

## Submission Template for measures relevant to the Collective Commitment to Climate Action.

Through the Collective Commitment to Climate Action (CCCA), 38 banks have committed to align their businesses with greenhouse gas (GHG) emissions trajectories that are compatible with the long-term climate change mitigation objective of the Paris Agreement. The Paris Goal aims to limit global warming to well below 2°C, striving for 1.5°C above pre-industrial levels by 2100.

To that effect, CCCA banks have committed to setting and publishing sector-specific, scenario-based targets for portfolio alignment within three years of signing.

**Furthermore, CCCA Signatory banks have committed to, commencing within 12 months of signing, publishing and implementing a set of measures to support and accelerate the shift towards low-carbon, climate-resilient technologies, business models and societies.**

### What is this document?

CCCA Signatories were required to submit their account of these measures to support and accelerate the shift towards low-carbon, climate-resilient technologies, business models and societies either by completing and submitting this document or by disclosing them in a public report, on a public webpage, etc. In this document, Banks were able to report on up to three measures.

This document is therefore not exhaustive, and many banks have asked to supplement the measures developed here with external links so that the reader can complete his understanding of the actions implemented by the bank. Where this is the case, the external link can be found on page 2 of this document, following the list of measures submitted by the bank.



In the subsequent pages, “Measure” refers to the commitment each bank made by joining the CCCA to “to, commencing within 12 months of signing, **publishing and implementing a set of measures we will take within our banks and together with our clients to support and accelerate the shift towards low-carbon, climate-resilient technologies, business models and societies.**”

**Types of measures submitted by CIMB:**

- 1- A strategy to grow the customer base in specific sectors
- 2- A financial product/service tailored to support clients’ reductions of GHG emissions

Please here find the additional link provided by the bank:

2019 Sustainability report, sustainable finance presented page 65 – 69:

<https://www.cimb.com/content/dam/cimb/group/documents/investor-relations/annual-reports/2019/cimb-2019-sustainability-report.pdf>

## MEASURE 1: A strategy to grow the customer base in specific sectors

**Start of Block: CCCA-relevant measures taken/commenced within the first 12 months**

Please fill in this section for *each* measure you are planning on submitting, for a maximum of three measures.

Note: you may submit additional documentation to support your answer. However, you **must** complete this form fully for each measure.

### 1. What kind of measure is your institution submitting to UNEP FI as part of its participation in the CCCA? (please only choose one)

- A client engagement and/or capacity building programme on opportunities and approaches to reduce GHG emissions
- A financial product/service tailored to support clients' reductions of GHG emissions
- An exclusion policy
- A strategy to grow the customer base in specific sectors
- An assessment/measurement approach and/or system to establish/quantify portfolio alignment with policy objectives on climate change (such as those included in the Paris Agreement)
- An assessment/measurement approach and/or system to determine/quantify portfolio exposures to climate-related 'transition risks'
- Other:

**Please provide more detail on this measure, considering the following guiding questions. We would expect your response to be between 750 and 1250 words. Please do not submit more than 1500 words.**

#### Guiding Questions:

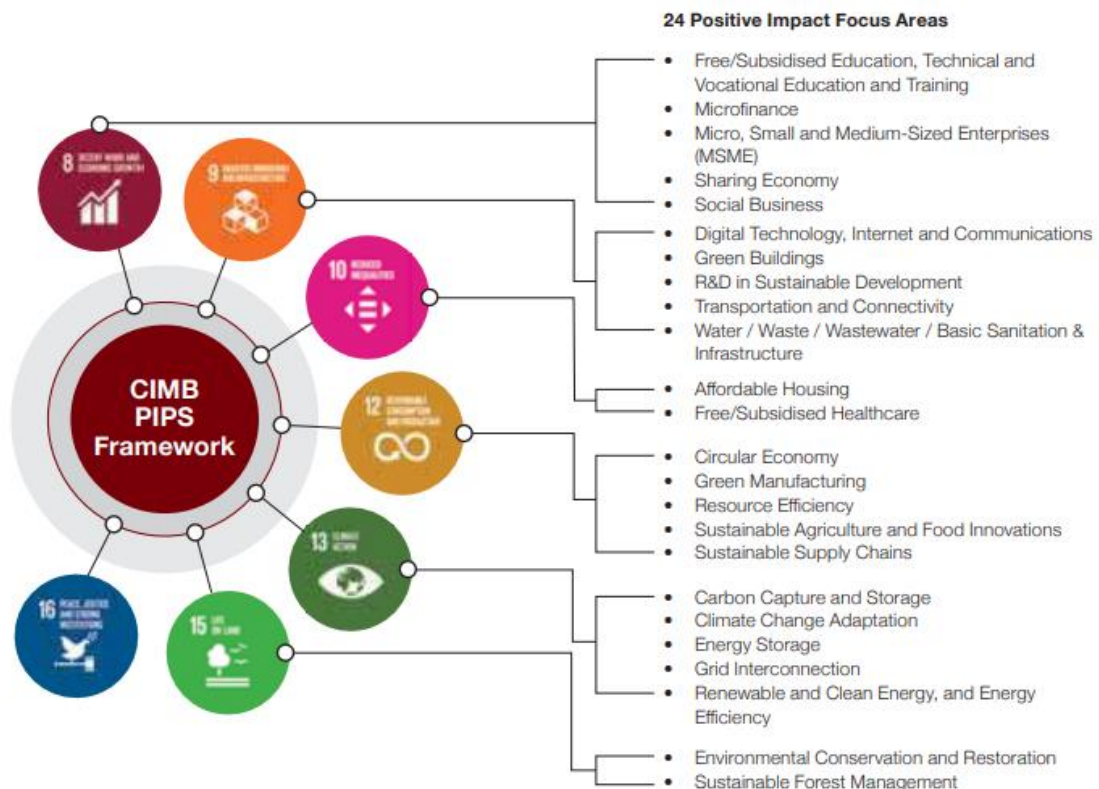
- **What is the rationale for selecting this specific measure?**
- **What outcomes/impacts do you expect from this measure?**
- **How are you implementing/planning to implement this measure?**
- **What results have been achieved to date?**

## CCCA CIMB report - September 2020

As a bank, CIMB looks to influence change and drive sustainability through its products, services and operations. Predicated on the philosophy of ‘Banking for the Future’, CIMB takes a long-term view on its business, to build a sustainable future for itself as well as its partners in growth. CIMB endeavours to mobilise investments and capital for sustainable development and as an intermediary, we can create net positive impact by bringing to market purpose-driven financial solutions.

The Positive Impact Products & Services (PIPS) Framework was developed in 2019 to set out specific focus areas / economic activities to which CIMB aims to create significant positive impacts. The PIPS Framework is used as a main reference point by business units to streamline and formulate products and services that are impactful and meaningful in the context of sustainability. The list of focus areas / economic activities were derived having taken into consideration current economic, environmental and social challenges facing the society, policies and commitments made by the government, investors and companies, as they provide a good indication of where the opportunities are for CIMB, particularly in Malaysia, our largest country of operation.

The PIPS Framework, which is comprised of 24 positive impact focus areas, was also formulated with the objective of supporting the attainment of the SDGs. For a start, the PIPS Framework focuses on CIMB’s seven priority SDGs, which include Goal 13: Climate Action.



To ensure that the PIPS Framework remains relevant and valuable to our stakeholders, we will continuously review, enhance or expand the universe of focus areas and eligible activities to cover other SDGs, based on the needs in those areas. Please refer to our 2019 Sustainability Report for more details of the PIPS Framework.

## CCCA CIMB report - September 2020

A suite of products and services have and will be developed under this PIPS framework including key partnerships and engagement activities with clients. Examples of products, services and initiatives as encapsulated under the PIPS framework are as follows:

- **Products and services:**
    - **Sustainability-Linked Loans (SLLs)** - Incentives are offered by CIMB, in the form of interest rebates, to borrowers if they are able to achieve a set of pre-agreed Sustainability Performance Targets (SPTs). CIMB has allocated a total of RM3 bil for SLLs and is available from 1 January 2020 to 31 December 2024.
    - **SME Renewable Energy Financing** - RM100 million has been allocated for SMEs to fulfil their financing needs to purchase solar photovoltaic (PV) and other renewable energy systems. One of first initiatives is to provide smaller SMEs with 100% financing to cover the cost of solar photovoltaic (PV) systems and installation on their rooftops.
    - **Green Home and Vehicle Financing** - preferential financing rates are offered to retail customers who purchase certified green residential homes, hybrid cars and electric motorcycles.
    - **Large-scale Solar (LSS) Financing & Advisory** – Energy Commission of Malaysia issued competitive bidding exercise for the development of LSS photovoltaic plants in Peninsular Malaysia for commercial operation.
    - **Green financing** – financing of renewable energy and energy efficiency for corporate and commercial clients
    - **Green/Social/Sustainability bond/Sukuk** – act as an arranger, manager and/or bookrunner for corporate clients who are seeking to raise capital to support their green/social/sustainability-linked projects or objectives
  
  - **Engagement activities**
    - **Partnerships** - To enable sustainable action through CIMB's network of partners ranging from tools, training, advisory, and certification, e.g. SME Sustainable Exporters Programme in partnership with the Malaysia External Trade Development Corporation (MATRADE). This programme supports export-ready SMEs to be equipped with the necessary sustainability knowledge and requirements to enter new markets where sustainability is a requirement. In addition to training, CIMB provides through our Partner - Impacto, free advisory and kick-start toolkit for SMEs to commence their sustainability journey.
-

**2. Which customer segments of your loan book does the measure apply to?**

- Households / individuals
- Small- and medium-sized companies
- Larger companies (corporations)
- Projects (infrastructure)
- Other:

---

**3. Which sector(s) is the measure being applied to?**

If the measure is being applied in **corporate lending**, please pick the sector(s) within which the measure is being applied:

**Electricity, gas, steam and air conditioning supply**

*If possible, specify further:*

- Electric power generation, transmission and distribution*
- Manufacture of gas; distribution of gaseous fuels through mains*
- Other:*

**Agriculture, forestry and fishing**

*If possible, specify further:*

- Growing of non-perennial crops*
- Growing of perennial crops*
- Animal production*
- Forestry & logging*
- Other:*

**Mining and quarrying**

*If possible, specify further:*

- Mining of coal and/or lignite*
- Extraction of crude petroleum and natural gas*
- Other:*

**Transportation and storage**

*If possible, specify further:*

- Land transport and transport via pipelines*

- Water transport*
- Air transport*
- Other:*

**Manufacturing**

**Construction**

**Real estate activities**

**Other:**

If the measure is being applied in **retail lending**, please pick the client groups within which the measure is being applied:

- Mortgages**
- Auto loans**
- Other:**

If the measure is being applied in **project lending**, please pick the relevant categories:

- Electricity (generation, transmission)**
- Fossil fuel extraction and storage**
- Transport (roads, airports, ports)**
- Other:**

---

**4. Please indicate the timing of key milestones (planned or already accomplished) related to the measure, as follows:**

Please specify in the comments if the milestone is either not applicable or not yet determined. If no specific date is known please make use of the relevant comment box to indicate an approximate date (e.g. Q3 2020, second half of 2020 etc.)

- 4.1. When was (will) the objective and/or target (be) established?  
**2021 This refers to the overall target of the framework, which is the percentage of book in sustainable business (as disclosed on our 2019 Sustainable Report). Our**

CCCA CIMB report - September 2020

plan is to set targets, to be disclosed in 2020 Sustainable report and report the outcomes from 2021 onwards.

- 4.2. When was (will) it (be) publicly announced, if at all?  
**Q2 2020 The PIPS Framework was disclosed in our 2019 Sustainability Report. Announcements will also be made on new product launches and collaborations pursuant to the PIPS Framework as and when available. Selected new PIPS announced at CIMB's The Cooler Earth Sustainability Summit (8th September to 31st October 2020).**
- 4.3. When did (will) the measure commence?  
**2019**
- 4.4. Does the measure have an end-date? If yes, when?  
**No end date**
- 4.5. When was (will) the success of the measure (be) assessed?  
**2021**
- 4.6. When was (will) the success of the measure (be) publicly communicated?  
**On an annual basis To be reported in annual Sustainability Reports.**

**5. Select the indicators that will be used and/or your bank has used to assess and/or determine the success of the measures in section 5.1 (for quantitative indicators) and section 5.2 (for qualitative indicators). If corresponding targets exist, please provide the values of and milestones for those in the corresponding fields. As far as already available, please provide the first results of the measures taken in section 5.3.**

**5.1. Quantitative indicators**

- Change in technology and/or efficiency-level specific financial flow or exposure  
*[Examples: i) Increase of USD XYZ per year provided for the purchase of electric vehicles; ii) Increase in the exposure to renewable technologies to XYZ % of the power portfolio; iii) Decrease in the exposure to coal-related businesses by USD XYZ; iv] increase of the proportion of certified efficient buildings in the real estate portfolio by XYZ etc.]*

- 1. Percentage of book in Sustainable Business by 2023 (%)**  
**2. Total green financing facilities by 2023 (\$)**

- Increase in the number of customers
- Decrease in the number of customers
- Change in sector-specific energy or GHG intensity at portfolio level





## CCCA CIMB report - September 2020

*[Examples: i) reduction in the average energy-intensity of the mortgage book by XYZ % / by XYZ kWh/m<sup>2</sup> ; ii) reduction in the average CO<sub>2</sub>-intensity of the auto loan book by XYZ % / XYZ grams/km; iii) etc.]*

- Reduction in financed emissions (reduction in Scope 3 portfolio-level emissions)
  
- Other: **Total avoided GHG emissions (tCO<sub>2</sub>e); Number of partnerships; Number of proposals; Number of clients engaged**

**Total avoided GHG emissions (tCO<sub>2</sub>e), where applicable and relevant, as a result of the financing. GHG emissions are those avoided from fossil-fuel power generation and we aim to establish the mechanism to track this indicator.**

## 5.2. Qualitative indicators

Please provide more details on the qualitative indicators you are using or will be using.

**We will continuously seek feedback from customers as well as other stakeholders to improve our PIPS offerings.**

## 5.3. Progress

Please outline the results already achieved (quantitative and/ or qualitative) and/or the corresponding targets, values and milestones.

### Examples of products, services and initiatives initiated under the PIPS framework

#### Products and services:

- **SLLs** – Up to RM1 billion SLLs have been accepted by corporate clients from different sectors. For instance, CIMB has recently entered into an RM270 million SLL facility agreement with Malaren International Sdn. Bhd., a subsidiary of StarHub Group (“StarHub”), a leading Singapore provider of communications, information and entertainment services. This marks CIMB’s first SLL since its announcement in January 2020.
- **LSS financing & advisory** – Energy Commission of Malaysia issued competitive bidding exercise for the development of LSS photovoltaic plants in Peninsular Malaysia for commercial operation. CIMB supported 11 clients on their LSS scheme bids.
- **Green Home Financing** – At the end of December 2019, we achieved a take-up rate of RM156 million for green residential homes in Malaysia.
- **Green Vehicle Financing** - We also achieved a take-up rate of RM69.0 million as of December 2019 for green vehicles in Malaysia.

#### Engagement activities

- **Partnerships**
  - **Malaysia External Trade Development Corporation (MATRADE) SME Sustainable Exporters Programme:** About 100 SMEs participated in 4 webinar sessions on sustainability conducted by CIMB and Impacto under the SME Sustainable Exporters Programme with the Malaysia External Trade Development Corporation (MATRADE)
  - **Private Financing Advisory Network (PFAN):** CIMB recently became a Network Partner of the Private Financing Advisory Network (PFAN), hosted by United Nations Industrial Development Organization (UNIDO) and Renewable Energy and Energy Efficiency Partnership (REEEP) and will be working with PFAN on the sourcing and financing of eligible renewable energy and energy efficiency projects.

## MEASURE 2: A financial product/service tailored to support clients' reductions of GHG emissions

**Start of Block: CCCA-relevant measures taken/commenced within the first 12 months**

Please fill in this section for *each* measure you are planning on submitting, for a maximum of three measures.

Note: you may submit additional documentation to support your answer. However, you **must** complete this form fully for each measure.

### 6. What kind of measure is your institution submitting to UNEP FI as part of its participation in the CCCA? (please only choose one)

- A client engagement and/or capacity building programme on opportunities and approaches to reduce GHG emissions
- A financial product/service tailored to support clients' reductions of GHG emissions
- An exclusion policy
- A strategy to grow the customer base in specific sectors
- An assessment/measurement approach and/or system to establish/quantify portfolio alignment with policy objectives on climate change (such as those included in the Paris Agreement)
- An assessment/measurement approach and/or system to determine/quantify portfolio exposures to climate-related 'transition risks'
- Other:

**Please provide more detail on this measure, considering the following guiding questions. We would expect your response to be between 750 and 1250 words. Please do not submit more than 1500 words.**

#### Guiding Questions:

- **What is the rationale for selecting this specific measure?**
- **What outcomes/impacts do you expect from this measure?**
- **How are you implementing/planning to implement this measure?**
- **What results have been achieved to date?**

## CCCA CIMB report - September 2020

One of our major goal is to continue expanding on our Positive and Services Impact product range and fund more companies interested in adopting carbon reduction technologies. The 'greening' of our financing portfolio is happening in stages and we intend to have a strong footing in attracting and encouraging clients, across various industries, to lower their emissions. This is essential to our role as a financial institution with broad offerings across the region and an integral part of our sustainability strategy moving forward.

We are committed to leveraging our resources and network to offer targeted financing solutions that will help the critical mass of small and medium enterprises (SMEs) in the country improve their sustainability practices and future-proof their businesses. SMEs represent over 98% of registered businesses in Malaysia and contributes 38% of our national GDP in 2018. With this in mind, we launched CIMB's SME Renewable Energy (RE) Financing in October 2019. This is our first SME Renewable Energy financing scheme and a sustainable yet practical solution to enable SMEs in Malaysia to reduce their operational costs on power consumption while contributing to the reduction in GHG emissions. This offering is also expected to increase the share of renewable energy in the country's total electricity consumption and support national climate change mitigation targets.

As part of the RM15.0 billion (\$3.6 billion) SME allocation for 2019 to 2020, CIMB allocated RM100 million (\$24 million) for SMEs to fulfil their financing needs to purchase solar photovoltaic (PV). This programme covers financing of up to 100% of the solar PV system cost, including cost of installation, and the maximum facility amount is capped at RM1.0 million (\$240 k). SMEs need to obtain the Net Energy Metering (NEM) approval from the Sustainable Energy Development Authority (SEDA) and the property must be charged to the Bank under CIMB SME property loan/financing, to be eligible for this solar financing programme.

The programme currently applies only to existing clients. We are currently in the process of obtaining approval on the enhancement to the programme. For more details on the programme, please visit - <https://www.cimb.com.my/en/business/solutions-products/financing/sme-financing/sme-renewable-energy-financing.html>

---

**7. Which customer segments of your loan book does the measure apply to?**

- Households / individuals
  - Small- and medium-sized companies
  - Larger companies (corporations)
  - Projects (infrastructure)
  - Other:
- 

**8. Which sector(s) is the measure being applied to?**

If the measure is being applied in **corporate lending**, please pick the sector(s) within which the measure is being applied:

- Electricity, gas, steam and air conditioning supply**

*If possible, specify further:*

- Electric power generation, transmission and distribution*
- Manufacture of gas; distribution of gaseous fuels through mains*
- Other:*

- Agriculture, forestry and fishing**

*If possible, specify further:*

- Growing of non-perennial crops*
- Growing of perennial crops*
- Animal production*
- Forestry & logging*
- Other:*

- Mining and quarrying**

*If possible, specify further:*

- Mining of coal and/or lignite*
- Extraction of crude petroleum and natural gas*
- Other:*

- Transportation and storage**

*If possible, specify further:*

- Land transport and transport via pipelines*



- Water transport*
- Air transport*
- Other:*
  
- Manufacturing**
  
- Construction**
  
- Real estate activities**
  
- Other:** **Applicable to any SMEs who are installing solar PV**

**This product is applicable for all small and medium enterprises (SMEs) clients.**

If the measure is being applied in **retail lending**, please pick the client groups within which the measure is being applied:

- Mortgages**
- Auto loans**
- Other:**

If the measure is being applied in **project lending**, please pick the relevant categories:

- Electricity (generation, transmission)**
- Fossil fuel extraction and storage**
- Transport (roads, airports, ports)**
- Other:**

---

**9. Please indicate the timing of key milestones (planned or already accomplished) related to the measure, as follows:**

Please specify in the comments if the milestone is either not applicable or not yet determined. If no specific date is known please make use of the relevant comment box to indicate an approximate date (e.g. Q3 2020, second half of 2020 etc.)

9.1. When was (will) the objective and/or target (be) established?

**Q4 2019**

9.2. When was (will) it (be) publicly announced, if at all?

**Q4 2019**

9.3. When did (will) the measure commence?

**Q4 2019**

9.4. Does the measure have an end-date? If yes, when?

**- No specific end date but the programme will be revised periodically**

9.5. When was (will) the success of the measure (be) assessed?

**Q2 2020**

9.6. When was (will) the success of the measure (be) publicly communicated?

**Q2 2022 Results from the the enhancement of the measure will be reported on CIMB's annual Sustainability Report**

---

**10. Select the indicators that will be used and/or your bank has used to assess and/or determine the success of the measures in section 5.1 (for quantitative indicators) and section 5.2 (for qualitative indicators). If corresponding targets exist, please provide the values of and milestones for those in the corresponding fields. As far as already available, please provide the first results of the measures taken in section 5.3.**

**10.1. Quantitative indicators**

- Change in technology and/or efficiency-level specific financial flow or exposure  
*[Examples: i) Increase of USD XYZ per year provided for the purchase of electric vehicles; ii) Increase in the exposure to renewable technologies to XYZ % of the power portfolio; iii) Decrease in the exposure to coal-related businesses by USD XYZ; iv) increase of the proportion of certified efficient buildings in the real estate portfolio by XYZ etc.]*
- Increase in the number of customers
- Decrease in the number of customers
- Change in sector-specific energy or GHG intensity at portfolio level  
*[Examples: i) reduction in the average energy-intensity of the mortgage book by XYZ % / by XYZ kWh/m<sup>2</sup> ; ii) reduction in the average CO<sub>2</sub>-intensity of the auto loan book by XYZ % / XYZ grams/km; iii) etc.]*
- Reduction in financed emissions (reduction in Scope 3 portfolio-level emissions)
- Other:  
**Total avoided GHG emissions (tCO<sub>2</sub>e) as a result of the financing. GHG emissions are those avoided from fossil-fuel power generation and we aim to establish the mechanism to track this indicator.**



## 10.2. Qualitative indicators

Please provide more details on the qualitative indicators you are using or will be using.

**We will continuously seek feedback from customers as well as other stakeholders (e.g. Malaysian Photovoltaic Industry Association) on the programme to improve our product service offerings.**

## 10.3. Progress

Please outline the results already achieved (quantitative and/ or qualitative) and/or the corresponding targets, values and milestones.

**We are currently in the process of obtaining approval on the enhancement to the programme.**