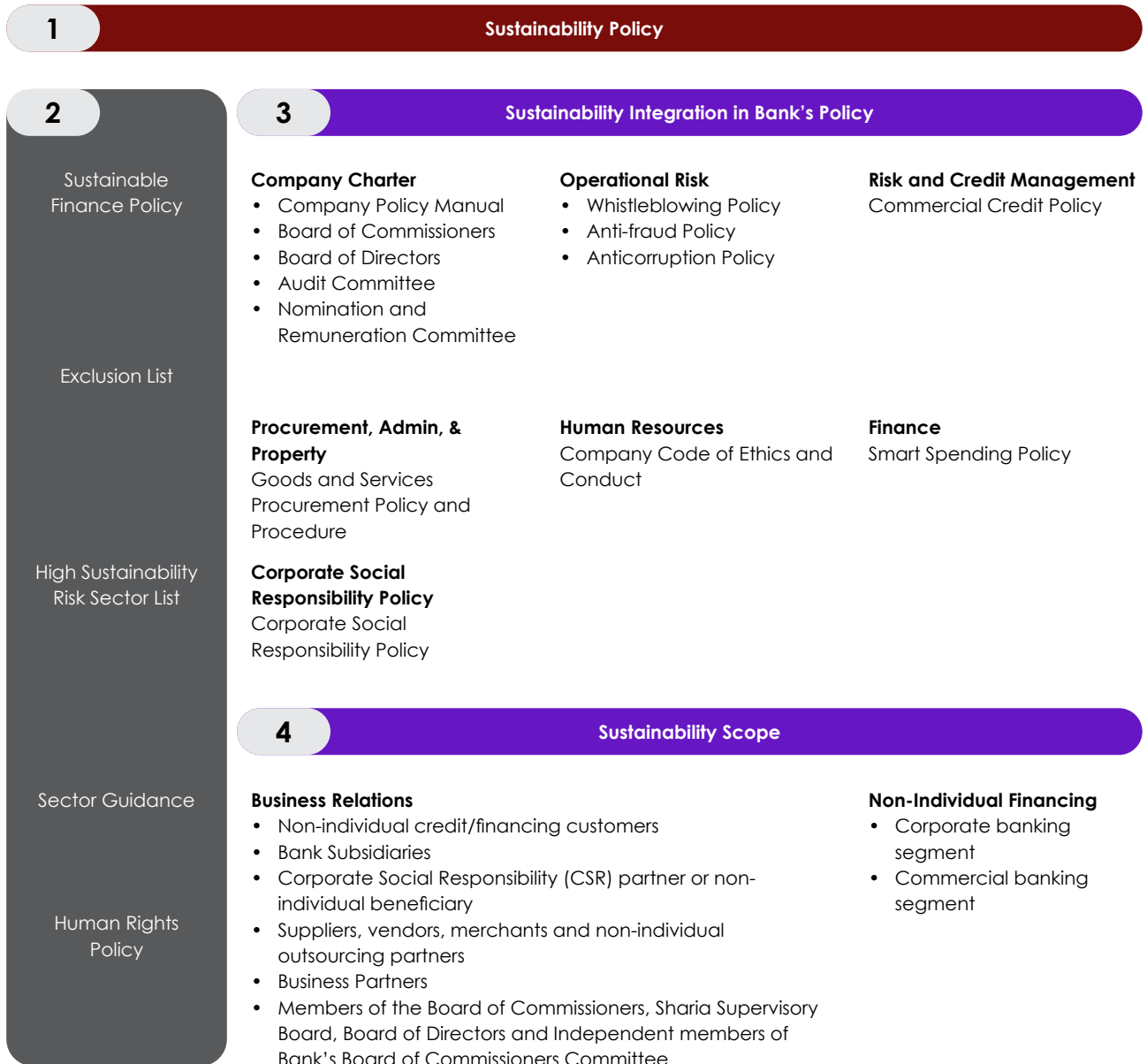
Board of Directors submits the RAKB proposal for input and approval from the Board of Commissioners. Board of Commissioners and/or Audit Committee

conducts reviews of the RAKB provided by the Board of Directors, particularly on the results of sector mapping and sustainable finance risks. Through this evaluation process, the Board of Directors and the Board of Commissioners ensure the implementation of the sustainability strategy, KKUB portfolio performance growth, and sustainable finance risk mitigations have been carried out properly. During 2021, there were no significant findings in the RAKB implementation that needed to be communicated to the Board of Commissioners.

In addition, Board of Directors is responsible for approving Sustainability Policy and Sustainable Finance Policy, as well as ensuring that the sustainability strategy is implemented effectively. Board of Directors will periodically receive and evaluate KKUB portfolio and sustainable risk management reports for each business sector.



# ➤ Sustainability Risk Approach Framework





## ➤ Environmental Risk Approach

### KEY ENVIRONMENTAL AND SOCIAL CONSIDERATIONS FOR ASSESSING RISK

[SUSBA 1.2.1.6][SUSBA 1.6.1.1]

Bank understands that sustainability risks related to deforestation, human rights, waters, and marine issues are important issues. An assessment of these issues has been carried out in the SDD and ESDD processes including fulfillment to Sector Guidance.

**Sustainability Due Diligence Process evaluates material sustainability risks from two perspectives:**

The environmental and social risks that the customers and its operations are exposed to, due to considerations such as the nature of its activities, geographical location, supply chain and raw material production impacts, among others. A key aspect of consideration includes climate-related physical and transition risks and mitigation actions that are being pursued



The environmental and social risks arising from the financed activity. This includes specific project-related risks and related landscape impacts, and includes an assessment of the client's sustainability commitments, policies, performance, track record, and reputation.

## Environmental Risks

	Climate Change	<p>Business activities that may be impacted by climate change leading to business disruption and/or negative financial impacts in the future. This could include:</p> <ul style="list-style-type: none"> <li>• Physical risks such as floods, droughts and other extreme weather events, either impacting the business activity itself or via the supply chain; and</li> <li>• Transition risks in moving towards a low-carbon economy, such as regulatory changes, carbon pricing and shifting away from fossil fuels.</li> </ul>
	Deforestation	<p>The risk arising from developments and other industrial activities on forested areas, including those designated as national or state reserves and high conservation value (HCV)/high carbon stock (HCS) areas as assessed by a credible technical assessor.</p>
	Biodiversity Loss	<p>The risk arising from activities that occur within or near areas of high biodiversity that may impact endemic or endangered species of flora and fauna.</p>
	Inland and Marine Environment	<p>The risk arising from activities that impact inland and marine ecosystems that may cause loss of biodiversity.</p>
	Energy Use	<p>The risk arising from high or inefficient use of energy in the form of electricity and other energy sources.</p>
	Water Scarcity	<p>The risk arising from activities conducted at areas of water scarcity and where developments could impact water availability through changes in the natural landscape.</p>
	Waste and Pollution	<p>The risk arising from inadequate management of waste and by-products, leading to air, terrestrial, freshwater, brackish water and/or marine pollution.</p>

## Social Risks

	Institutional Integrity	<p>The risk arising from poor management practices that may result in non-fulfilment of sustainability policies and commitments and negative environmental and social impacts.</p>
	Human Rights and Labour Issues	<p>The risk arising from activities impacting employees, including working conditions and benefits, fair wages, contractual agreements, right to form associations, and provision of basic needs including housing, access to water, healthcare and education, among others.</p>
	Health and Safety	<p>The risk arising from unsafe working conditions, including lack of provision of personal protective equipment, policies and procedures on workplace safety, and adequate medical coverage.</p>
	Negative Impacts on Communities	<p>The risk arising from activities that impact inhabited areas, including the Free, Prior and Informed Consent (FPIC) of communities impacted by business activities.</p>

# ➤ Social & Human Rights Risks Approach

## Human Rights Policy

**“Bank recognizes that all human rights principles and other matters related to human rights are inseparable and indivisible.”**

## Human Rights Principles

Several human rights principles (UN 2005) advanced by Bank include the following: a) are universal and cannot be revoked; b) are indivisible; c) are interdependent and interconnected; d) equality and non-discrimination; e) participation and inclusion; f) accountability and the rule of law. Along with these principles, Bank supports and strives to promote and uphold the United Nations Global Compact's (UNG) principles.

## Bank's Respect for Various Aspects

Employment	Customers and non-individual business relations	Community
<ol style="list-style-type: none"> <li>1. Bank upholds fundamental labor rights and prioritizes equality without regard for ethnic origin, religion, race, gender, between groups, social status, or other discriminatory characteristics that have the potential to violate human rights.</li> <li>2. Bank ensures that no child labor or forced labor is used in Bank's internal labor practices or business relations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bank's policies and procedures for financing activities, fundraising, investing, and other banking business activities are always guided by human rights principles.</li> <li>2. Bank does not finance and/or conduct business with companies that violate human rights and/or are listed on the Exclusion List.</li> <li>3. Bank performs sustainability due diligence on its customers and business relations in connection with funding activities such as fundraising, investing, and other banking business activities.</li> <li>4. Bank pays attention to human rights and customer data security when developing facilities, products, and services.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bank respects the rights and participation of the community and strives to prioritize local wisdom in its business activities.</li> <li>2. Bank strives to promote and uphold the principle of Free, Prior, and Informed Consent (FPIC) when dealing with local and indigenous communities and peoples.</li> </ol>

## Human Rights Mechanism

[GRI 2-26]

Bank has a Sustainability Due Diligence process to identify and assess risks associated with social and human rights issues affecting customers and business relations. Bank's policy and Code of Ethics & Conduct ensure that no human rights violations occur during Bank's operational activities and that a grievance mechanism is available in the event of a potential or actual violation of human rights. Bank is committed to responding promptly and appropriately whenever incidents of human rights violations occur in the course of Bank's operational activities. Bank provides a complaint channel through a third-party-managed whistleblowing system (WBS). This is done to ensure the whistleblower's protection and confidentiality, as well as the open disclosure of human rights violations. If there are instances of human rights violations, Bank will communicate openly with stakeholders about the progress of the case and its resolution via various communication channels, one of which is the Sustainability Report.

## ➤ Climate Change Risk Approach

[201-2] [SUSBA 1.1.1.5] [SUSBA 1.2.1.8] [SUSBA 1.2.2.2] [SUSBA 1.6.2.8]

The impact of climate change risks affecting the economy, disrupting business processes, causing damage to assets, and resulting in a global decline in the quality and quantity of natural resources, agricultural products, and commodities. In response to these risks, Bank has developed its business strategy by incorporating the core elements of the Taskforce for Climate-related Financial Disclosure (TCFD). Throughout 2021, there were no disasters that affected business processes and threatened the health of CIMB Niaga employees.

Bank has developed a "High Sustainability Risk Sector List" to manage climate change risks by identifying sectors that may be impacted by climate change, including agriculture, forestry, and other land use (AFOLU). The document was drafted using the scientific method and incorporated references from the latest international publications, including the Intergovernmental Panel on Climate Change (IPCC), United Nations Framework Convention on Climate Change (UNFCCC), and Science Based Target Initiative (SBTi). The findings of the study indicate the degree to which each sector is vulnerable to sustainability risks, such as climate change and water scarcity.

Additionally, Bank continues to engage in dialogue with stakeholders, both internally and externally, by allocating funds to support sustainability literacy efforts, including those related to climate change. Up to the end of 2021, Bank allocated special budget funds for climate change adaptation and mitigation financing through the Sustainability-linked Loan/Financing and Sustainable Finance program schemes.



“

“Recognizing the risks of climate change, CIMB Group is one of the 38 members of UNEP FI, where CIMB Niaga, as part of CIMB Group, supports the collective commitment to Climate Action and aligns business strategies with the Paris Agreement goals target towards a low carbon economy.”

# ➤ Climate Change Risk Approach - Transition And Physical Risk

[SUSBA 1.6.1.2]

Source of Risk			Examples of Potential Impacts
Risk Category	Type of Risk	Example of Risk	
Transition Risk	Policy and Legal Risk	<ul style="list-style-type: none"> <li>• Policy and regulatory changes, e.g., GHG emission reduction policies including carbon taxation, outright bans on carbon-intensive activities.</li> <li>• Legal liabilities (e.g. class action on companies that cause haze pollution).</li> </ul>	Lower corporate profitability (e.g., due to increase in energy prices) and increased legal action
	Technology Risk	<ul style="list-style-type: none"> <li>• Accelerated obsolescence of higher emission technologies, replaced with new low-carbon technologies</li> <li>• Sudden rush of capital expenditures on unproven low-carbon technologies</li> </ul>	Corporate devaluation or premature asset write-downs (e.g., closure of coal-fired power plants due to lower cost of renewable energy)
	Market risk	<ul style="list-style-type: none"> <li>• Shifts in customer preferences</li> <li>• Increases cost of raw materials or inputs, leading to higher production cost</li> <li>• Reduced valuation of assets such as fossil fuel reserves</li> </ul>	Lower household wealth and higher inflation (e.g., rising living costs due to carbon cost pass-through and lower corporate profitability)
	Reputational risk	<ul style="list-style-type: none"> <li>• Negative stakeholder perception, concern or feedback on carbon intensive sectors</li> <li>• Customers shunning brands that are perceived to be associated with contributing to the climate crisis</li> </ul>	Rising public scrutiny on corporate's unsustainable behaviors and potential drastic loss of customers, impact on profitability
Risiko Fisik	Acute	<ul style="list-style-type: none"> <li>• Increased frequency and severity of extreme weather events such as floods and droughts</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced, or complete loss of residential and commercial property values in affected areas, and increase in prices of property in higher elevations</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>• Long term shifts in weather patterns, including mean temperature, precipitation, and sea level</li> </ul>	<ul style="list-style-type: none"> <li>• Operational disruptions resulting in income loss (e.g., due to water shortages)</li> </ul>

## ➤ Climate Change Risk Approach - Risks Associated To Banking Industry

Banking Industry Risk Related to Climate Change		
Risk type	Examples of Risk	Potential Time Horizon of Risk
Credit Risk	➤ Impact on the repayment capacity of the customers, leading to a possible increase in the default rates	Medium-(1-5 years) to long-term (>5 years)
Market Risk	➤ High volatility and potential abrupt decline in the value of climate-Incompatible securities underwritten or held by Bank	Medium-(1-5 years) to long-term (>5 years)
Liquidity and Funding Risk	➤ <ul style="list-style-type: none"> <li>Inability of customers to repay their facilities as contracted, which in turn affects Bank's Cash flow requirements</li> <li>Significant withdrawals of deposits from customers to fund capital expenditures in low-carbon technology or to recover from damages caused by extreme events</li> </ul>	Medium-(1-5 years) to long-term (>5 years)
Reputational Risk	➤ <ul style="list-style-type: none"> <li>Reputational repercussion due to Bank's financing of carbon-intensive sectors such as coal</li> <li>Poor stakeholder confidence in Bank's sustainability efforts and ability to manage its exposure to climate-related risks</li> </ul>	Short-(<1 year), medium-(1-5 years) to long-term (>5 years)
Strategic Risk	➤ Losing competitiveness, market share, and attractiveness to investors due to inability to shift away from financing brown to green financing portfolios	Medium-(1-5 years) to long-term (>5 years)
Capital Risk	➤ Inadequate capital to cater for climate-related risks, which may result in the inability to absorb losses, maintain public confidence, and support the competitive growth of the business	Medium-(1-5 years) to long-term (>5 years)
Operational Risk	➤ Operational disruption caused by physical risk which can impact income loss	Medium-(1-5 years) to long-term (>5 years)
Legal Risk	➤ Risk due to lawsuits and/or weaknesses in the juridical aspect due to laws and regulations related to climate	Medium-(1-5 years) to long-term (>5 years)
Compliance Risk	➤ Inability for Bank to comply with regulations related to climate change and sustainable finance	Short-(<1 year), medium-(1-5 years) to long-term (>5 years)
Intra-Group Transaction Risk	➤ Risk due to the dependence of an entity, either directly or indirectly, on other entities in one Financial Conglomerate in the context of fulfilling written and unwritten agreement obligations, whether followed by a transfer of funds or not. This risk is related to the transitional risk	Medium-(1-5 years) to long-term (>5 years)
Rate of Return Risk	➤ Impact on Bank's income due to changes in the rate of return or its volatility that may be caused by climate change	Short-(<1 year), medium-(1-5 years) to long-term (>5 years)

## ➤ Sustainability Policy and Strategy Development

[GRI 2-23] [FS1] [SUSBA 1.2.1.14] [SUSBA 1.2.2.4] [SUSBA 1.3.2.6]

As part of its commitment to advancing sustainability, Bank develops a Sustainability Policy and Procedure aligned with the five pillars of CIMB Niaga's sustainability strategy and incorporates the sustainable finance vision and mission. These five sustainability pillars serve as the foundation for the 2030 sustainability work plan, which outlines the framework, strategy, and implementation approach for effective risk management. These risks encompass credit and non-credit risks, including financing, investment, procurement, and supply chain management.



### **Sustainability Policy No. M.08 and Sustainability Procedure No. M.08.P.01.**

This policy and procedure have a fundamental impact on how Bank implements sustainability, particularly with regard to non-financial activities. This policy covers business relations with the following parties: a) Non-individual financing customers; b) Bank subsidiaries; c) Non-individual partners in Corporate Social and Environmental Responsibility (CSR) programs; d) Non-individual suppliers, vendors, merchants, and outsourcing partners; e) Business Partners; and f) Members of the Board of Commissioners, Sharia Supervisory Board, Board of Directors, and Independent members of the Board of Commissioners Committee.

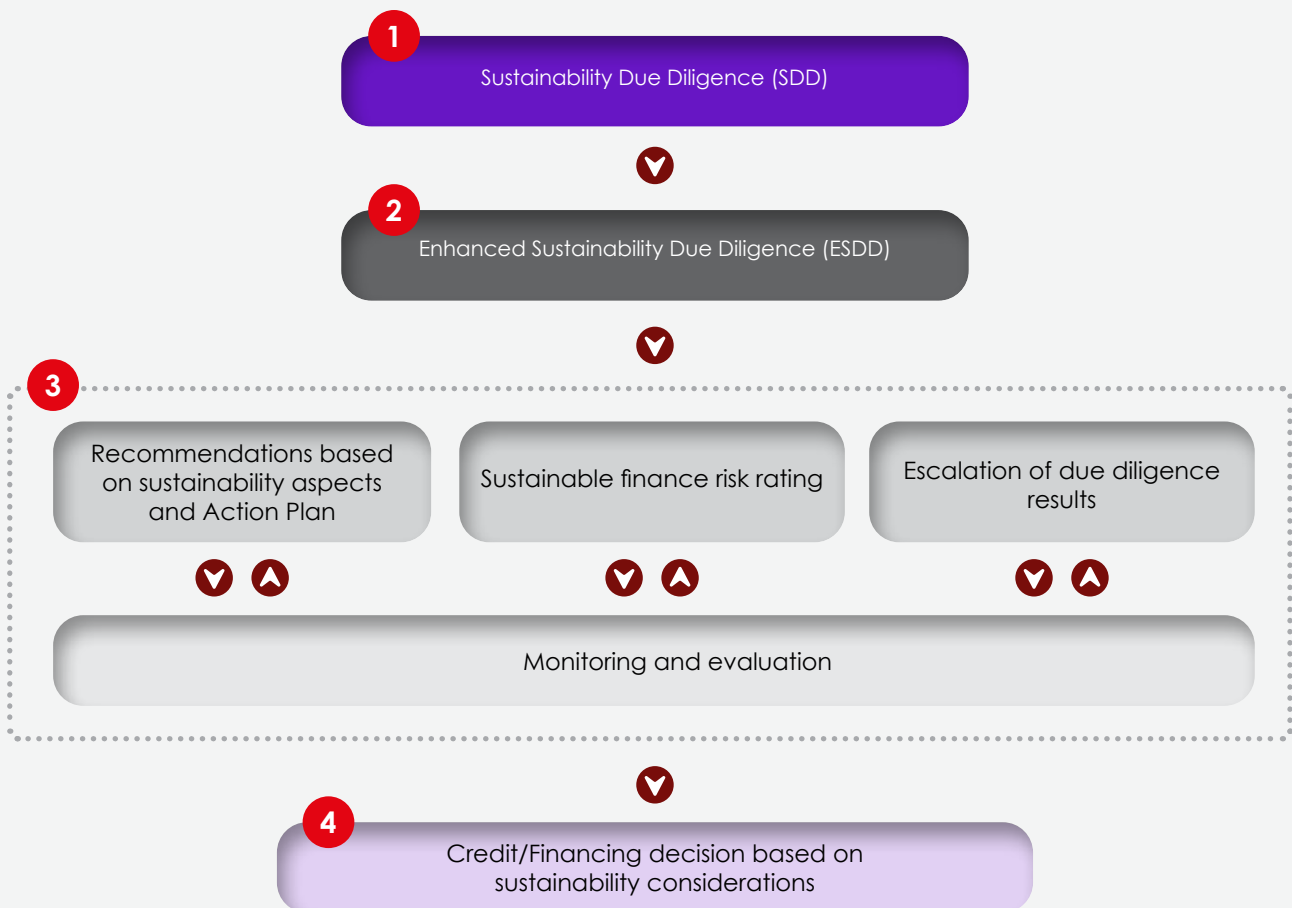
### **Sustainable Finance Policy No. M.10 and Sustainable Finance Procedure No. M.10.P.01.**

The Sustainable Finance Policy serves as the foundation for Sustainable Business (Pillar 2). Bank supports this policy with two documents, the 'Exclusion List' and 'Sector Guidance'. The Sustainable Finance Procedure serves as a guide for performing 'Sustainability Due Diligence' and 'Enhanced Sustainability Due Diligence'. This is one way in which Bank works to identify, quantify, monitor, and control environmental, social, and governance (ESG) risks. The Sustainable Finance Policy and Procedure are updated at least every two years, in line with Bank's Manual Framework Policy.



# ➤ Sustainability Due Diligence Mechanism

[GRI 2-16] [FS2] [FS3] [SUSBA 1.2.1.1] [SUSBA 1.2.1.10] [SUSBA 1.2.1.12] [SUSBA 1.2.1.13] [SUSBA 1.3.1.1] [SUSBA 1.3.1.2] [SUSBA 1.3.1.4] [SUSBA 1.3.1.5] [SUSBA 1.3.2.2] [SUSBA 1.3.2.3] [SUSBA 1.3.2.4] [SUSBA 1.3.2.5]



Mechanism 1 = SDD is performed by responding to a series of questions pertaining to environmental, social, and human rights issues. Inspections are also conducted on the Exclusion List, High Sustainability Risk Sector List, and the Sustainability Watchlist. Mechanism 2 = ESDD is used to dive deeper into environmental/social issues and/or other issues affecting sectors with a high risk of sustainability. Furthermore, inspections are conducted to ensure that the Sector Guidance criteria are fulfilled. Sector Guidance is Bank's effort to support debtors/prospective debtors in increasing the positive impact of environmental/social aspects. Mechanism 3 = Bank may issue a recommendation in the form of a time-bound Action Plan that meets Bank's sustainability criteria. Action Plan must be fulfilled by debtors/potential debtors and cited in the credit agreement. The Executive Credit Committee (ECC), Board of Directors, and/or Board of Commissioners will receive reports on the recommendations and action plans issued, as well

as the results of financing decisions. Bank will periodically monitor and evaluate all Action Plans that have been issued periodically during annual credit review. Mechanism 4 = Credit Approver makes all financing decisions in accordance with the authority of the financing limit, taking credit and sustainability considerations into account. The Executive Credit Committee (ECC), Board of Directors, and/or Board of Commissioners will receive reports on the outcomes of financing decisions and action plans issued.

Detailed information relating to or referencing Exclusion List can be found via the following website link: <https://investor.cimbniaga.co.id/sustainability/home.html> [SUSBA 1.2.1.7]

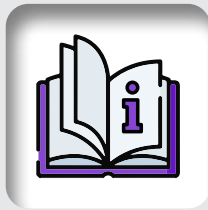
## SUSTAINABILITY RISK MANAGEMENT

[SUSBA 1.4.1.4]

To manage risk comprehensively, CIMB Niaga adopts Enterprise-Wide Risk Management (EWRM) framework that is proactive and forward-looking in nature to maximize returns. Risk is managed within the EWRM framework by aligning risk appetite with business strategy. Effective governance has increased the four eyes principle mechanism and transparency throughout the risk management process. Risk management is ingrained in the operational activities, culture, and decision-making processes of an organization. Risk management applies the three lines of defense concept, which includes environmental and social risks at daily operational level. This also applies to the Board of Directors members, senior management, and employees at all levels.

## BUILDING A CULTURE OF SUSTAINABILITY

CIMB Niaga is engaged in various initiatives to foster a culture of sustainability within Bank. This is accomplished by amending and incorporating sustainability principles into Board of Commissioners and Board of Directors Charters, as well as Bank's Code of Ethics and Conduct and other internal policies. Sustainability education has also been conducted via e-mail blasts and organizing sustainability-themed employee activities. Additionally, CIMB Niaga implements Bank's Sustainability Policy and Sustainable Finance Policy by conducting Sustainability Due Diligence on Bank's business activities.



Complete information on risk management can be found in Annual Report CIMB Niaga 2021.



# ➤ Sustainability Governance Based on TCFD

Governance	Strategy	Risk Management	Metrics and Target
<ol style="list-style-type: none"> <li>1. Bank has formed GCG &amp; Sustainability Work Unit supervised by the Director Responsible for Sustainability</li> <li>2. Bank implements the RAKB</li> <li>3. Bank has developed Sustainability Policy</li> <li>4. Bank conducts Sustainability Due Diligence process.</li> <li>5. Studies on climate-related opportunities and risks are submitted periodically to relevant parties in the Sustainability Governance Body.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bank implements Sustainability Due Diligence mechanism.</li> <li>2. Bank has a strategy for identifying climate change opportunities and challenges through an internal carbon pricing study and applying to the Green Climate Fund to become a Direct Access Entity Green Climate Fund (GCF) for Indonesia.</li> </ol>	<ol style="list-style-type: none"> <li>1. Including climate change risk as one of the considerations for assessing financial and non-financial risks.</li> <li>2. Including aspects of climate change in the Sustainability Due Diligence.</li> <li>3. Raising awareness of the risks of sustainability and climate change to Bank internally and debtors.</li> <li>4. Identifying potential climate change-related risks in oil palm plantations through case studies.</li> <li>5. Developing a financing risk profile scenario for the effects of climate change (climate scenario), such as Partnership for Carbon Accounting Financials (PCAF) methodology.</li> <li>6. Monitoring and evaluating climate-related risks are submitted periodically to relevant parties in the Sustainability Governance Body.</li> </ol>	<ol style="list-style-type: none"> <li>1. Analysis of the Greenhouse Gas (GHG) emissions generated and their reduction targets.</li> <li>2. Identifying portfolios/ groups of debtors that impact climate change through the GHG emissions generated.</li> <li>3. Sustainability Due Diligence conducted on Bank's portfolio.</li> <li>4. CIMB Niaga, as part of CIMB Group, has committed to climate finance through:                     <ol style="list-style-type: none"> <li>a. Net Zero in 2050</li> <li>b. Coal financing phase-out in 2040</li> <li>c. Increase sustainable financing to RM30 billion (~Rp101 trillion) by 2024</li> </ol> </li> </ol>

Description	GHG (Scope 1 & 2)			
Target	Intensity Reduction (absolute) (based on baseline study 2019)			
	2021	2022	2023	2024
(emissions intensity)	2%	12%	18%	24%

Description	Climate adaptation action			
Target	Debtor evaluation using the Sustainable Due Diligence mechanism with adjustments made to climate change aspects.			
	2021	2022	2023	2024
Corporate Banking	Corporate Banking	Corporate and Commercial Banking	Corporate and Commercial Banking	Corporate and Commercial Banking

## ➤ Ethical Business

CIMB Niaga has Code of Ethics and Conduct No. A.07.01 that serves as a guide for all CIMB Niaga personnel in regards to professional conduct and carrying out their responsibilities with the utmost integrity. CIMB Niaga's Code of Ethics and Conduct contains detailed information on CIMB Niaga's Annual Report 2021.

### ANTICORRUPTION AND ANTI-FRAUD POLICY

[205-1] [205-2]

Bank recognizes the important nature of anticorruption and anti-fraud policies, which are inextricably linked to financial transaction activities. To help achieve its goal of zero fraud, CIMB Niaga developed a Declaration of Integrity Pact, Code of Ethics, and Anticorruption Commitment, all of which are available on Bank's website. On May 3, 2021, the Board of Commissioners and the Board of Directors signed a declaration referencing the Anti-Fraud Policy, Employee Policy, and Anticorruption Policy. Bank has not yet assessed the operational area associated with corruption risk in 2021.

Anticorruption and anti-fraud apply to all parties, including the Board of Commissioners, Board of Directors, employees, and external parties who work for and on behalf of Bank. Anticorruption and anti-fraud socialization were carried out through email blasts, whistleblowing websites, electronic communication with all vendors, and posters in Bank's working areas. In 2021, Bank developed anticorruption, code of ethics, and anti-fraud training modules to increase employee awareness and attest to the adherence of employees to the Integrity Pact, Code of Ethics, and Anticorruption Commitment.

Throughout 2021, CIMB Niaga conducted anti-fraud awareness training for 3,220 employees or 28.8% of total employees. Additionally, CIMB Niaga socialized the Anticorruption Policy via an e-mail blast to all employees (100%), including Board of Commissioners and Board of Directors members. Bank will conduct anticorruption policy training in the coming year, inviting senior management and business partners to participate.



### Anti-fraud Awareness Training Participants

[GRI 2-27] [205-2] [205-3] [FN-CB-510a.1]

**2021**  
**3,220**  
Employees

2020  
**3,554**  
Employees

2019  
**2,829**  
Employees

CIMB Niaga has established a dedicated Anti Fraud Management (AFM) Work Unit responsible for implementing an anti-fraud strategy in accordance with Bank Indonesia Circular Letter No.13/28/DPNP Year 2011 on the Implementation of Anti-Fraud Strategy for Commercial Banks. Based on the results of the AFM Work Unit's evaluation on the prevention of fraud and corruption throughout 2021, five cases of fraud incidents were identified with a total loss of more than Rp100 million. However, none of the cases were pursued through the legal system. The results of follow-up reports submitted through the whistleblowing service system also contribute to discovering fraud case findings.

**Fraud Case Resolution**

Internal Fraud Case	Total Cases Committed by Permanent Employees		
	2021	2020	2019
Resolved	3	3	4
In Bank's Internal Settlement Process	2	3	0
Not Yet Resolved	0	0	0
Followed up Through a Legal Process	0	0	1
<b>Total Frauds</b>	<b>5</b>	<b>6</b>	<b>5</b>

Note: The table shows cases with a nominal value >Rp100 million.

**GRIEVANCE MECHANISM**

[GRI 2-26] [SUSBA 1.4.18]

CIMB Niaga has established a whistleblowing system (WBS) administered by an independent and professional third party, namely PT Deloitte Advis Indonesia. The management of independent parties is carried out to ensure that the whistleblower's protection and confidentiality are maintained and that violations can be reported more freely and without hesitation. The WBS policy is based on OJK Regulation No.39/POJK.03/2019, which requires commercial banks to implement an anti-fraud strategy. Additionally, Bank has an internal policy regarding the whistleblowing system, detailed in Whistleblowing Policy No. E.08.

Internal and external parties can report any violation to CIMB Niaga through the following communication channels:

**Communication Channels Managed by Internal CIMB Niaga**

📞 0878 296 52767 (0878 AYO LAPOR)  
 ✉️ ayo.lapor@cimbniaga.co.id

**Communication Channels Managed by Independent Parties**

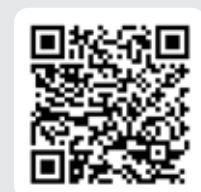
🌐 <https://ayolapor.tipoffs.info>  
 📧 ayolapor@tipoffs.info  
 📞 14031  
 📱 +62 822 113563636  
 📞 +62 21 2856 5231  
 📧 Ayo Lapor PO BOX 3331 JKP 10033

**TOTAL WHISTLEBLOWING REPORTS RECEIVED AND HANDLED**

[FN-CB-510a.2]

In 2021, the whistleblowing service received 133 reports, a decrease of 3.6% from 2020. Throughout 2021, Bank has completed 27% of investigations (36 reports), with 30 of those reports proving valid. CIMB Niaga Annual Report 2021 contains comprehensive information on the complaint handling mechanism, whistleblowing system, and APU & PPT.

Details of data or other supporting information relating to or referencing **Pillar 4: Governance and Risk** from the last three years can be accessed via the QR Code or can be found in Annual Report 2021.



## Pillar 05



# Stakeholder Engagement and Advocacy



“

CIMB Niaga initiates a “Sustainability Movement” by appointing a Sustainability Champion who represents each work unit or sub-directorate and is responsible for implementing sustainability activities in their work environment or takes on the role of a Person in Charge (PIC).



**100%**

CIMB Niaga employees have attended sustainable finance training

---



**12**

External associations that have engaged with CIMB Niaga

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**100%**

Of Board of Commissioners and Board of Directors have participated in sustainable finance training

---



**> Rp146 billion**

Allocated funds for human capital development activities

## ➤ Capacity Building for Sustainable Finance

### BUILDING PROFESSIONAL PEOPLE

[404-1]

Human capital development programs are designed with each employee's impact and learning objectives in mind. Since the COVID-19 pandemic, CIMB Niaga has converted several previously face-to-face training sessions to a hybrid format (offline and online). Public courses, in-class learning, and e-learning are all used to deliver training.

CIMB Niaga invested Rp146.6 billion in human capital development activities in 2021. Human Capital Return on Investment (HC ROI) was 3.21 in 2021; this figure illustrates that every Rp1 invested in human capital can benefit Rp3.21 for Bank.

#### Total Education/Training Hours and Participants\*

Description	2021		Total
	Male	Female	
Total Training Hours	530,771	561,038	1,091,810
Total Employees Participating in Trainings	6,542	6,873	13,415
Average Training Hours per Employee	81.13	81.63	162.76

\*Includes employees who have resigned and total employees that have participated in several learning modules

### SUSTAINABLE FINANCE COMPETENCY BUILDING

[GRI 2-17] [FS4]

Throughout 2021, CIMB Niaga actively engaged members of the Board of Commissioners, the Board of Directors, and all employees in competency development activities, focusing on the implementation of sustainable finance and sustainability performance across economic, social, and environmental issues, as well as governance.

Training related to sustainable finance and implementation of sustainability performance:

1. CIMB Expert Talk Series: Peat
2. Deep Diving: Coal
3. Deep Diving: Sustainability-linked Loan
4. Green / Sustainability Energy
5. Green Energy – Hydro & Solar Energy
6. Human Rights Risk Management and Implications for Financial Institutions
7. Sustainability Now, Its not A Choice
8. Greenhouse Gas (GHG) and Reporting
9. Sustainability Training for Leaders & Senior Management
10. The Cooler Earth 2021
11. Refreshment Training on Sustainable Finance Procedure to Non-retail Credit Risk Management Work Unit



**SUSTAINABLE FINANCE ADVOCACY FOR STAKEHOLDERS**

[FS5] [FS10] [SUSBA 1.1.1.8] [SUSBA 1.5.1.4]

Apart from internal competency development, CIMB Niaga actively participates in third-party training on sustainable finance, either as a participant or speaker.

Among the activities is The Cooler Earth 2021, which continues from the previous year's summit. CIMB Group's virtual event aims to bring together people from all over the world, including experts and stakeholders from various industries and customers and business partners, to discuss and share perspectives on how to create a more sustainable future. Throughout 2021, Bank has held discussions and advocated for sustainable solutions to six companies in nature-based sectors.



In 2021, The Cooler Earth Sustainability Summit was held again by CIMB Group under the theme Align, Act, Accelerate. CIMB Group also dedicated an entire day to youth, which was entirely curated by youth from CIMB Group's The Complete Banker Program, as a platform to encourage and enable youth engagement for future generations. The Cooler Earth Sustainability Summit took place virtually for three days, with 71 speakers and 3,672 participants from various countries in attendance.

**CIMB Niaga's Significant Roles as Organizer and Participant in Sustainable Finance Events**

[SUSBA 1.4.2.2] [SUSBA 1.4.2.3] [SUSBA 1.5.1.4]

Event Name	Organizer
The Cooler Earth Sustainability Summit 2021	CIMB Group (Virtual Learning)
Indonesia Green Taxonomy	Financial Services Authority (OJK)
Green / Sustainability Energy (USAID)	USAID & CIMB Niaga
Deep Diving – Coal & Deep Diving: Sustainability-linked Loan	CIMB Group



### CIMB Niaga's Role as Speaker in Sustainable Finance Events

Position	Name	Event Name	Organizer
President Director	Tigor M. Siahaan*	The JC3 Annual Flagship Conference: #FinanceForChange	JC3 Malaysia
Compliance, Corporate Affairs, and Legal Director	Fransiska Oei	Konsinyering Climate Related Disclosures	Financial Services Authority (OJK)
Compliance, Corporate Affairs, and Legal Director	Fransiska Oei	LPPI-RFI Foundation: How Indonesia's Financial Institutions & Stakeholders Respond to Climate Related Financial Risks	Indonesian Banking Development Institute (LPPI)
Compliance, Corporate Affairs, and Legal Director	Fransiska Oei	GRI Cross-country Learning Session for Business: Climate Change, Gender Equality & Inclusion, Waste & Circular Economy, and OHS	Global Reporting Initiative (GRI)
Head of Good Corporate Governance & Sustainability	Lina	Launch of The Study of 2020 Sustainability Reports of Public Companies in Indonesia	Foundation for International Human Rights Reporting Standards (FIHRSSST)
Head of Good Corporate Governance & Sustainability	Lina	Direct Accredited Entity (DAE) Nomination FGD – Green Climate Fund (GCF)	Ministry of Finance
Sustainability Senior Specialist	Leo Mualim	Sustainability Festival: Mainstreaming Good Sustainability Practices.	Aicon Global Indonesia working together with Trisakti Sustainability Center (TSC) dan SR Asia Indonesia
Sustainability Senior Specialist	Leo Mualim	People for Peat Business Workshop - Exploring Innovative Financing Models for Sustainable Businesses in Indonesia and ASEAN	People for Peat (funded by European Union)

\*Resigned effectively on 17 December 2021

### EXTERNAL INITIATIVES AND ASSOCIATION MEMBERSHIPS

[GRI 2-28] [FS10] [SUSBA 1.1.2.1] [SUSBA 1.1.2.2]

CIMB Niaga is an active participant in various external initiatives and associations. Currently, Bank is involved in 12 organizations, with Rp1 billion spent in membership fees and dues in 2021.

# ➤ Cerita Untuk Masa Depan

[413-1]

In 2021, CIMB Niaga launched its Cerita untuk Masa Depan (Stories for the Future) Talkshow program. This program demonstrates CIMB Niaga’s commitment to the Sustainable Development Goals (SDGs). The program aims to engage all Indonesians in safeguarding sustainable community economic welfare, improving social life through environmental stewardship, and promoting inclusive development and the implementation of governance capable of enhancing the quality of life from generation to generation.



## ➤ Forum Indonesia Bangkit (FIB)

In 2021, CIMB Niaga hosted a series of webinars titled "Forum Indonesia Bangkit" (FIB) (Indonesia Rises Forum) for the first time, inviting experts and business actors in their fields to participate.

### FORUM INDONESIA BANGKIT VOLUME 1

The first series, or FIB Volume 1, was held on 6 2021, with the theme "Health Sector Strategy Accelerating Economic Recovery," and was opened Vice President of the Republic of Indonesia as Keynote Speaker and attended by the Minister of Health of the of Indonesia, President Director of PT Sumber Alfaria (Alfamart) Tbk, CEO of PT Siloam International Tbk, and Managing Director of Sinar Mas Land as speakers. This drew 9,020 participants who viewed it live via Zoom YouTube.



### FORUM INDONESIA BANGKIT VOLUME 2

FIB Volume 2 took place on 15 July 2021 with the theme "Proudly Made in Indonesia - Awakening the National Economy through Local Creative Industries." FIB Volume 2 featured speakers including the Minister of Trade of the Republic of Indonesia, the Minister of Tourism and Creative Economy of the Republic of Indonesia, President Commissioner of PT Paragon Technology & Innovation Tbk, Founder of Erigo, and Actresses and Film Producers. This webinar drew 17,018 participants who viewed it live via Zoom and YouTube.

### FORUM INDONESIA BANGKIT VOLUME 3

FIB Volume 3 was also presented as a webinar commemorating CIMB Niaga's 66th anniversary. FIB Volume 3 was held on 29 September 2021 with the theme "Optimism for Economic Recovery," and was opened by the Coordinating Minister for the Economy of the Republic of Indonesia as Keynote Speaker, and also included the Minister of Finance of the Republic of Indonesia, the Minister of Investment of the Republic of Indonesia, the Chairman of KADIN, represented by the Deputy Chairman of KADIN, Chairman of Garuda Food and DAW Group, and CEO of GoTo as Speakers. This webinar drew a total of 28,413 live viewers via Zoom and YouTube.



## ➤ Sustainability Champion

In keeping with the spirit of CIMB Niaga's "Sustainability Movement," Bank has appointed a Sustainability Champion in each work unit. Sustainability Champions are CIMB Niaga employees who represent each work unit or directorate and, as Person in Charge (PIC), are responsible for implementing sustainability activities in their work environment.

### Roles and Responsibilities of a Sustainability Champion

Initiate sustainability initiatives in each work unit	Roles and Responsibilities of a Sustainability Champion	Forward any information related to sustainability in their respective work units	Provide updates regarding sustainability activities
Be active and participate in sustainability activities at CIMB Niaga	Support the preparation of the Sustainability Report	Act as Liaison for the GCG & Sustainability work unit and coordinate sustainability-related activities	

## ➤ Stakeholder Engagement

[SUSBA 1.1.1.7]

CIMB Niaga identifies stakeholder engagement through proximity and power-based approaches that have the ability to influence and are influenced by Bank. Stakeholder engagement encompasses environmental, social, and governance (ESG) information, as well as economics related to sustainability and sustainable finance implementation.

## Identification of Stakeholder Needs and Approach

[GRI 2-29] [SUSBA 1.1.1.9]



### CUSTOMERS

Topic	Engagement Method	Frequency of Approach	Frequency of Approach
1. COVID-19 Pandemic	Call center services, branch offices, phone banking, websites, and social media (Facebook, Instagram, and Twitter)	Any time	1. Implementing health protocols throughout the year during the COVID-19 pandemic.
2. Banking financial transaction security			
3. Clear and transparent education and information on banking products and services			
4. Banking facilities and ease of access	Customer satisfaction surveys and internal surveys	Annually by Bank	2. Receiving customer grievance/ complaints
5. Settlement of customer complaints in accordance with the Service Level Agreement (SLA)	External assessment of customer satisfaction	Annually by each surveyor	3. Identifying customer satisfaction and the necessary improvement aspects
6. Credit relaxation	Information from website and frontliners	As needed	4. Customer-related assessments by external parties
			5. Banking finance education on banking products
			6. Bank prepared a credit relaxation mechanism in response to the COVID-19 pandemic



### SHAREHOLDERS/INVESTORS

Topic	Engagement Method	Frequency of Approach	Company Response
1. COVID-19 Pandemic	<ul style="list-style-type: none"> <li>• Performance</li> <li>• Analyst meeting</li> </ul>	Quarterly	1. Implementing health protocols throughout the year during the COVID-19 pandemic.
2. Financial and non-financial performance updates		Public expose	
3. Important activities/events, for example, CSR activities.	Reporting to the Indonesian Stock Exchange (IDX)	As per IDX regulations	2. Presenting the Company's organizational performance
4. Report of year-end financial and non-financial performance			
5. Appointment of a public accounting firm	General Meeting of Shareholders	At least once a year	3. Reporting year-end performance
6. Use of company profits			
7. Changes in the Board of Commissioners, Board of Directors, and Sharia Supervisory Board composition			
8. Determination of salary or honorarium, bonuses, and other allowances for the Board of Commissioners, Board of Directors, and Sharia Supervisory Board			



## REGULATORS

Topic	Engagement Method	Frequency of Approach	Company Response
<ol style="list-style-type: none"> <li>1. Compliance with laws and regulations</li> <li>2. The precautionary principle in conventional and sharia banking operations and services</li> <li>3. Sustainable Finance</li> </ol>	<ol style="list-style-type: none"> <li>1. Submission of Bank's Business Plan (RBB) and its realization to Bank Indonesia and the Financial Services Authority (OJK)</li> <li>2. Submission of the RAKB to OJK</li> <li>3. Reporting sharia compliance to the National Sharia Board</li> <li>4. Other reports in accordance with applicable provisions to regulators</li> </ol>	<ol style="list-style-type: none"> <li>1. Twice a year</li> <li>2. As per OJK regulations</li> </ol>	<ol style="list-style-type: none"> <li>1. Reporting the Company's plans and achievements in accordance with the laws and regulations</li> <li>2. Reporting degree of compliance toward sharia principles</li> </ol>



## SUPPLIERS

Topic	Engagement Method	Frequency of Approach	Company Response
<ol style="list-style-type: none"> <li>1. Mutually beneficial relationships with suppliers</li> <li>2. Fair and transparent procurement process for goods and services</li> <li>3. Sustainable supply chain practices</li> </ol>	<ol style="list-style-type: none"> <li>1. Policy dissemination and sustainability-related capacity building</li> </ol>	<ol style="list-style-type: none"> <li>1. At least once a year</li> </ol>	<ol style="list-style-type: none"> <li>1. Expanding cooperation with partners in Bank's procurement of goods and services</li> </ol>



## EMPLOYEES

Topic	Engagement Method	Frequency of Approach	Company Response
<ol style="list-style-type: none"> <li>1. COVID-19 Pandemic</li> <li>2. Employee Rights</li> <li>3. Equal career development opportunities</li> <li>4. Recruitment process</li> <li>5. Company performance updates</li> <li>6. A valuable and enjoyable working experience</li> </ol>	<ol style="list-style-type: none"> <li>1. Internal Media (HRInfo, e-Manual, Digital Portrait Magazine)</li> <li>2. Town Hall</li> </ol>	<ol style="list-style-type: none"> <li>1. Whenever there is information that needs to be conveyed to employees</li> <li>2. Whenever policy changes occur</li> </ol>	<ol style="list-style-type: none"> <li>1. Implementing health protocols throughout the year during the COVID-19 pandemic.</li> <li>2. Disseminating employment policies and strategies</li> <li>3. Identifying employee satisfaction and expectations</li> </ol>
	<ol style="list-style-type: none"> <li>1. Employee Engagement Survey (EES)</li> <li>2. Internal Customer Satisfaction (ICS)</li> </ol>	<ol style="list-style-type: none"> <li>1. Twice a year</li> <li>2. Annually</li> </ol>	



## LOCAL COMMUNITIES

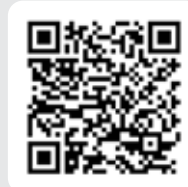
Topic	Engagement Method	Frequency of Approach	Company Response
<ol style="list-style-type: none"> <li>Organizing programs</li> <li>Development and empowerment of a society that can provide added value to the community</li> <li>Measuring the impact of activities on the beneficiaries</li> </ol>	<ol style="list-style-type: none"> <li>Discussion with beneficiaries</li> <li>Meetings and discussions with Foundations or consultants as community development partners</li> </ol>	<ol style="list-style-type: none"> <li>Conducted during the initiation, implementation, and supervision of a program</li> <li>Ad hoc, whenever an urgency arises that needs to be communicated</li> </ol>	<ol style="list-style-type: none"> <li>Providing solutions to issues that arise</li> <li>Conducting field visits to community program beneficiaries</li> </ol>



## LABOR UNIONS

Topic	Engagement Method	Frequency of Approach	Company Response
<ol style="list-style-type: none"> <li>Employee management policies</li> <li>Employee issues that have been submitted to the Labor Union as the employees' representative organization</li> <li>Organizing industrial relations in the Company</li> <li>Discussion on the Collective Labor Agreement (CLA)</li> <li>Input from the Labor Union's management on management issues involving the rights and obligations of employees and the Company</li> </ol>	Meetings and discussions	<ol style="list-style-type: none"> <li>As needed</li> <li>In 2021, there were six meetings with the Labor Union to discuss good working relationships</li> </ol>	<ol style="list-style-type: none"> <li>Accommodating and identifying proposals and inputs from the Labor Union</li> <li>Communicating in the event of an industrial relations dispute</li> <li>Conducting formal and informal approaches, as well as developing a cooperative concept between management and labor unions, in order to foster harmonious industrial relations</li> </ol>

Details of data or other supporting information relating to or referencing **Pillar 5: Stakeholder Engagement and Advocacy** from the last three years can be accessed via the QR Code or can be found in Annual Report 2021.





## ➤ Response to Feedback

[GRI 2-3]

CIMB Niaga received feedback from stakeholders, including CIMB Group, customers, academics, non-profit organizations, investors, and independent insurers on the 2020 sustainability report. We appreciate your submission in order to help us improve the quality of the 2021 sustainability report.

We responded to the feedback by including climate change mitigation performance and improving sustainable finance products. We address climate

change through the TCFD Framework and the issuance of a Sustainability-Linked Loan/Financing and Sustainable Finance program. Furthermore, we make numerous efforts to increase awareness, share, and educate about sustainability, all of which are detailed in this sustainability report.

Similarly, we welcome input, criticism, and suggestions for the 2021 Sustainability Report from you via:

### **GCG & Sustainability Work Unit**

*E-mail: [sustainability@cimbniaga.co.id](mailto:sustainability@cimbniaga.co.id)*

*Completing the feedback form:*

*[https://investor.cimbniaga.co.id/sr\\_feedback\\_form.html](https://investor.cimbniaga.co.id/sr_feedback_form.html)*





## Independent Assurance Statement

### The 2021 Sustainability Report of PT Bank CIMB Niaga Tbk

Number	: 05/000-174/II/2022/SR-Asia/Indonesia
Assurance Type	: Type 1 and Type 2 for the specific topic of climate change
Assurance Level	: Moderate
Reporting Standards	: GRI Standard 2021 Consolidated, GRI G4 FS (FSSS), SASB Commercial Bank, SUSBA, TCFD, and GISD
Reporting Regulation	: Sustainable Finance Regulation POJK No.51/2017 (Indonesia)

Dear stakeholders,

This is an Independent Assurance Statement (“the Statement”) that describes the results of assurance work performed by **Social Responsibility Asia** (“SR Asia”) on the data, information, and disclosures in **the 2021 Sustainability Report** (“the Report”) of **PT Bank CIMB Niaga Tbk** (“the Bank” or “the Reporting Organization”). Listed in the Indonesia Stock Exchange (IDX), the Reporting Organization is a commercial bank and a subsidiary of CIMB Malaysia operating in Indonesia that is required to publish a sustainability report annually. The Report that has been evaluated by SR Asia presents the efforts of the Bank in managing its sustainability commitment and performance from **January 1<sup>st</sup> to December 31<sup>st</sup>, 2021**.

#### Intended User and Purpose

The purpose of this Statement is to provide our assessment results to the stakeholders based on the assurance standards, as well as the applicable domestic reporting regulation and the international reporting standards used as references in drafting the Report content. This Statement contains our findings and recommendations regarding the data, information, and disclosures in the Report against the AA1000AS v3 Assurance Standard and particular sustainability reporting principles, standards, and regulation. The assurance work was carried out as per the agreed scope, mechanism, and procedures by the Management<sup>1</sup> following the globally accepted standards and best practices with some limitations and assumptions applied. We **DO NOT** recommend any parties to interpret or conclude the Bank’s sustainability or its whole performance merely based on this Statement or the Report.

#### Responsibilities

Our responsibilities to the Management are to evaluate the Report content, come up with findings and recommendations, and issue the Statement. The Management has its sole responsibility for the presentation of data, information, and disclosures in the Report content. SR Asia is only responsible to deliver assurance work, **NOT** an audit, by following per under the Non-Disclosure Agreement and the Assurance Engagement Agreement. Except to the Management, we assume having **NO** responsibilities or accountabilities for any claims to any other individuals or organizations. Therefore, any parties who depend on the Report and this Statement shall bear and manage their risks.

#### Independence, Impartiality, and Competency

In all assurance works, SR Asia confirms **NO** relationships between the assurance experts and the clients that can

<sup>1</sup> “Management” refers to the management of the reporting organization



influence their independence and impartiality to conduct the assessment and generate the Statements. SR Asia experts are mandated to follow a particular assurance protocol and professional ethical code of conduct to ensure their objectivity and integrity. We carried out a pre-engagement assessment before the assurance work was taken to verify the risks of engagement as well as the independence and impartiality of experts. The Assurance Team members are familiar with ISO 26000 and AA1000 AccountAbility standards and principles, and also have experience in sustainability and integrated report drafting and assessment based on various reporting regulation, standards, and principles, such as POJK 51 regulation as well as GRI, SUSBA, and SASB standards.

### Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content and specifically **Type 2 assurance** was applied on the **climate change** topic concerning the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** procedure on the Report content and evidence, where **the risks of information and conclusions of the Report being error is reduced, not to very low, but not zero**.

### Scope and Limitation of Assurance Service

1. SR Asia excludes financial data, information, and figures in the Report content in the scope of assurance work. It is assumed that the Bank, or independent parties, or other parties associated with the Bank, have verified and/or audited any data and information related to financial statements
2. Data and information in the Report for the period of **January 1<sup>st</sup> to December 31<sup>st</sup>, 2021**.
3. Topics in the Report content that have been identified by the Bank as “highly material”: **technology; climate change; sustainable finance; customer experience; governance; financial literacy, inclusion, and empowerment**.
4. Assessment of data, information, and disclosures including the mechanism, process, and control system under Type 2 assurance mechanism and procedures on climate change topic.
5. Adherence to the following reporting principles, standards, and regulations:
  - a) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 on the Application of Sustainable Finance to Financial Services Institution, Issuer, and Publicly Listed Companies (“POJK 51”);
  - b) Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standards) issued by the Global Reporting Initiative and its GRI G4 Financial Services Sector Disclosure (GRI-G4 FS or FSSS);
  - c) Sustainability Accounting Standard for Commercial Bank (FN-CB) issued by the Sustainability Accounting Standard Board (SASB);
  - d) Sustainable Banking Assessment (SUSBA) issued by World Wildlife Funds (WWF);
  - e) Global Investors for Sustainable Development (GISD) issued by the Global Investors for Sustainable Development (GISD) Alliance; and
  - f) Task Force on Climate-Related Financial Disclosures (TCFD) created by the Financial Stability Board (FSB).
6. Evaluation of publicly disclosed information, system, and process of the Bank to ensure adherence of the Report content to the reporting principles.

### Exclusion

1. Assessment against the regulations, indicators, standards, guidelines, and principles other than those indicated in the Statement.
2. Expression of opinion, belief, expectation, advertisement, and future planning of the Bank as indicated in the Report content.
3. Financial performance data and information as presented in the Bank’s financial statements and documents, other than those mentioned in the Report.



4. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period, other than those mentioned under the defining materiality section and discussion on defining Report content.
5. Stakeholders' engagement that might be taken by the Bank in developing the Report.

## Methodology

1. SR Asia assigned several experts to engage as the Assurance Team members in Indonesia.
2. The Assurance Team conducted the pre-engagement protocol to identify the risks of engagement and potential factors that could negatively influence the independence and impartiality of the Assurance Team.
3. In a kick-off meeting, the Assurance Team presented to the Bank about the assurance methods and approaches, as well as the scope of analysis, time plan, and various essential aspects to be evaluated in the assurance work.
4. The Assurance Team conducted a preliminary analysis of the Report draft submitted by the Bank.
5. Through online meetings, the Assurance Team shared the results of the initial analysis with the Management and verified the disclosures in the Report content against the regulation, standards, principles, and indicators of AA1000AS v3, AA1000AP (2018), GRI Standards and FSSS, POJK 51, SUSBA, GISD, and TCFD.
6. The Assurance Team verified evidence documents and traced back the data, information, and disclosures in the Report.
7. The Bank incorporated recommendations in the draft Report and released the final Report content.
8. The Assurance Team prepared the Statement and sent it to the SR Asia International Director for review and approval.
9. The Assurance Team submitted the Statement to the Bank and prepared a Management Letter presenting all aspects seen, recorded, and observed during the assurance work to the Management of the Bank for further improvement of sustainability processes.

## Adherence to AA1000AP (2018) and GRI Standards

**Inclusivity** – The presentation of the stakeholder groups in the Report is inclusive. The Bank has also committed to being accountable for the impacts of its decisions and activities. As indicated in the Report content, the Bank has implemented various approaches and methods in stakeholder engagement managed by different functions and units. Competencies and resources have also been well allocated by the Bank and sufficient for stakeholder engagement.

**Materiality** – At a certain level, the identification and presentation of material topics in the Report are adequate. The six material topics recognized as “highly material” by the Reporting Organization can explain its sustainability context as a financial service institution. However, in the future, the Bank needs to perform material testing documented as evidence of the next sustainability report.

**Responsiveness** – In general, the Bank has sufficiently developed and communicated responses with stakeholders. The Bank has managed responses by considering the needs and concerns as well expectations of the stakeholders. Nevertheless, no evidence is found that the Bank has considered the relationship between maturity, impact, and prioritization of a topic and the appropriateness of the response.

**Impact** – As assurance work is taken, we have concluded that the Report presents sufficiently the data, information, and disclosures regarding the impacts of the Bank on the economy, society, and environment. The Bank also has implemented various processes to manage both actual and potential impacts.



**Statement of Use: "Reference to the GRI Standards"** – Our Assurance Team has assessed the Report content against the GRI requirements for reporting to the GRI Standards. We concluded that the Report has met the three requirements; publish a GRI Content Index; provide a statement of use; and notify GRI.

**GRI Standards Principles** – As the assurance work and procedures are taken, the sustainability reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability) are well applied in the Report content. During the assurance process, the Management also provided sufficiently the evidence documents and the supporting data and information.

**Type 2 Assurance** – The Bank has started developing mechanisms, processes, and control systems related to carbon emissions inventory and reduction. Policies, mechanisms, and procedures related to climate change are already in place and well implemented. The Bank is going to set its carbon emission baseline and develop the climate change and transition strategies for the period up to 2050, as the Bank will phase out the coal mining and coal power plant funding from its portfolio up to that year. Nevertheless, the Bank is expected to engage an external party to monitor, evaluate, and validate the initiative, and also to encourage the debtors to reduce carbon emissions from business operations and publicly disclose their achievements.

### Recommendation

1. To carry out materiality testing documented as the evidence and basis for identifying material topics with clear and justified criteria and thresholds.
2. To engage an external independent party in monitoring, evaluation, and validating the climate and transition strategies following the globally accepted management system, standards, and best practices.

The assurance provider,

Jakarta, 26<sup>th</sup> of February 2022




**Birendra Raturi**  
International Director  
Social Responsibility Asia




**Dr. Semerdanta Pusaka**  
Country Director for Indonesia  
Social Responsibility Asia

### Social Responsibility Asia (SR Asia)

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## ➤ POJK No.51/POJK.03/2017 Reference, GRI Standards Content Index, Sustainability Accounting Standard Board (SASB), and Sustainable Banking Assessment (SUSBA)

### POJK No.51/POJK.03/2017

No	Disclosure	Page Number
1	Elaboration on Sustainability Strategy	5
2	Summary of Sustainability Aspect Performance	
	a. Economic aspects:	6
	1) Quantity of products or services offered;	
	2) Revenue or sales;	
	3) Net profit or loss;	
	4) Environmental-friendly products; and	
	5) Engagement of local stakeholders concerning the Sustainable Finance business process;	
	b. Environmental Aspects:	6-7
	1) Energy consumption (including electricity and water);	
	2) Total emission reductions (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment);	
	3) Reduction of waste and effluents (waste entering the environment) achieved (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment); or	
	4) Biodiversity conservation (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment);	
	c. Social Aspects:	7
	A description of the positive and negative impacts out of Sustainable Finance application on community and environment (including people, regions, and funds)	
3	Brief Company Profile:	26
	a. Vision, mission, and values of sustainability	
	b. Name, address, telephone number, fax number, e-mail adress, and website/web, as well as branch and/or representative offices	22
	c. Enterprise scale:	22, 24-25, Appendix
	1) Total assets or asset capitalization, and total liabilities (in millions of rupiah);	
	2) The number of employees by gender, position, age, education, and employment status;	
	3) Shareholding percentage (public and government); and	
	4) Operational area	
	d. Short description on products, services, and business activities;	24
	e. Membership in association;	Appendix
	f. Significant changes, such as those relating to branch office closure or opening and ownership structure.	23

No	Disclosure	Page Number
4	Description on Board of Directors	
	a. Policy to respond to challenges in meeting the sustainability strategy, that must cover at least the following: <ol style="list-style-type: none"> <li>1) Elaboration the Company's sustainability values</li> <li>2) Elaboration on the Company's responses towards issues concerning to the implementation of Sustainable Finance;</li> <li>3) Elaboration on commitment of Company leadership in achieving Sustainable Finance application;</li> <li>4) Achievement of Sustainable Finance application performance ;and</li> <li>5) Challenges in Sustainable Finance application performance achievement;</li> </ol>	14-16
	b. Application of Sustainable Finance: <ol style="list-style-type: none"> <li>1) Achievement of Sustainable Finance application (economic, social, and environmental) against targets; and</li> <li>2) Elaboration on achievements and challenges including notable events during the reporting period (in case FSI required to make Sustainable Finance Action Plan);</li> </ol>	16-17
	c. Target achievement strategy: <ol style="list-style-type: none"> <li>1) Risk management due to the application of Sustainable Finance related to economic, social and environmental aspects;</li> <li>2) Utilization of business opportunities and prospects; and</li> <li>3) Description on economic, social and environmental external situations that have the potential to affect the Company's sustainability</li> </ol>	17
5	Sustainability governance includes	
	a. Description of tasks performed by Board of Directors and Board of Commissioners, employees, officers and/or work units who are responsible for the implementation of Sustainable Finance	79-80
	b. Development of Board of Directors' competencies, Board of Commissioners, employees, officers and/or work units responsible for implementing Sustainable Finance.	96
	c. Elaboration on procedure that Company applies in identifying, measuring, monitoring and controlling risks for the implementation of Sustainable Finance related to economic, social and environmental aspects, including the role of the Board of Directors and the Board of Commissioners in managing, conducting periodic reviews, and analyzing the effectiveness of the Company's risk management process.	81-87
	d. Description on stakeholders that includes: <ol style="list-style-type: none"> <li>1) Stakeholder involvement based on management assessment results.</li> <li>2) The approach used by the Company in involving stakeholders in the application of Sustainable Finance.</li> </ol>	101-104
	e. Problems faced, progress, and influence to the implementation of Sustainable Finance.	58
6	Sustainable performance:	
	a. Elaboration on sustainable culture development activities in the Company	90
	b. Description of economic performance: <ol style="list-style-type: none"> <li>1) Comparison of targets to performance of production, portfolio, financing targets, or investments, revenue as well as profit and loss</li> <li>2) Comparison of target to performance of portfolio, financing target, or investments in financial instruments or projects in line with the implementation of Sustainable Finance.</li> </ol>	Appendix

No	Disclosure	Page Number
	c. Social performance:	44, 47, 49, 60-63, 66-73, Appendix
	1) The Company's commitment to provide services for equal products and / or services to consumers.	
	2) Employment:	
	a) Equality of employment opportunities and the presence or absence of forced labor and child labor;	
	b) Percentage of permanent employee remuneration at the lowest level of the regional minimum wage;	
	c) Decent and safe work environment; and	
	d) Training and development of employee skills.	
	3) Community:	
	a) Information on operational activities or area producing positive and negative impacts on local community including financial literacy and inclusion;	
	b) Mechanism of community complaints and number of community complaints received and acted upon; and	
	c) CSER relatable to supports to sustainable development objectives including community empowerment programme activity achievements.	
	d. Environmental Performance:	38, 41, 53-57, 62
	1) Environmental costs that incur;	
	2) Description on the use of environmentally friendly materials such as material of recyclable type; and	
	3) Description on the use of energy, at least include:	
	a) Amount and intensity of energy consumed; and	
	b) Efforts and achievement made for energy efficiency including the use of renewable energy sources;	
	e. Environmental Performance for Companies whose business processes are directly related to the environment:	38-42, 54, 74
	1) The performance under point d above;	
	2) Information on operational activities or areas producing positive and negative impacts on the surrounding environment, especially efforts to increase the carrying capacity of ecosystems;	
	3) Biodiversity, including at least:	
	a) Impacts from operational areas close to or in conservation areas or that contain biodiversity; and	
	b) Biodiversity conservation business carried run, including protection of flora or fauna species;	
	4) Emissions, including at least:	
	a) Amount and intensity of emissions produced by type; and	
	b) Efforts and achievement of emission reductions;	
	5) Waste and effluent, including at least:	
	a) Amount of waste and effluent produced by type;	
	b) Waste and effluent management mechanisms; and	
	c) Spillover that occur (if any); and	
	6) Number and content of environmental complaints received and resolved.	
	f. Sustainable Finance product and/or service development responsibility at least include:	53-57, 61-62
	1) Sustainable Finance product and/or service innovation and development	
	2) Number and percentage of products and services having undergone safety test for customers;	
	3) Positive and negative impacts caused by Sustainable Financial products and/or services and the distribution process, as well as mitigation undertaken to mitigate negative impacts;	
	4) Number of products recalled and the reasons; or	
	5) Customer satisfaction survey of Sustainable Financial products and/or services.	
7	Written verification from independent parties (if any)	106



## Index Standard GRI

GRI Index	Disclosure	Location	
<b>Statement of Use</b>	PT Bank CIMB Niaga Tbk has reported the information cited in this GRI content index for the period 1 January until 31 December 2021 with reference to the GRI Standards.		
<b>GRI 1 Used</b>	GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-1	Organizational details	22
	2-2	Entities included in the organization's sustainability reporting	27
	2-3	Reporting period, frequency and contact point	27&105
	2-4	Restatement of information	27
	2-5	External assurance	27
	2-6	Activities, value chain and other business relationship	22-24, 43
	2-7	Employees	46
	2-8	Workers who are not employees	70, Appendix
	2-9	Governance structure and composition	78
	2-10	Nomination and selection of the highest governance body	80
	2-11	Chair of the highest governance body	78
	2-12	Role of the highest governance body in overseeing the management of impacts	78-80
	2-13	Delegation of responsibility for managing impacts	78-80
	2-14	Role of the highest governance body in sustainability reporting	79-80
	2-15	Conflict of interest	80
	2-16	Communication of critical concerns	89
	2-17	Collective knowledge of the highest governance body	96
	2-18	Evaluation of the performance of the highest governance body	80
	2-19	Remuneration policies	47, 79-80
	2-20	Process to determine remuneration	47
	2-21	Annual total compensation ratio	47
	2-22	Statement on sustainable development strategy	14, 47
	2-23	Policy commitments	88
	2-24	Embedding policy commitments	43
	2-25	Process to remediate negative impacts	63
	2-26	Mechanisms for seeking advice and raising concerns	84, 93
	2-27	Compliance with laws and regulations	92
	2-28	Membership associations	98, Appendix
	2-29	Approach to stakeholder engagement	102
	2-30	Collective bargaining agreements	45

GRI Index		Disclosure	Location
		HIGH	
<b>Technology</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	28-29
	3-2	List of material topics	28-29
	3-3	Management of material topics	28-29
<b>Climate Change</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	28, 30
	3-2	List of material topics	28, 30
	3-3	Management of material topics	28, 30
GRI 302: Energy	302-1	Energy consumption within the organization	41
	302-2	Energy consumption outside the organization	41
	302-3	Energy Intensity	41
	302-4	Reduction of energy consumption	41
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	42
	305-2	Energy indirect (Scope 2) GHG emissions	42
	305-3	Other indirect (Scope 2) GHG emissions	42
	305-4	GHG emissions intensity	42
	305-5	Reduction of GHG emissions	42
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	40
	306-2	Management of significant waste-related impacts	40
<b>Sustainable Finance</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	31
	3-2	List of material topics	31
	3-3	Management of material topics	31
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	31, Appendix
	201-2	Financial implications and other risks and opportunities due to climate change	12, 31, 85
	201-3	Defined benefit plan obligations and other retirement plans	31, 47
	201-4	Financial assistance received from government	31, 58
<b>Customer Experience</b>			
GRI 3: Topik Material 2021	3-1	Process to determine material topics	32
	3-2	List of material topics	32
	3-3	Management of material topics	32
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	32, 62

GRI Index	Disclosure	Location	
<b>Governance</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	33
	3-2	List of material topics	33
	3-3	Management of material topics	33
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	92
	205-2	Communication and training about anti-corruption policies and procedures	92
	205-3	Confirmed incidents of corruption and actions taken	92
<b>Financial Literacy, Inclusion, and Empowerment</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	34
	3-2	List of material topics	34
	3-3	Management of material topics	34
<b>MEDIUM</b>			
<b>Talent Attraction, Growth, and Retention</b>			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	96, Appendix
	404-2	Programs for upgrading employee skills and transition assistance programs	47
	404-3	Percentage of employees receiving regular performance and career development reviews	48, Appendix
<b>Diversity and Inclusion</b>			
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	46
	405-2	Ratio of basic salary and remuneration of women to men	47
<b>Sustainability Education and Participation</b>			
<b>Health, Safety, and Wellbeing</b>			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	8, 49
	403-2	Hazard identification, risk assessment, and incident investigation	49
	403-3	Occupational health services	49
	403-4	Worker participation, consultation, and communication on occupational health and safety	49
	403-5	Worker training on occupational health and safety	49
	403-6	Promotion of worker health	8, 49
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8
	403-8	Workers covered by an occupational health and safety management system	49
	403-9	Work-related injuries	49
	403-10	Work-related ill health	8

GRI Index	Disclosure	Location
<b>LOW</b>		
<b>Corporate Culture</b>		
<b>Sustainable Supply Chain</b>		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	43
<b>Corporate Citizenship and Volunteerism</b>		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	99

#### GRI G4 Financial Service Sector Supplement

GRI G4 Financial Service Sector Supplement	Disclosure	Page Number
FS1	Policies with specific environmental and social components applied to business lines	31, 88
FS2	Procedures for assessing and screening environmental and social risks in business lines	89
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	89
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	96
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	97
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/ large) and by sector	23, 31, Appendix
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	32, 67
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	54, 56
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	33, 52
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	97-98, Appendix
FS11	Percentage of assets subject to positive and negative environmental or social screening	53
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	56
FS13	Access points in low-populated or economically disadvantaged areas by type	34, 60
FS14	Initiatives to improve access to financial services for disadvantaged people	34, 58
FS15	Policies for the fair design and sale of financial products and services	29, 62
FS16	Initiatives to enhance financial literacy by type of beneficiary	34, 67

**Sustainability Accounting Standard Board (SASB) – Financial Sector**

Code	Disclosure	Page Number
FN-CB-000.A	1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Appendix
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal and (b) small business	23
<b>Data Security</b>		
FN-CB-230.a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	62
FN-CB-230.a.2	Description of approach to identifying and addressing data security risks	62
<b>Financial Inclusion &amp; Capacity Building</b>		
FN-CB-240.a.1	1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	6
FN-CB-240.a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	23, Appendix
FN-CB-240.a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	67
FN-CB-240.a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	67, 69
<b>Incorporation of Environmental, Social, and Governance Factors in Credit Analysis</b>		
FN-CB-410.a.1	Commercial and industrial credit exposure, by industry	23, Appendix
FN-CB-410.a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	56
<b>Business Ethics</b>		
FN-CB-510.a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	92
FN-CB-510.a.2	Description of whistleblower policies and procedures	93
<b>Systemic Risk Management</b>		
FN-CB-550.a.1	Global Systemically Important Bank (G-SIB) score, by category	27
FN-CB-550.a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis into capital adequacy planning, long-term corporate strategy, and other business activities	59

**Sustainable Banking Assessment (SUSBA)**

Disclosure		Page Number
<b>1) Purpose - Sustainability Strategy and Stakeholder Engagement</b>		
1.1.1.1	Is there a clear reference to sustainability in the bank's strategy and long-term vision?	26, 77
1.1.1.2	Does the bank clearly recognise that its ESG footprint extends to its business activities and portfolio?	56
1.1.1.3	Does the leadership statement make reference to the integration of ESG factors in the bank's business strategy?	14
1.1.1.4	Is there a clear reference to sustainable development goals (SDGs) in the bank's strategy or vision?	5
1.1.1.5	Does the bank explicitly acknowledge the societal and economic risks associated with climate change?	85
1.1.1.7	Does the bank disclose the types of stakeholders it engages with on ESG issues?	101
1.1.1.8	Does the bank engage with civil society and/or non-governmental organisations to understand the ESG impacts of its business activities?	97
1.1.1.9	Does the bank disclose the frequency and mode of communication with stakeholders?	102
1.1.1.10	Has the bank identified responsible financing/lending and/or other key E&S issues as material	31
<b>2) Purpose - Participation in Sustainable Finance Initiatives</b>		
1.1.2.1	Does the bank participate in relevant commitment-based sustainable finance initiatives such as RSPO, PRB, EP, SBTi, or SBEFP?	98, Appendix
1.1.2.2	Does the bank engage with regulators and policy makers on ESG integration and/or sustainable finance topics?	58, 79, 98, Appendix
<b>3) Policies - Public Statements on Specific ESG Issues</b>		
1.2.1.1	Does the bank have exclusionary principles covering activities the bank will not support, taking into account ESG considerations?	89
1.2.1.2	Does the bank require clients highly exposed to climate-related risks to develop a mitigation plan and ultimately align their activities to the objectives of the Paris Agreement?	52
1.2.1.3	Does the bank prohibit the financing of new coal-fired power plant projects?	57
1.2.1.4	Does the bank acknowledge biodiversity loss and/or deforestation risks in its clients' activities?	56
1.2.1.5	Does the bank require clients in sectors highly exposed to deforestation (e.g. soft commodities, infrastructure, extractives industry) to adopt "no deforestation" commitments?	56
1.2.1.6	Does the bank recognise negative impacts on the marine environment as risks in client's activities?	82
1.2.1.7	Does the bank have a commitment not to provide financial products and services to projects or companies located in, or having negative impacts on, UNESCO World Heritage Sites?	89

Disclosure		Page Number
1.2.1.8	Does the bank recognize water risks (flooding, scarcity, and pollution) as risks in its clients' activities?	85
1.2.1.10	Does the bank recognize human rights risks, including those related to local communities, in its clients' activities?	89
1.2.1.11	Does the bank require clients to commit to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights?	43
1.2.1.12	Does the bank recognize labour rights violations as a risk across all sectors?	89
1.2.1.13	Does the bank require clients to adhere to international labour standards as outlined by the ILO Fundamental Conventions?	56, 89
1.2.1.14	Are the bank's E&S requirements applicable to financial products and services beyond lending (i.e. capital markets, advisory)?	88
<b>4) Policies - Public Statement on Specific Sectors</b>		
1.2.2.1	Does the bank have sector policies or sector-specific requirements for environmentally or socially sensitive industries, e.g. agri commodities, energy, oil & gas, mining, seafood, infrastructure?	52, 55
1.2.2.2	Does the bank disclose its requirements/policies for environmentally or socially sensitive sectors?	56, 85
1.2.2.3	Do the bank's E&S policies include minimum requirements or recommendations based on internationally recognized standards for best E&S practices (e.g. IFC Performance Standards, RSPO, FSC, etc.)?	56
1.2.2.4	Does the bank periodically review its E&S policies or stated that last date of review was within the past 2 years?	52, 88
<b>5) Processes - Assessing ESG Risks in Client &amp; Transaction Approvals</b>		
1.3.1.1	Does the bank use standardized frameworks for E&S due diligence (e.g. tools, checklists, questionnaires, external data providers) when reviewing clients or transactions subject to its policies?	89
1.3.1.2	Does the bank assess its clients' capacity, commitment, and track record as part of its E&S due diligence process?	89
1.3.1.3	As part of the approval process, does the bank classify its clients and transactions based on E&S risk assessment?	52
1.3.1.4	Is there an escalation mechanism for more complex or controversial cases?	89
1.3.1.5	Do the E&S risk assessment outcomes influence transaction and client acceptance decisions?	89
<b>6) Processes - Client Monitoring and Engagement</b>		
1.3.2.1	Does the bank seek the inclusion of clauses (e.g. covenants, representations & warranties) related to E&S issues in the loan documentation for bilateral and syndicated credit facilities?	43
1.3.2.2	Does the bank require clients that are not fully compliant with its E&S policies to develop and implement time-bound action plans?	89
1.3.2.3	Does the bank monitor its client's compliance with the agreed E&S action plan?	89

Disclosure		Page Number
1.3.2.4	Does the bank perform periodic review or state how frequent it reviews its clients' profiles on E&S?	89
1.3.2.5	Does the bank disclose the process to address non-compliance of existing clients with the bank's policies or with pre-agreed E&S action plans?	89
1.3.2.6	Does the bank periodically review its internal E&S procedures or stated that the last date of review was within the past 2 years?	52, 88
<b>7) People - Responsibilities for ESG</b>		
1.4.1.1	Is senior management responsible for the implementation of the bank's ESG strategy?	80
1.4.1.2	Do senior management's responsibilities include management of climate change risks and opportunities relevant to the bank's activities?	79-80
1.4.1.3	Does the bank describe the roles and responsibilities of the various departments, committees or teams involved in developing and implementing its E&S policies?	80
1.4.1.4	Has the bank put in place an internal control system with three lines of defence to manage E&S issues?	90
1.4.1.5	Do the terms of reference of the Nominating committee include sustainability-related criteria for the appointment of new Board members?	80
1.4.1.6	Do the terms of reference of the Remuneration committee include sustainability-related criteria for the assessment of performance and remuneration levels for senior management?	79-80
1.4.1.7	Do the terms of reference of the Audit committee require sustainability-related matters to be included in internal control and audit processes?	78-80
1.4.1.8	Does the bank implement periodic audits to assess implementation of E&S policies and procedures?	33, 52
<b>8) People - Staff E&amp;S Training and Performance Evaluation</b>		
1.4.2.1	Does the bank have a dedicated ESG team to implement E&S policies and procedures?	80
1.4.2.2	Does the bank train its staff on E&S policies and implementation processes?	97
1.4.2.3	Does the bank provide specific training for its senior management, covering sustainability issues?	97
1.4.2.4	Are sustainability-related criteria part of the staff appraisal process and/or integrated into KPIs for its staff?	48
<b>9) Products - ESG Integration in Products and Services</b>		
1.5.1.1	Does the bank proactively identify clients in environmentally or socially sensitive sectors to support them in reducing negative or enhancing positive impacts?	52
1.5.1.2	Does the bank offer specific financial products and services (e.g. green bonds, sustainability-linked loans, impact financing) that support the mitigation of E&S issues, e.g. climate change, water scarcity and pollution, deforestation?	61
1.5.1.3	Does the bank allocate specific pools of capital or set targets to increase the share of its financing that supports activities with a positive environmental or social impact?	52
1.5.1.4	Does the bank hold client outreach events to raise awareness and share on good E&S practices (e.g. through joint workshops)?	97



Disclosure		Page Number
<b>10) Products - ESG Integration in Products and Services</b>		
1.6.1.1	Does the bank periodically review its portfolio exposure to E&S risks (e.g. deforestation, water scarcity, or human rights violations)?	82
1.6.1.2	Does the bank periodically review its portfolio exposure to climate-related physical and/or transition risks, using scenario analysis, and disclose the results and methodology used?	86
1.6.1.3	Does the bank have a strategy to manage and mitigate climate-related risks across its portfolio (e.g. energy sector)?	57
<b>11) Portfolio - Disclosure of ESG Risk Exposure and Targets</b>		
1.6.2.1	Does the bank disclose its credit exposure by industry sector?	54, Appendix
1.6.2.4	Does the bank disclose statistics on the implementation of its E&S policies (e.g. number of transactions assessed, escalated, approved, declined, approved with conditions)?	57
1.6.2.5	Does the bank disclose the percentage of its soft commodities clients that have time-bound plans to achieve full certification of their operations against credible, multi-stakeholder sustainability standards?	56
1.6.2.6	Does the bank disclose the percentage of clients or total credit exposure covered by its E&S policies on sensitive sectors?	56
1.6.2.7	Does the bank have targets in place to reduce the negative E&S impacts associated with its business activities?	38
1.6.2.8	Does the bank set or commit to set science-based targets to align its portfolio with the objectives of the Paris Agreement?	85
1.6.2.9	Does the bank conduct external assurance of its ESG-related disclosures?	27
1.6.2.10	Does the bank disclose the positive and negative impacts associated with its business activities [based on widely-accepted impact reporting frameworks?]	66

Notes: Appendix can be accessed via QR code



## ➤ A Minimalist, Efficient, and Environmental Friendly Report Design Approach

We try to present a report that not only considers effective communication to readers, but also considers various things, such as the choice of typeface and design style environmentally friendly typeface can optimize pages usage when conveying information, but also provide aesthetically look and ease of reading In addition, through a simple design and concise information will reduce number of pages therefore, reducing the carbon footprint



### **Simple**

Not using complicated terminology



### **Congested**

Full of information



### **Short**

Not wordy



### **Straightforward**

Firm, unambiguous



### **Clear**

Easy to understand

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