

Doing Well by Doing Good

Sustainability Report 2021

OCBC Bank (Malaysia) Berhad





About this Report

Scope of the Report

OCBC Malaysia's Sustainability Report covers how we support the OCBC Group sustainability strategy through localised initiatives and the performance of our operations across Malaysia. This report is for the financial year ended 31 December 2021.

The disclosures in this report are provided at a consolidated level, covering all operations of OCBC Bank (Malaysia) Berhad and its locally incorporated subsidiaries (collectively referred to as OCBC Malaysia or "the Bank"), unless otherwise stated. For a fuller understanding of the OCBC Group's sustainability efforts and performance, this report should be read in conjunction with OCBC Group's Sustainability Report 2021, which can be found at www.ocbc.com/group/sustainability/sustainability-reports.page.

Where applicable, data from previous financial years are included for comparison. This is OCBC Malaysia's first standalone Sustainability Report and should be read together with the OCBC Bank (Malaysia) Berhad Reports and Financial Statements, which can be found at www.ocbc.com.my/group/investors.

Data and External Assurance

The data included in this report has undergone rigorous review and approval as part of our internal process to ensure robustness, in preparation for external assurance in the future.

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Board Statement

OCBC Malaysia has been operating for 9 decades in the country, steadfast in our commitment towards creating sustainable value for our customers, employees, and the surrounding communities as one of the country's leading foreign banks. With the long-held belief that businesses do well by doing good, in 2021, we formalised our local sustainability governance standards, further integrated Environmental, Social and Governance (ESG) considerations across our business and operations, engaged customers and formed industry partnerships to promote climate change transition, expanded our talent development programmes, and actively drove community outreach. The Board embraces the nation's broader goals in advancing sustainability and remains confident in our ability to deliver meaningful and progressive economic, environmental and social impact across all spheres of influence in the years to come.

Driving Sustainability

The Board stepped up its oversight of the Bank's overarching sustainability strategy through semi-annual Board meeting updates provided by Management, where items for discussion and/or concurrence were also tabled.

To keep abreast of the shifting global landscape and emerging sustainability trends, Board members and Senior Management attended the Joint Committee on Climate Change (JC3) flagship conference organised by Bank Negara Malaysia and Securities Commission Malaysia in June 2021, as well as completed internal sustainability training programmes.

Key senior leaders were appointed to guide 5 cross-divisional sustainability workstreams that coordinate and execute concerted sustainability efforts across the Bank. We also established a Branch ESG Committee and elected Branch Sustainability Champions, responsible for promoting ESG practices at our branches.

In 2021, 4,818 employees attended 6,696 hours in sustainability-related training – a marked improvement from the 683 hours of the previous year.

Responding to the Covid-19 Pandemic

During this second year of the pandemic, safeguarding the health and wellbeing of our employees and customers, as well as sustaining our customers through financial relief programmes remained our top priorities.

In addition to seamless remote working capabilities as well as enhanced physical and virtual safety measures, we introduced several holistic wellness programmes to provide consistent and quality support, including the rollout of a Covid-19 Vaccination Support Programme, to all employees.

In the interest of helping preserve the country's economy and alleviating the financial pressures of our customers, we extended nearly RM12.5 billion in repayment assistance to 20,450 individual customers and over 6,800 businesses.

Putting Customers First and Digital Transformation

The effort to digitalise financial services was accelerated by reduced social interactions due to safety considerations since the onset of the pandemic, along with rising customer expectations for an efficient, frictionless, and convenient digital experience. Recognising this, the Bank funneled resources toward simplifying our customers' click and mortar journeys by enhancing our digital touchpoints.

Most notably, we became the first bank in Malaysia to facilitate cross-border payments via Singapore's PayNow QR through the OCBC OneCollect app. The app also allows merchants to collect payments in real-time through DuitNow QR. We also launched the OCBC eBiz Account, which SMEs can apply for entirely remotely replete with e-KYC (Electronic Know Your Customer) capabilities.

We remained mindful of the heightened risks posed by fraud and scam incidences and put in place robust cyber defense

and monitoring capabilities to strengthen our internal IT security and enhance digital banking security for our customers. We also launched a series of fraud awareness webinars with the aim of better educating our customers.

Looking ahead - Building An Inclusive and Sustainable World

We are ever conscious of the need to strengthen our operational resilience by being more responsive to rapidly evolving challenges and opportunities. Our strong fundamentals in capital, highly skilled talent, and robust risk management processes will enable us to tap into new opportunities as we help customers build more sustainable businesses in transitioning to a low-carbon future.

Progressing into 2022, we will continue to explore new frontiers in championing sustainable transformation through more innovative and responsible financing solutions, and actively contribute to creating sustainable long-term value for all our stakeholders.



2021 Key Achievements

Pillar 1: Putting Customers First

Malaysia Digital Experience Award of the Year – Banking

awarded at the Asian Experience Awards 2021 by the Asian Business Review



- ❖ **Editors’ Triple Star for OCBC OneCollect – Regional**
- ❖ **Best in Treasury & Working Capital – SMEs (Malaysia)**
- ❖ **Best Payments & Collections Solution Provider**

awarded at the Triple A Treasury, Trade, Sustainable Supply Chain and Risk Management Awards 2021 by The Asset

Mobile Banking Award – OCBC Flex

awarded at the Malaysia Technology Excellence Awards 2021

Banking Award – RM Chat

awarded at the Malaysia International Business Awards 2021, by the Singapore Business Review

Pillar 2: Building a Sustainable Future

Achieved RM1.3 billion

in sustainable finance commitments

72% AUM* in sustainable funds, surpassing our target of 56%



*assets under management

Special Award for Sustainable Energy Financing (Islamic Financing)

awarded at the National Energy Awards 2021 by the Ministry of Energy & Natural Resources

A reduction of 1.11 million mailers (12%) in overall printing volumes through customer e-Statement conversions

Pillar 3: Acting with Integrity

100% completion

- Mandatory Fraud Awareness and Whistleblowing Training in 2021
- Mandatory Fair Treatment of Financial Consumers (FTFC) e-learning module
- Mandatory Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) training and assessment
- Annual Cyber and Information Risk Awareness Online Training & Assessment



Pillar 5: Engaging Communities

111,921 beneficiaries supported through **>RM2.3 million donated**

Pillar 4: Valuing Our People

- ✓ **Best in Organisational Upskilling and Reskilling Strategy – Silver**
- ✓ **Best in HR Transformation Strategy – Bronze**

awarded at the Employee Experience Awards 2021 by Human Resources Online



Average of **7.9 training man days**

6,696 total sustainability training hours

7,161 volunteering hours



Excellence in CSR Strategy - Silver

awarded at the HR Excellence Awards 2021 (Malaysia) by Human Resources Online



Our Approach to Sustainability

Our Sustainability Governance Structure

A robust governance structure is the foundational building block for our sustainability strategy. The Board takes ultimate responsibility and drives all aspects of sustainability at OCBC Malaysia. It is supported by the Management Executive Committee, and local Sustainability Workstreams which feed into the Group Climate Strategy Committee workstreams. Senior Management representatives are also regularly invited to provide updates to the Group Sustainability Council.

OCBC Malaysia regularly reviews our governance structure for ESG and climate-related risks to achieve long-term sustainable growth.

Board



The Board has ultimate responsibility for and provides oversight for the overall sustainability agenda at OCBC Malaysia. In executing its role, the Board takes the OCBC Group’s material ESG factors into account when setting the strategic direction of the company. This includes overseeing the effective management of opportunities and risks associated with significant ESG issues such as climate change.

Management Executive Committee (MEC)



The MEC is chaired by the Chief Executive Officer and comprises members of the Senior Management Team. Supported by the Sustainability Workstreams, the MEC sets and drives the Group’s sustainability strategy, assessing ESG and/or climate-related risks and opportunities to ensure its alignment, relevance and effectiveness in supporting the Bank’s Corporate Strategy. It also ensures that the ESG factors are monitored on an ongoing basis and properly managed.

Sustainability Workstreams



The five workstreams, namely Business, Operations, Policies & Regulation, People & Culture, and Stakeholder Engagement, are responsible for driving performance against our material ESG factors through the setting and measurement of KPIs and targets. Initiatives implemented are guided by the OCBC Group’s three priorities: of moving towards net zero emissions in alignment with the Paris Agreement goals, expanding sustainable financing and product portfolios, and growing a bank-wide ecosystem of sustainable solutions and partnerships. Each workstream comprises representatives from across divisions.

Stakeholder Engagement

Continuous constructive and open dialogue is key to understanding stakeholder expectations and interests. It also allows our stakeholders to better understand our business. Thus, stakeholder engagement is conducted via a variety of channels on a regular basis and at every level of the Bank. The outcomes of our interactions with stakeholders inform our approach to setting strategy, identifying and managing material ESG factors and reporting on our sustainability performance.



For more details on how we identify and respond to the needs of stakeholders, please see: www.ocbc.com/group/sustainability/stakeholder-engagement

Materiality Assessment

The OCBC Group conducts an annual review to identify new emerging ESG factors and to validate the ongoing relevance of existing material ESG factors as well as UN SDGs. In 2021, an external consultant was engaged to carry out an objective review of our approach as well as conduct a gap analysis. The findings of the review were discussed and validated by the Group Sustainability Council before being presented to the OCBC Group Board for final approval.



For more details on our approach towards materiality, please see: www.ocbc.com/group/sustainability/materiality-assessment



Our Approach to Sustainability

OCBC Sustainability Strategy

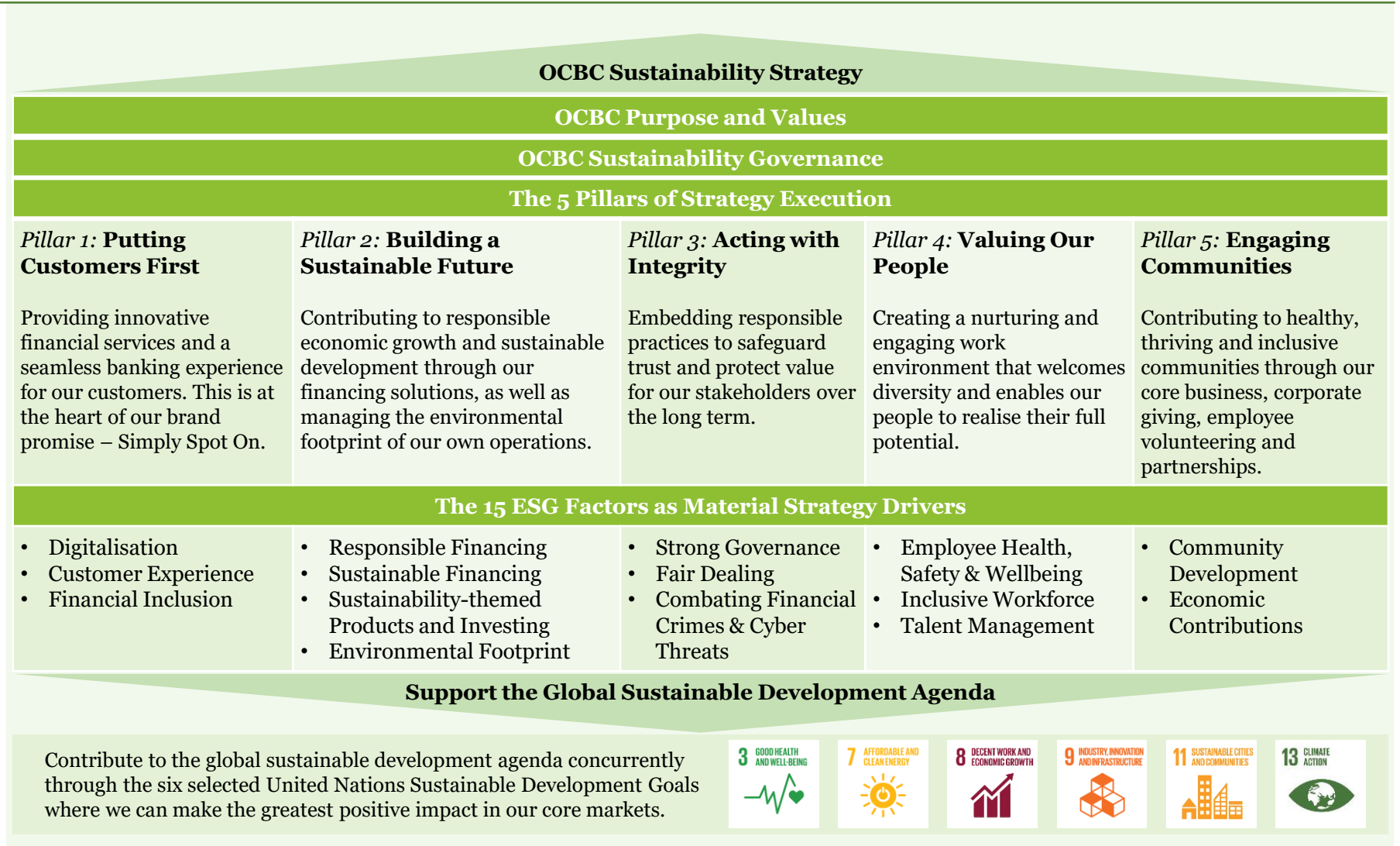
Our aspiration is to create a positive social, environmental and economic impact on our stakeholders by embedding responsible and sustainable business practices in everything we do to build a sustainable future for all.

To meet the needs and aspirations of various stakeholder groups, the five core pillars of our sustainability strategy execution is anchored by OCBC’s purpose and values, and a robust governance structure.

Value creation in the five core pillars is guided by 15 material ESG factors that act as strategy drivers. These were chosen due to their significance to the Bank’s business operations. We have and will continue to implement core initiatives and priorities aligned to the 15 material ESG factors in order to achieve the OCBC Group’s goals.

We measure our performance in the five core pillars against selected United Nations Sustainable Development Goals, tracking the Group’s long-term value creation for stakeholders.

For details on our Climate Strategy, please see pg13 of our Group Sustainability Report.





Sustainability Pillar 1: Putting Customers First



Digitalisation

Why this is Material to Us

With the rapid growth in digital adoption and customers' increased reliance on digital services, we have responded swiftly their ever-changing expectations for better and convenient digital services. We continue to provide innovative and seamless solutions that meet our customers' needs across all stages of their journey with us.

Our Management Approach

Digital transformation is an integral part of OCBC Malaysia's corporate strategy and cuts across every aspect of the Bank. We build and create a better future by leading the digital push through customised offerings that go beyond basic banking needs. This helps our customers remain competitive in a rapidly changing landscape. That's our OCBC brand promise to our customers, Simply Spot On!

Our key initiatives for 2021 included:

Business Financial Management

- We integrated business financial management capabilities into our Digital Business Banking platform, OCBC Velocity. It now includes tools such as cash-flow visualisation and e-invoicing.

Cross-border merchant payments

- Through the OCBC OneCollect app, we help merchants to collect payments in real-time through DuitNow QR and cross-border payments from Singapore through PayNow QR.
- We are the first bank in Malaysia to facilitate cross-border payment via PayNow QR in Singapore.

Seamless Merchant onboarding process

- We partnered with third-party agents to onboard merchants to facilitate their transaction flows by providing omnichannel payment gateways.

Application programming interface (API) for credit notification

- We enabled businesses to easily reconcile their receivables, a long-standing issue for many companies that struggle with multiple collection methods, such as online transfers, cheques, cash and credit cards.

Paperless Trade Finance Application

- Our customers can now submit applications and sign digitally before uploading supporting documents online via OCBC Velocity.

Digital Invoice Financing with Supply Chain Platforms

- We engaged strategic partnership ecosystems to help buyers & suppliers meet working capital and cash flow objectives with open account financing propositions in addition to streamlining the payment process.

FX Online

- We enabled customers to view "live" FX rates and book contracts instantly via our corporate internet banking site.

e-KYC (Electronic Know-Your-Customer)

- We launched the OCBC eBiz Account online account opening option for SMEs, featuring e-KYC to accelerate the account opening process.

Equipping SMEs with versatile collections tools

We launched QR collection capabilities in March 2020 via our OCBC OneCollect mobile app with its dual payload of DuitNow QR and cross-border PayNow QR. This allows SME merchants to quickly pivot business operations from storefront to online, which was especially helpful during the pandemic lockdowns.

SMEs with existing credit card merchant terminals can collect payments through DuitNow QR – a more cost-effective and contactless solution. Alternatively, payments can be collected by auto-debit via mandates from the buyer to debit the payer's account.

SMEs with suitable scale and technological capabilities can deploy collections seamlessly via QR codes from their proprietary business platforms through API integration.

A financial dashboard was introduced onto OCBC Velocity to provide our SMEs with financial overviews and business cashflow forecasts based on an analysis of collection and payment activities.

Awards & Recognition

- The Asian Business Review, Asian Experience Awards 2021 – **Malaysia Digital Experience of the Year – Banking Award**
- The Asset Triple A Treasury, Trade, Sustainable Supply Chain and Risk Management Awards 2021 –
 - Editors' Triple Star for OCBC OneCollect – Regional**
 - Best in Treasury & Working Capital – SMEs (Malaysia)**
 - Best Payments & Collections Solution Provider**
- Asiamoney Trade Finance Survey 2021 – **Best Services in Trade Finance – Malaysia**
- Alpha Southeast Asia Best Financial Institution Awards 2021 – **Best Cash Management Bank in Malaysia**
- Asian Banking & Finance Wholesale Banking Awards 2021 – **Malaysia International Cash Management Bank of the Year**

Our Performance

- Individual Consumers**
34% of Customer Base Digitally Active^[1] (+3% YoY)
- Business Customers**
58% of Customer Base Digitally Active^[1] (+4% YoY)

Our Targets

- Individual Consumers**
36% of Customer Base Digitally Active^[1]
- Business Customers**
61% of Customer Base Digitally Active^[1]

[1] Digitally Active: Customers who logged on to Internet or Mobile Banking at least once in 90 days



**Sustainability Pillar 1:
Putting Customers First**

Customer Experience

Why this is Material to Us

Exceptional customer experience is a key factor in keeping a business sustainable. It is imperative that a business provides financial solutions that meet customers’ needs and improve their lives. Deepening engagement by putting client interests first not only builds long-lasting business relationships but is also fundamental to our long-term success.

Our Management Approach

Our customers are at the heart of everything we do. As we continue to digitalise our banking products and services, enhancing the experience of our customers remains key to our approach.

Our key initiatives for 2021 included:

Elevating Digital Customer Experience

Our highly anticipated e-KYC (Electronic Know-Your-Customer) platform enables fully remote account opening that comes with the necessary controls and security

In July 2021, we rolled out the OCBC eBiz Account, a business account that SMEs can apply for entirely remotely replete with the e-KYC function to enhance the onboarding process and customer journeys

For consumer banking, digitally inclined customers and those who prefer banking on the go can also sign up for OCBC Malaysia’s award-winning OCBC Flex account (previously FRANK by OCBC) without the need to visit a branch.

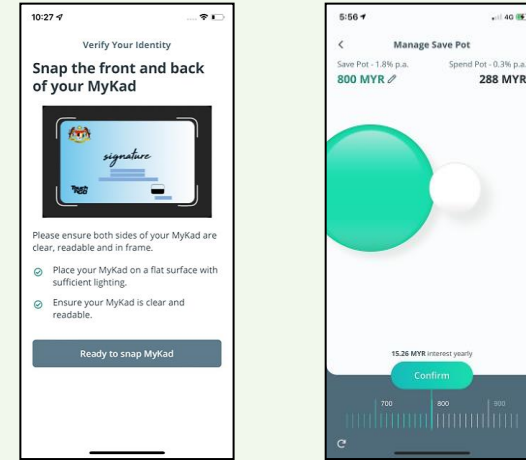
Preserving the Environment with Easy Access to Financial Updates

Managing personal finances is integral to a person’s day-to-day life. Going paperless with e-Statements (Electronic Statements) helps customers contribute to the sustainability journey through something free and convenient. Importantly, e-Statements offer greater information security and safeguards against potential delays.

E-statement enrolment initiatives were rolled out in August and October 2021, garnering encouraging response. To date, we have achieved an e-statement penetration rate of 65% with conversion efforts an on-going journey.

Customer Service Requests can now be made Online

To ensure customers had peace of mind during the pandemic, from September 2021 onwards we allowed service requests on financing-related matters to be submitted digitally through our website. The requests include EPF withdrawals, redrawals for capital repayment, and requests for security documents.



Ensuring business continuity for SMEs, Microenterprises and Individual Customers

During the pandemic, the Bank’s priority was to help vulnerable borrowers/customers to continue to operate. We assisted them through a series of repayment assistance packages catered to the varied customer segments we serve. We availed the options via accessible platforms such as our website, social media and staff so they knew what payment relief options were available to them and could sign up seamlessly.

SMEs and individual customers could apply online at www.ocbc.com.my using the Bank’s simplified application process. Personal banking customers could also opt to call the dedicated hotline for assistance.

Our Performance

- We achieved a full-year average internal customer satisfaction experience index score of 72% in our consumer segment, exceeding our target of 65% set for 2021.

Our Targets

- We are looking to maintain an internal customer satisfaction experience index of 72% in 2022.

Awards & Recognition

- Malaysia International Business Awards 2021 – **RM Chat**
- Malaysia Technology Excellence Awards 2021 – **FRANK by OCBC** (OCBC Flex)



Financial Inclusion

Why this is Material to Us

We provide banking products and services that help individuals and businesses succeed, creating value, wealth and growth across communities. Delivering innovative products and providing accessible services are consistent with our purpose and commitment to take a long-term approach in meeting the needs of society.

Our Management Approach

We are committed to making financial products and services accessible to as many individuals and businesses as possible, improving lives and business sustainability as well as making our communities stronger in the process.

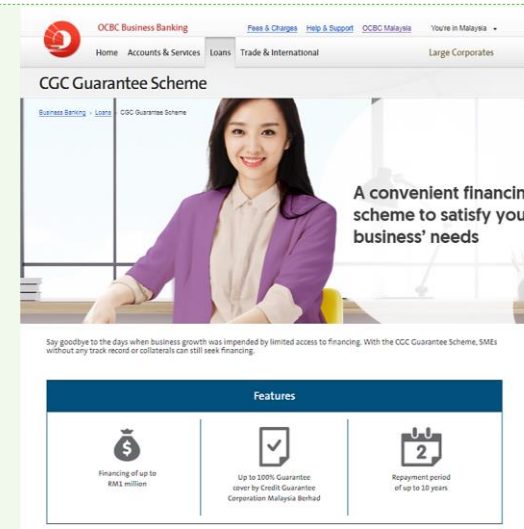
The slowdown of economic activity caused by the pandemic and related emergency measures including movement controls implemented to tackle the health crisis led to severe difficulties for individuals and businesses in meeting their financial obligations. OCBC Malaysia is committed to supporting customers in need of financial relief and assistance to safeguard their livelihood and ensure business continuity.

CGC guarantee scheme to mitigate the impact of the pandemic

Credit Guarantee Corp Malaysia Bhd (CGC) and OCBC Malaysia crossed the RM2 billion mark in wholesale guarantees (WG) for unsecured small and medium enterprise (SME) financing with the latest tranche of RM610 million in 2021.

The WG scheme provides capital relief to the banking industry and at the same time provides additional security and reduces the risks on their book.

This milestone resonates well with the government’s call to financial institutions to provide more assistance to SMEs, enabling them to recover and continue their operations with the reopening of the economic and social sector.



Awards & Recognition

- Best in Treasury and Working Capital – SMEs (Malaysia) 2021
- Best Cash Management Award (Malaysia) 2021
- Malaysia International Project Finance Bank of the Year 2020
- Best Loan Adviser, Malaysia 2020

Our Performance

Affordable Housing Loan Schemes

- Granted RM41 million under the Special Housing Loan Scheme to 825 customers to purchase property costing up to RM250,000 and RM300,000 in Peninsular Malaysia and East Malaysia, respectively.
- Provided RM18 million under the My First Home Scheme to 81 customers in the Klang Valley and other states.

Repayment Assistance and Relief Facilities During Covid-19

- Granted loan repayment assistance to 20,450 individual customers with outstanding loans amounting to RM7.1 billion.
- Provided loan repayment assistance to 5,295 businesses with outstanding loans amounting to RM4.5 billion.
- Disbursed relief facilities amounting to RM820 million to 1,519 companies in ensuring viable businesses remained solvent.



Sustainability Pillar 2:
Building a Sustainable Future



Responsible Financing

Why this is Material to Us

Environmental and social issues, like the threat of climate change and growing resource constraints, present risks to the banking industry. Integrating ESG considerations and having a responsible approach to financing are crucial for ensuring evolving ESG risks are accurately and transparently identified, assessed and managed. Doing so is crucial for the resiliency of our business and to ensure we are creating long-term value for all our stakeholders.

Our Management Approach

Managing risks and ensuring we are lending responsibly have always been key tenets of the OCBC Malaysia approach. Our approach to responsible financing is based on our responsible financing framework, which is a combination of policies, procedures and standards, the key elements of which include:

Our Climate Change Statement

- The Statement sets out the OCBC Group’s strategic ambition and commitment to support economies and clients through the transition needed to meet the targets of the Paris Agreement.
- The OCBC Group announced in 2019 that we no longer provide new financing of coal-fired power plants.

Our ESG Risk Assessment Process

- Our ESG Risk Assessment Process ensures we integrate the management of ESG Risks into our credit and risk evaluation process.
- All applicable customers/transactions are subjected to our ESG Risk Assessment Process. Transactions that carry high ESG risks are subjected to enhanced evaluation and approval requirements.
- Transactions with significant reputational risk are escalated to the Reputational Risk Review Group (RRRG) for clearance. In 2021, no transactions were escalated to the RRRG.
- In 2020, the OCBC Group became a signatory to the Equator Principles. We have since integrated the principles into our process.

Our Sector-Specific Policies

- Our sector-specific policies outline our expectations of customers in sectors with elevated ESG risk. The policies also seek to encourage our customers to meet good international standards of practice.
- Since 2019, we have rolled out sector-specific policies which cover industries identified as “high risk” by the OCBC Group.

- We continue to revise our existing sector-specific policies in response to changes in these sectors. In 2020, we strengthened our Metals and Mining policy by prohibiting new financing to thermal coal mines.

Our Exclusion List

- Our environment and social exclusion list lays out the activities that we will not finance. This includes business activities that are not aligned with our aims and values.

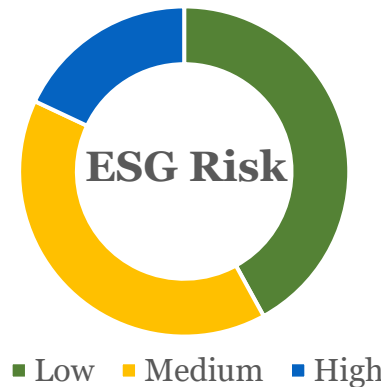
Our Responsible Investing Policy

- In 2021, we rolled out a new Responsible Investing Policy to integrate ESG considerations into the Bank’s investment activities.

Our ESG Risk Assessment Performance for 2021

- >**2,132** transactions were assessed
- >**112** transactions required enhanced due diligence, resulting in one being turned down based on its inherent ESG risk
- >**4,818** employees have been trained in sustainability-related topics to date

Transactions subjected to ESG Risk Assessment by Industry Risk Levels (2021)



- 42%** **LOW** Risk Industries are those in Services, Consulting, Education, Wholesale and Retail Trade
- 40%** **MEDIUM** Risk Industries include Manufacturing activities and all remaining activities that are neither High nor Low risk
- 18%** **HIGH** Risk Industries are those falling under the 8 high risk sectors in the ABS Responsible Financing guidelines



Sustainability Pillar 2:
Building a Sustainable Future



Responsible Financing (continued)

OCBC Group Becomes a Signatory to the Equator Principles



To further strengthen our commitment to avoiding and reducing the potential negative impacts of the projects we finance, the OCBC Group became a signatory to the Equator Principles (EP) in 2020.

The Equator Principles is an environmental and social risk management framework, adopted by over 100 financial institutions globally to ensure that project-related financing is developed in a socially-responsible manner and reflects sound environmental management practice.

We have embedded the EP practices in our loan origination policies and procedures, as well as the ongoing management of transactions through their lifecycles. The application of the EP has been integrated into our internal ESG Risk Assessment process of transactions and is subject to regular review by the Internal Audit Division.

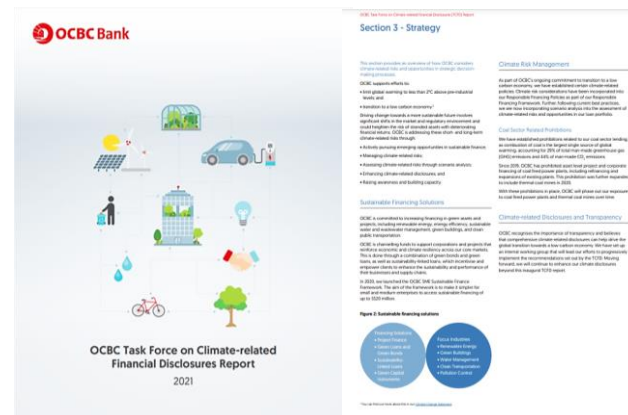
To ensure proper adoption and implementation of the EP practices, training was conducted for the relevant employees across business units and credit departments.

OCBC Group Becomes a Signatory to the Task Force on Climate-related Financial Disclosures (TCFD)

The OCBC Group supports the United Nations Sustainable Development Goals (SDG) with SDG 13 on Climate Action continuing to be a key focus of our sustainability efforts.

The OCBC Group became a signatory to the TCFD in 2019 and is now among more than 2,000 organisations globally that support the TCFD recommendations.

The OCBC Group published our first TCFD report in October 2021, outlining the Bank's overarching approach to governance, strategy, risk management, as well as key metrics and targets linked to climate-related risks and opportunities.



Partnerships and Engagements

OCBC Malaysia actively participated in sustainability-related forums and workshops such as the BNM JC3 (Joint Committee on Climate Change) Flagship Conference: #FinanceForChange, and The Cooler Earth Summit.



We are a member of the BNM Climate Change Principle-based Taxonomy (CCPT) industry Implementation Group. This allows for us to actively participate in discussions and support efforts surrounding the industry-wide rollout of CCPT, as well as ensure the Bank stays updated on latest developments.

Since 2020, OCBC Al-Amin has been an active member of the Value Based Intermediation (VBI) Community of Practitioners that drives the implementation of the sustainability agenda pioneered by BNM together with other Islamic banking institutions.

In 2021, we were part of the 2nd Cohort for the development of the Sectoral Guide for Oil & Gas.

Our Targets

- To fully adopt the BNM Climate Change Principle-based Taxonomy (CCPT), including the timely submission of semi-annual reporting
- To enhance the integration of climate-related considerations into our ESG Risk Assessment processes by the end of 2022



Sustainability Pillar 2:
Building a Sustainable Future

Sustainable Financing



Why this is Material to Us

As one of the region's largest financial institutions (FIs), the OCBC Group, of which OCBC Malaysia is a part, believes that FIs lead the direction of capital flows towards initiatives that create lasting positive impact on our communities in building a more sustainable and habitable future.

Our Management Approach

The OCBC Group's strategy is to instill sustainability in our financing approach. This enables us to provide optimal solutions for our clients to reap economic benefits from sustainable financing.

Over the years, we have gradually built our sustainable financing product suite to cover the entire spectrum of both our conventional and Islamic financing endeavours, achieving several industry firsts along the way.

Innovative Financing Solutions

- Solar Panel Financing

We launched a solar panel financing plan for residential homes, as part of our ongoing thrust into green financing and making sustainable practices even more accessible to our customers. With this, residential homeowners may apply for either our solar panel financing or Easy Payment Plan (EPP), allowing for swift access to the benefits of solar energy. We are offering those eligible the option to finance the entire amount required for the solar panels.

Our customers may opt for refinancing with an increase in line of completed residential property from another bank, or an increase in line/top up of an existing OCBC Home Loan / Home Financing-i, via the OCBC Solar Panel financing scheme.

Advocating Sustainable Finance - Memorandum of Understanding (MOU) with Bursa Malaysia Berhad

To enhance ESG adoption by Malaysian public-listed companies (PLCs), Bursa Malaysia and OCBC Malaysia will jointly develop sustainable financing options that recognise PLCs' ESG credentials in accordance with the FTSE4Good assessment criteria.



Through this initiative, accelerated ESG adoption and improved ESG ratings will grant PLCs the opportunity for inclusion into the domestic capital market's ESG index – FTSE4Good Bursa Malaysia Index.

Financing Sustainable Development

- Sustainable Infrastructure SRI Sukuk Kelestarian Air Selangor

We were the only foreign bank appointed as Joint Lead Manager for the issuance of a RM430.0 million Sustainable & Responsible Investment Sukuk ("SRI Sukuk") for Pengurusan Air Selangor Sdn Bhd ("Air Selangor"), a Selangor state-owned company. Air Selangor is the sole licensee for water treatment and distribution to consumers in Selangor, and the Federal Territories of Kuala Lumpur and Putrajaya. Proceeds from the issuance of the SRI Sukuk will be utilised by Air Selangor to finance and/or invest in a list of eligible projects which include, amongst others, sustainable water supply and management projects in accordance with the Sustainable Development Sukuk Kelestarian Framework.

- Sustainable Buildings Sunway Real Estate Investment Trust (Sunway REIT)

We were mandated by Sunway REIT as the sole Sustainability Structuring Coordinator of an Unrated Medium Term Notes Programme of up to RM10.0 billion in nominal value. Sunway REIT is one of the largest diversified real estate investment trusts in Malaysia, with a portfolio of 18 strategically-located assets across award-winning integrated townships in key locations in the Klang Valley, Penang and Perak. As Coordinator, OCBC Malaysia will review the alignment of Sunway REIT's overall sustainability agenda, encompassing its ESG initiatives in accordance with the sustainable financing principles developed by capital market regulators such as the ASEAN Capital Markets Forum (ACMF) and the International Capital Market Association (ICMA). The culmination of these efforts is the issuance of debt securities under the existing Programme, which will be benchmarked against internationally-recognised sustainable finance standards – the first of its kind to be issued in Malaysia.

Our Performance

- RM1.3 billion in Sustainable Financing portfolio in 2021

Our Target

- RM7 billion in Sustainable Financing portfolio by 2025

Awards & Recognition

- National Energy Awards 2021 (Ministry of Energy & Natural Resources)

Special Award for Sustainable Energy Financing (Islamic Financing) for OCBC Al-Amin Bank Berhad



Sustainability Pillar 2:
Building a Sustainable Future



Sustainability-themed Products & Investing

Why this is Material to Us

Sustainable investing and sustainability-linked products have steadily gained momentum in recent years. There is growing evidence that companies with strong environmental, social and governance (ESG) practices are more resilient and profitable over the long term. At the same time, there is greater awareness and activism on global sustainability issues that are driving interest in sustainable investment opportunities from our customers.

Our Management Approach

We believe that aligning the financial markets with sustainable development is vital for a prosperous society. As a trusted partner and advisor, we seek to provide products & services that help our customers achieve not only their financial goals, but also their aspirations to contribute to a more sustainable world.

At OCBC Malaysia, our ESG product offerings cater to retail clients, high-net-worth clients, and corporates. Our approach to sustainability-themed products and investing is focused on three key areas:

1. Education: Equipping employees with the latest industry trends and product knowledge in order to provide client-centric advice on ESG offerings.
2. Awareness: Helping clients better understand the ESG landscape and potential of sustainability-themed investments through seminars, events and publications.
3. Solutions: Provide and source for more innovative and sustainable investment solutions for client portfolios.

People

Recognising the value of employees well-versed in the nuances of ESG investing, the Bank is committed to training and upskilling our staff. We collaborated with the OCBC Group and Amundi to roll out the “OCBC - Amundi ESG Training Series: Responsible Investment” on 1 November 2021, targeting for all customer-facing staff to complete the training by 31 December 2021. This training programme was extended to all retail banking staff as we believe shared knowledge is crucial for building a strong foundation to allow these values to be integrated at every level of the Bank. This will translate into responsible decision-making, financing, investing, product development, and client-facing advisory.

Process

We are in the midst of establishing a Sustainable Investment Framework (SIF) which will guide advisory and investment product due diligence, selection and recommendations.

Products

In 2021, we launched an additional 19 new sustainability-linked funds, bringing the total number of sustainability-linked funds offered to 79. Of the new funds launched, 15 are ESG funds that are rated by an independent rating agency while 4 are Sustainable and Responsible Investment (SRI) funds qualified under the Securities Commission. We also launched 41 independently rated ESG bonds.

Our retail product suite includes solar panel financing plans for residential homes and Wealth Financing facilities that can be pledged for ESG/sustainability-linked investments.

Public

In October 2021, we published a dedicated retail specific ESG page on the Bank’s website where customers who are keen can learn more about ESG and Sustainability and our product offerings. They can also access advisory pieces by the Bank’s Head of Research and Advisory.

OCBC CFS’ First Green Initiative



In October 2021, we sealed a fund distribution partnership with Maybank Asset Management Sdn Bhd (MAM), marking a major move in our journey towards expanding our ESG offerings. Through this partnership, we offer a unique scheme whereby a tree is planted for every investor of a sustainable unit trust product from MAM that is distributed by us. The trees will be planted along the lower end of the Kinabatangan River in Sabah by APE Malaysia. The partnership officially kicked off on 15 November 2021 with three MAM global unit

trust funds, namely Maybank Global Sustainable Equity-I Fund, Maybank Global Sustainable Technology Fund, and Maybank Global Mixed Assets-I Fund, all of which are distributed by OCBC Malaysia. We hope to have at least 5,000 sign-ups in the three months following the launch. In the longer term, we are looking to embrace a wider cross section of society to include those who invest in other sustainable funds through the Bank as well as support other reforestation efforts across Malaysia.

Increasing Customers’ Knowledge of Sustainable Investing

In November 2021, we held a panelist-moderator webinar titled “The Future & Now: Towards a Greener Environment & Sustainable Alpha”. This event covered what ESG is, how we can do our part in contributing towards a more sustainable future and included some practical solutions via available products. The event saw close to 450 participants. Responses were highly positive as most found the session beneficial, engaging, insightful and informative.



Our Performance

- 60% of fund sales have been ESG funds and we achieved 72% in sustainable funds assets under management (AUM). (2021 Target: 56% of AUM).
- Since rolling out ESG-themed investment offerings in 2020, we currently have more than 50% of our existing investments already in ESG investing.

Our Targets

- Continue to broaden and deepen our sustainable investment offerings.
- Incorporate third-party ESG ratings across products (e.g., funds, equities and fixed income).
- Continue integrating ESG considerations into our investment selection and due diligence processes.



Sustainability Pillar 2: Building a Sustainable Future

Environmental Footprint



Why this is Material to Us

A thriving society is dependent on a healthy environment. As a responsible business, we are duty-bound to limit negative impact on the environment and do our part to protect the vital ecosystem that supports life on our planet. Not doing so present risks to the long-term viability of our business and the wellbeing of our stakeholders.

Our Management Approach

We are committed to reducing the environmental footprint of our physical operations. We also recognise our responsibility to influence and work with our suppliers, customers, and other stakeholders to adopt more environmentally friendly practices.

Our environmental efforts are focused on three key areas:

Sustainable Buildings and Operations

Improving the environmental performance of our buildings and operations by adopting best practices relating to energy use, water use and waste management. Initiatives we have undertaken include:

- Establishing a Branch ESG Committee and electing branch Sustainability Champions to drive environmental initiatives and programmes across our branch network.

- Replacing all conventional lighting with LED lights at head office common areas for improved energy efficiency and reduced energy consumption.
- Recalibrated all vending machines at the Bank to achieve 1,729kwh in energy savings per month.
- Eliminated individual wastepaper baskets at staff desks in favour of shared bins segregated by recyclable and non-recyclable waste, to encourage more conscious waste management.

Sustainable Procurement

We prioritise the procurement of more environmentally-friendly products and services during the screening and selection of suppliers, wherever possible. Initiatives undertaken include:

- The OCBC Supplier Code of Conduct which sets out the standards we expect from new and existing suppliers. Areas covered include compliance with the relevant laws, business integrity and ethics, human rights, health and safety, and environmental protection.
- Purchasing biodegradable serviceware and Forest Stewardship Council (FSC)-certified / Programme for the Endorsement of Forest Certification (PEFC)-certified paper for administrative use and for receipts printed from the Bank's ATMs & CDMs.
- Procuring multi-function printers with MyHijau Certifications – Compliance Category: Green Label Certification (ISO 14024 Type I ECO-Labels).
- Requesting information on vendors' social and environmental initiatives as part of the selection and onboarding process.

Promoting Environmentally Friendly Behaviour

- We actively encourage our customers to switch to e-Statements and discourage printing of hardcopy transaction slips for over-the-counter transactions at branches (the same information is available via customers' mobile or internet banking application). In 2021, we saved RM1.23 million (-8% year-on-year) in postage and printing costs while overall printing volume reduced by 1.11 million mailers (-12% year-on-year).
- Internally, many processes are going paperless, leading to a significant reduction in paper consumption.
 - Treasury Operations – eliminated paper printing (11 reams of paper per annum) for FXMM, Derivatives & Securities Team).
 - Central Procurement Office – reduced paper consumption for printing Purchase Order Issuances by 22 reams of paper per annum.
 - Trade Finance Operations – eliminated paper printing for Bill of Exchange process (savings of 1 ream of paper per annum).
 - Outsourced Statement Printing – overall reduction in printed customer account statements of 736,000, an 11% decrease as compared to 2020.
- Through various departmental initiatives, staff have been provided with reusable water bottles, straws, cutlery and so forth to promote conscious waste management and reduce usage of single-use plastics. Our purchase of paper napkins / serviettes has also been reduced from 1,080 packets in 2020 to 661 in 2021.
- We issue monthly ESG newsletters to our suppliers and vendors to promote the sharing of best practices or key learnings amongst our suppliers as well as communicate the Bank's sustainability focus.



Sustainability Pillar 2: Building a Sustainable Future

Environmental Footprint (continued)

Our Performance

Reporting on the environmental footprint of our banking operations represents the greatest opportunity for us to track and drive initiatives and improvements.

	2021	2020	2019
Energy ⁽¹⁾			
Electricity consumption (MWh)	19,365	20,993	22,104
Electricity Intensity (kWh/Square feet)	16.5	17.9	18.9
Emissions ⁽¹⁾⁽²⁾			
Scope 2 emissions (tonnes CO ₂ e)	6,391	6,928	7,294
Scope 2 emissions (tonnes CO ₂ e/Square feet)	0.0055	0.0059	0.0062
Water ⁽¹⁾			
Total water usage (ML)	76.768	73.442	91.693
Water usage Intensity (ML/Square feet)	0.00006	0.00006	0.00008
Waste ⁽³⁾⁽⁴⁾			
General waste generated (tonnes)	308	343	366
Recyclable waste generated (tonnes)	6.9	8.5	0
Paper ⁽¹⁾			
Office paper usage (tonnes)	52	67	106

Notes:

⁽¹⁾ Data for energy, emissions, water and paper usage includes all OCBC Malaysia operating locations.

⁽²⁾ OCBC Malaysia uses the operational control approach for determining carbon emissions. Carbon emission calculation factor used is 0.33 per the OCBC Group standards.

⁽³⁾ Data for waste generated is only available for Menara OCBC.

⁽⁴⁾ Recyclable waste initiative and measurement started in 2020; no data is available for 2019.

Supplier engagement efforts

As the Bank progressively refines our approach in managing our own environmental and social impact on the broader society, we recognise the importance of adopting sustainable supply chain practices and proactively engaging our suppliers in related conversations. Heightened ESG awareness better informs suppliers' risk management considerations thereby enhancing their own supply chain resilience, whilst helping to propagate positive community impact.

In addition to the ESG criteria applied within the vendor onboarding evaluation process, our Central Procurement Office (CPO) ensures annual communication of the OCBC Supplier Code of Conduct to existing suppliers. The CPO also regularly reaches out to our suppliers to stay up-to-date on their sustainability initiatives and emerging themes impacting their industries, in effort to facilitate two-way learning.

In August 2021, CPO issued its first supplier ESG newsletter. Published monthly, these newsletters feature bite-sized sustainability information, commentary and guidance. Going forward, the Bank strives to strengthen knowledge sharing and educational efforts by hosting dedicated training workshops or speaker sessions with experienced professionals.



Our Targets

- 5% year-on-year reduction in paper consumption.
- Contribute to the OCBC Group's target of achieving carbon neutrality for banking operational emissions in 2022.





Sustainability Pillar 3: Acting with Integrity



Strong Governance

Why this is Material to Us

Strong governance remains the bedrock of our success. Establishing appropriate control and oversight of our business is essential to our role as a steward of wealth and value for our customers and society. In line with this, OCBC Malaysia's governance framework enables us to build and safeguard trust amongst our stakeholders, creating long-term and sustainable value for them.

Our Management Approach

We are committed to upholding the highest standards of corporate governance in everything we do, guided by our OCBC Group Code of Conduct and Group policies. In every jurisdiction that OCBC operates in, we comply with all regulations, codes and corporate governance guidelines.

OCBC Malaysia's robust corporate governance structure and policies are underpinned by our core values, LIFRR (Lasting Value, Integrity, Forward-Looking, Respect and Responsibility).

Our Board and senior management are uncompromising in our zero-tolerance approach to all forms of bribery and corruption. OCBC Malaysia's anti-corruption and anti-bribery standards sets out the risk assessment and monitoring process related to corruption. Our policies are refreshed every two years to align with global best practices and topics. Our standards are communicated to both permanent and contract employees through a series of training sessions upon their joining OCBC Malaysia.

To inculcate a strong sense of ethics and good corporate governance, several key initiatives were undertaken in 2021 in addition to our various ongoing efforts:

Revised Anti-Bribery and Corruption (ABC) Policy

- We revamped the Bank's ABC programme to strengthen internal controls to align with Malaysian Anti-Corruption Commission (MACC) Adequate Procedures guidelines against all forms of bribery and corruption risks.
- We implemented the ABC Risk Assessment process to ensure all external parties engaged by the Bank are properly assessed and screened against bribery and corruption risks prior to onboarding.
- We implemented a comprehensive Bribery and Corruption Risk Assessment within the Bank which is performed periodically. The results are reported to the Board.

Whistleblowing Programme

OCBC Malaysia is committed to the highest level of integrity and our Whistleblowing Policy aims to provide a safe and anonymous platform for parties to raise fraud and misconduct concerns. The policy also governs the reporting and investigation of whistleblowing reports.

Staff are continually reminded of the policy through the information made available internally. The roles and responsibilities of the various units overseeing the investigation including whistleblower protection are clearly stated. All reports are investigated and reported to the Audit committee.

Our Whistleblowing Programme is publicly accessible via the following channels:

- Website: <https://www.ocbc.com.my/personal-banking/help-and-support/help-and-support.html>
- Email: whistleblower@ocbc.com

Sustainable procurement

OCBC Malaysia's Supplier Code of Conduct (CoC) sets out our expectations across key areas: compliance with the law, business integrity and ethics, human rights, health and safety, and environmental protection. At OCBC Malaysia, we adhere to strict ESG procurement criteria in line with the OCBC Group's sustainability strategy. For instance, our environmental requirements incorporate the use of recycled material, green certification, and energy efficiency of equipment, amongst other criteria. The CoC is incorporated into our supplier onboarding process, which must be acknowledged by suppliers before an engagement can commence.

Our evaluation process involves a panel of cross-departmental evaluators to ensure fairness and openness and the CoC states that suppliers and evaluators must declare any conflicts of interest. We also conduct Know-Your-Vendor checks prior to and during the contract period, where vendors are screened against staff databases, internet searches and sanction lists for any potential violations against OCBC Malaysia's policies. Critical suppliers are reviewed regularly based on our internal policy to ensure compliance. In the event of non-compliance, the business unit will work with the supplier to rectify the lapses. OCBC Malaysia reserves the right to terminate the contract in some cases.



Sustainability Pillar 3: Acting with Integrity



Strong Governance (continued)

Employee Conduct Triggers (ECT)

The ECT programme was implemented to raise employees' risk awareness and inculcate better risk behaviours by utilising clear and measurable conduct indicators to measure the Bank's risk culture. Each employee is accorded ECT points for non-compliance of these indicators, which are subject to management review and potential disciplinary action.

Strengthening corporate governance policies for a new normal

OCBC Malaysia gradually resumed on-site operations to support economic activities in accordance with the National Recovery Plan by the National Security Council. The Pandemic Taskforce and the Crisis Management Team oversaw the operations to ensure disruptions were kept to minimal and safe management measures were strictly enforced across all locations. As a result of the diligent efforts of the team, the situation was well-managed.

As work from home became prevalent, the Bank was keenly aware of associated risks such as data loss through mishandling and misconduct in an unsupervised environment. OCBC Malaysia ensured internal controls were put in place to mitigate risks of confidential information leaks and data breaches.

A benchmarking assessment performed against the Monetary Authority of Singapore (MAS) Information Paper on Risk Management and Operational Resilience in a Remote Working Environment demonstrated that the Bank has aligned with all the identified key risk areas such as changes in the control environment, cyber security, staff misconduct and fraud.

Our Performance

- 100% completion of mandatory Fraud Awareness and Whistleblowing Training in 2021.
- Zero incidents of corruption in 2021.
- Since the beginning of 2021, a total of 10 anonymous and non-anonymous whistleblowing reports were received by Audit through our various reporting channels.

Our Target

- Maintain 100% completion of mandatory Fraud Awareness and Whistleblowing Training in 2022.



Sustainability Pillar 3: Acting with Integrity

Fair Dealing – Fair Treatment of Financial Consumers (FTFC)

Why this is Material to Us

OCBC Malaysia's continued success is dependent on our ability to meet our customers' needs and build enduring relationships with them. This involves dealing with customers honestly, consistently and with integrity.

Our Management Approach

Over the years, we have earned the trust and confidence of our customers by maintaining a reputation anchored on integrity and honesty – underpinned by our core values.

Our brand promise, to be Simply Spot On, underscores our commitment to deal fairly by:

- Providing our customers with clear, relevant and timely information to help them make informed decisions.
- Recommending only products that are aligned with our customers' financial objectives and risk profiles.
- Training and certifying our sales employees so that they are equipped to give appropriate advice and recommendations to our customers.
- Ensuring customers' feedback and complaints are addressed in an effective and prompt manner.

Fair Treatment Committee, Framework and Monitoring Programme

Our Fair Dealing journey began about a decade ago and has today evolved to the Fair Treatment of Financial Consumers (FTFC), following the launch of BNM's FTFC guidelines on 6 May 2020. We enhanced the Fair Dealing framework to the FTFC framework to account for these changes on 4 February 2020. Through it, we:

- Oversee strategic initiatives and measurement to ensure we deal fairly, including conducting quarterly reviews of our FTFC performance. In 2021, no adverse issues were encountered in our review.
- Monitor and assess the Bank's FTFC performance based on two aspects
 - Quantitative – such as the number of regulatory breaches reported to BNM, audit results, and compensation amount arising from mis-selling.
 - Qualitative – to understand the systemic nature of misconduct cases.

Product Suitability Committee, Policy and Framework

Our Product Suitability Policy Guidelines, overseen by the Malaysia Product Suitability Committee, governs the approval of new investment products to ensure they are appropriate for the target customer segment based on OCBC Malaysia's Product Suitability Risk Rating Methodology which assesses both the risk factors of new investment products and risk profiles of the target customers, before matching both to ensure only suitable products are recommended to our customers.

A total of 17 new investment products were approved in 2021.

GiFT Policy

We have long encouraged our employees to log all feedback and complaints from customers in our GiFT Manager system, so resolutions are seen to in a disciplined manner. This stems from our long running maxim that "Complaints are Gifts".

In 2021, we achieved a 94.3% rate in resolving complaints within 14 days of receipt.

Our Performance

- 100% completion of mandatory FTFC e-learning module
- No significant cases of mis-selling from a regulatory breach perspective
- "Green" internal rating for every quarter in 2021 (based on a rating scheme of Green-Amber-Red).

Our Target

- Maintain 100% completion rates for mandatory staff training for FTFC in 2022
- Maintain zero significant cases of mis-selling in 2022
- Maintain "Green" internal ratings for each quarter in 2022.



Sustainability Pillar 3: Acting with Integrity

Combating Financial Crimes and Cyber Threats

Why this is Material to Us

Financial crimes and cyber threats have the potential to disrupt our banking services and result in financial losses impacting our customers, organisation and the wider economy. Therefore, we will continue to face increased risks of cyber-attacks, data breaches, fraud, money laundering and the financing of terrorism. It is vital that the Bank stays resilient against these risks.

Our Management Approach

We take a holistic approach to managing financial crimes and cyber threats, implementing comprehensive measures across risk governance, people, processes, and technology. Our robust processes help protect customers' information and assets from financial crime and cyber threats. We continue to proactively invest in new technologies to prevent, detect, and respond to evolving cyber threats and financial crimes.

The ongoing global pandemic has necessitated large-scale remote working arrangements and higher degrees of digital engagement with our customers. Therefore, our internal controls and risk management processes are progressively strengthened to support the increasing volume of digitalisation initiatives to help us serve our customers better.

From a regulatory perspective, we conform with high ethical standards and guard against undertaking any transaction that is or may be related to the facilitation of money laundering/terrorism financing (ML/TF), proliferation financing or sanctions evasion.

Beyond the Bank, we contribute at industry level via the Compliance Officer Networking Group (CONG) and the Association of Banks Malaysia (ABM), in discussions on mitigating measures against emerging trends and so forth to ensure we remain at the forefront of combating financial crime.

Key initiatives undertaken by the Bank include:

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), Sanctions.

- We revamped our AML/CFT & Sanctions online training programme to strengthen staff awareness of ML/TF and Sanctions risk.
- We maintained an updated set of policies and procedures to tackle newly identified risks and typologies.
- We deepened our organisational AML/CFT risk awareness via Bank-wide AML Quizzes.
- We supported Police DiRaja Malaysia (PDRM) in their launch of eFSA, a new secure digital platform developed and administered by PDRM's Commercial Crime Investigation Department (CCID), for the submission of permitted customer information disclosures from banks to PDRM in a more efficient and structured manner.
- We proactively provided Sanctions education to targeted customer segments via a Sanctions Questionnaire and ensured the OCBC Malaysia Sanctions Notice on our webpage is up-to-date, declaring OCBC Malaysia's stance on complying with sanctions laws and regulations.

Anti-Fraud Measures

In 2021, we continued to raise awareness about scams amongst customers and employees via multiple channels, including internet and mobile banking, social media, direct electronic mails, and webinars.

Internally, we continue to invest in fraud surveillance and anti-financial malware systems. This is part of our continuous effort to enhance customer security, by detecting suspicious transactions and financial malware in customer's devices when transacting via our OCBC Online Banking platforms. We also continuously identify new fraud risks and enhance our internal mitigation controls.

Preventing Data Breaches

Considering a significant proportion of staff have been working remotely, data protection has taken on paramount importance. Our internal controls include the following measures:

- Restricting access on a need-to-know basis
- Regular monitoring to facilitate prompt detection and follow-up of possible data breaches
- Broadcast updates on evolving threats (e.g., phishing and ransomware) to encourage staff vigilance

The Bank continues to implement progressive enhancements, such as further strengthening endpoint data loss prevention controls, to enable adequate data protection in the new norms of the remote working environment.

Anti-fraud Webinars

We hosted anti-fraud webinars to keep our customers safe from online scams. The accelerated adoption of online transactions coupled with consumers' sense of uncertainty has resulted in more scams and fraud. We continue to help our customers by reinforcing our anti-fraud programme through continuous education in providing tips to avoid scams. In 2021, we organised a series of webinars on impersonation scams, online shopping scams, investment scams, business email compromise scams, and illegal loan scams – for the benefit of our customers.

Our Performance

- 100% employees completed the mandatory AML and CFT training and assessment.
- 100% employees completed the Annual Cyber and Information Risk Awareness Online Training and Assessment course.
- 100% inclusion of employees in the Social Engineering Test Programme.

Our Targets (for FY2022)

- Maintain 100% completion rate for
 - Mandatory AML and Sanctions Compliance Training
 - Annual Cyber and Information Risk Awareness Online Training and Assessment
- Maintain 100% inclusion of employees in the Social Engineering Test Programme



Sustainability Pillar 4: Valuing Our People



Employee Health, Safety and Wellbeing

Why this is Material to Us

A healthy, resilient, connected and engaged workforce is a high-performing one. As the nature of work and the workplace changes, especially arising from the pandemic, we are responsible for providing a workplace that is safe, supports mental and physical health, and enables our employees to have a fulfilling life both in and outside the office. It is also important that they remain connected and engaged with the company and their colleagues, to build trust and a sense of purpose at the workplace.

Our Management Approach

We instituted a robust framework of policies and procedures that place our employees' health, safety and wellbeing as our top priority. This includes tools that enable us to quickly detect and respond to threats or incidents impacting their wellbeing. We also invest in initiatives and programmes to promote their wellbeing both during and outside of work hours.

We regularly validate the effectiveness of our framework by incorporating lessons learnt from past incidents and crises, conducting crisis simulations, and participating in industry-wide exercises to identify weaknesses.

Protecting our Employees Amid Covid-19

The Crisis Management Team comprising senior members of the Bank guides key decision making while the Pandemic Taskforce, with representatives from all divisions and subsidiaries, develops response plans according to the ongoing pandemic situation and executes the necessary actions.

The Bank also established a guide for managing Covid-19 positive cases and close contacts, which includes unrecorded leave and supply of food items for employees identified as Covid-19 positive.

Covid-19 Vaccination Support Programme

All employees are granted a day off on the day of their vaccination to attend their appointment and rest at home after the vaccination. They can also seek reimbursement for taxi/Grab fares to and from vaccination clinics/centres. Employees who become unwell or have side effects after the vaccination are allowed to apply for medical leave without a medical certificate, have the option to work from home subject to work requirements, and may seek reimbursement for any outpatient medical expenses incurred.

Covid-19 Vaccination Drive

The Bank arranged with private clinics and medical centres to provide Covid-19 immunisation to outstation employees who signed up for the programme. The drive was exclusively for OCBC employees outside the Klang Valley to help accelerate the inoculation process.

Supporting the Mental and Emotional Health of our Employees

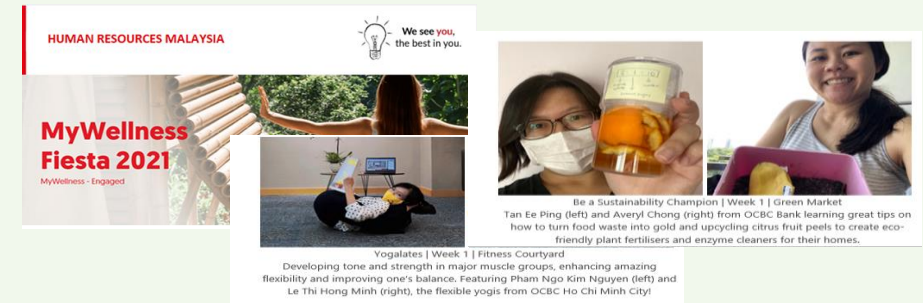
Throughout the sustained pandemic period, protecting the mental and emotional health of our People was more important than ever before.

Employee Assistance Programme

The Bank partners with Workplace Options to provide a holistic programme covering physical, mental, social and financial well-being to help employees in areas from personal development to work-related stresses in everyday life. This programme reached some 7,000 individuals, extended to both employees and their immediate family members, including spouse, children (aged 8 and above), parents and siblings.

MyWellness Fiesta

OCBC Group staff around the world converged for the MyWellness Fiesta held virtually from 11 October to 15 November 2021. The event included curated talks, workshops and fitness classes on wellness, mindfulness and sustainability.



Our performance

- 4,450 employees received a day off through the Covid-19 Vaccination Support Programme
- 249 outstation employees benefited from the Covid-19 Vaccination Drive
- 238 employees participated in the MyWellness Fiesta



Sustainability Pillar 4:
Valuing Our People



Inclusive Workforce

Why this is Material to Us

We are committed to building an inclusive People culture that embraces diversity, treats employees fairly and provides equal opportunities. These factors foster creativity and innovation and are therefore crucial to the Bank's long-term success.

Our Management Approach

We seek to recognise each individual and the value they bring to the Bank. This means cultivating an environment where employees can be who they are, while providing support for them to be the best version of themselves. We work hard to maintain a culture that is caring, trusting and progressive. Examples of initiatives implemented include:

MentorMe Programme

- Launched in 2020, we leveraged on the Group's 9-month MentorMe programme to provide a platform for Malaysian senior leadership mentors (both men and women) to guide women mentees in middle-management.
- Our Group CEO (the Programme Sponsor) and OCBC Malaysia CEO participated in a panel discussion during the launch of MentorMe's second year, in 2021.
- We had 24 mentor-mentee pairs in 2020, which increased to 28 pairs in 2021.

Campus Star Awards

Despite the ongoing pandemic, Campus Star Awards continues to encourage our learning champions to volunteer time in imparting their knowledge and skill. A total of 16 internal trainers in 2021 were recognized for their dedication and commitment.

Workforce by Age Group (Permanent & Contract)

	2021	2020	2019
< 30	22%	25%	30%
30-49	68%	67%	63%
≥ 50	9%	8%	7%

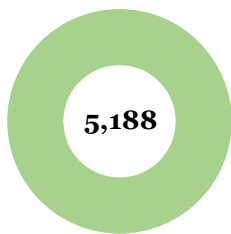
Employee Category by Age Group (Permanent and Contract)

	2021			2020			2019		
	< 30	30-49	≥ 50	< 30	30-49	≥ 50	< 30	30-49	≥ 50
VP ^[1] & above	0%	8%	4%	0%	8%	3%	0%	7%	3%
AVP ^[2] & Management Associates	1%	26%	3%	2%	24%	2%	2%	22%	2%
Managers & Associates	20%	26%	1%	22%	25%	1%	26%	24%	1%
Non-executives	1%	9%	2%	1%	9%	1%	2%	10%	1%

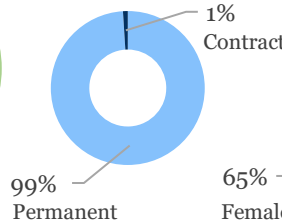
[1] VP: Vice President; [2] AVP: Assistant Vice President

Workforce (Permanent & Contract)

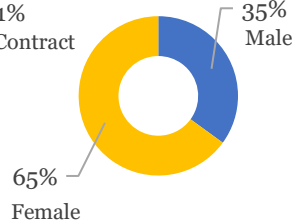
Total workforce



Employment nature

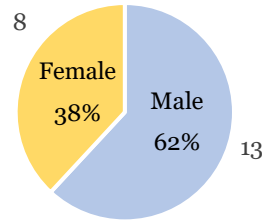


Gender

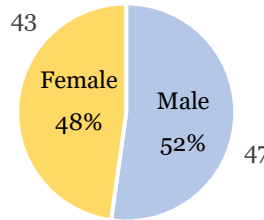


Representation at Management level

Senior Management Positions



Leadership Positions



New Hire Rate (Permanent Staff Only)

	2021	2020	2019
Total	761	569	951
Gender			
Male	41%	45%	42%
Female	59%	55%	58%
Age Group			
< 30	60%	58%	65%
30-49	39%	41%	35%
≥ 50	1%	1%	0%
New Hire Rate	15%	11%	18%

Attrition Rate (Permanent Staff Only)

	2021	2020	2019
Total	845	590	925
Gender			
Male	45%	43%	44%
Female	55%	57%	56%
Age Group			
< 30	50%	46%	39%
30-49	43%	47%	55%
>= 50	7%	7%	6%
Attrition Rate	17%	11%	18%



Sustainability Pillar 4:
Valuing Our People



Talent Management

Why this is Material to Us

OCBC Malaysia believes people are our most important asset and that all employees must have an opportunity to learn continually. It is imperative that we continue to attract, retain and develop the best talent to ensure we are future-ready.

Our Management Approach

We uphold a longstanding commitment to developing our employees throughout their careers. We maintain a culture of learning that prioritises holistic development, helping employees realise their full potential both professionally and personally.

We offer a comprehensive suite of development programmes for leaders at all levels across the Group. Our core Leadership programmes focus on our 7 APEX (Achieving Performance Excellence) leadership competencies, dedicated to nurturing well-rounded leaders.

Our OCBC Learning Blueprint underpins our learning philosophy of Autonomy, Mastery and Relatedness. We aim to build a sustainable learning ecosystem for spurring our employees on in their path of continuous learning.

Key initiatives we have rolled out include:

Campus on Cloud goes virtual on HR in your Pocket (HIP)

More than 50% of our employees have embraced the new learning experience of learning anywhere, anytime – providing greater autonomy in crafting their own learning journeys.

Future Smart Festival

Our Future Smart Programme is at the heart of our talent management strategy with the objective of reskilling and upskilling our employees, especially to ensure they are well-equipped with the digital competencies needed to thrive in this rapidly changing economy.

We recorded a total of more than 46,000 learning completions for Future Smart tagged modules as at end December 2021. Courses under the Banking & Finance pillar had the highest participation rate, followed by New Risks and Governance, Tech & Data and The Way We Work.

Future Smart Pillar	Number of Completions
Banking and Finance	23,205
Business Models & Strategy	126
Customer Centricity	1,002
Leadership in the Future World	6,189
New Risks and Governance	5,900
Tech & Data	6,099
The Way We Work	3,496
Grand Total	46,017

Wellness Sessions

We curated and designed 40 virtual sessions for leaders and individual contributors focusing on mindset change, wellness, and coping skills – in close partnership with certified psychologists.

Certification Programmes

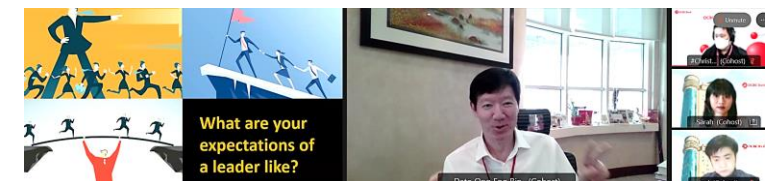
Armed with workforce analysis, we critically reviewed what new skills and capabilities our employees needed. We offered several literacy programmes to accelerate growth in the areas of AI in Finance, Machine Learning and RPA, Coding, Cyber Risks, Digital Marketing, and Social Media.

Taking a more rigorous approach with modules curated based on business demands, we offered wealth management and digital wealth management modules at Practitioner Level for more than 50 premier banking employees.

Leaders Sharing Sessions

Through several up-close-and-personal sessions with the senior leaders of OCBC Malaysia, we uncovered our leaders’ unique paths toward their success as they shared inspirational stories of their personal struggles and triumphs. Key messages included managing wellbeing, career development, authenticity and leadership.

The sessions were moderated by our Graduate Talents to promote collaboration and visibility across management ranks as well as a speak-up culture. Participation was open to all employees and the response has been encouraging. With this, we intend to continue these sessions in 2022.





Sustainability Pillar 4:
Valuing Our People

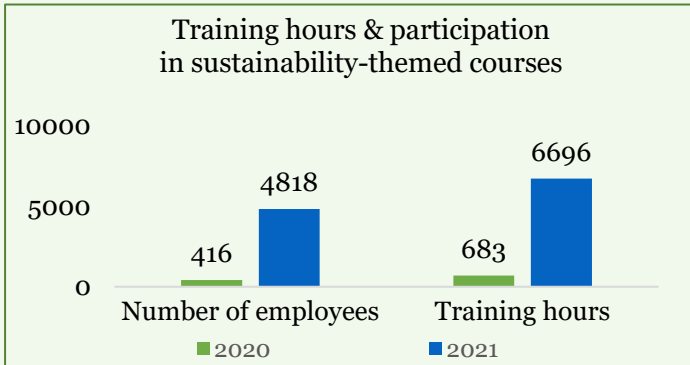


Talent Management (continued)

Our Sustainability Series

The Bank provides a range of sustainability modules, these include:

- OCBC Sustainability e-Learning for all employees
- Foundation in ESG Investing
- Green and Sustainable Finance in the Future of Finance
- Sustainable & Responsible Investment (SRI)
- Climate Scenario Analysis, Risks and Action
- Carbon and Climate
- Sustainability Leadership Programme
- Stewarding for the Future



Leadership Programmes

- **BOLD** – A 7-month journey for the senior management team by IESE business school, with a focus on deepening leadership and strategic skills, transformation and sustainability.
- **INSEAD EDP** – For developing strategic and agility skills for exceptional talents.
- **LEAD** – A 3-month programme through a partnership with National University of Singapore (NUS) to build core leadership from middle to senior management.
- **New DARE’ AVPs programme** – Teaches knowledge and application on how to step forward and be courageous in leadership. The programme also guides on how to influence others and perform in an environment of changes and opportunities.



Our Performance

- Achieved an average of 7.9 training man-days in 2021, where each employee completed more than 3 Future Smart programmes on average
- Achieved a significant year-on-year increase in total sustainability training hours, from 683 in 2020 to 6,696 in 2021

Our Targets

- Maintain an average of 5 man-days in training and development hours
- Continue investment of RM15 million annually to reskill and upskill our employees
- Ensure learning via autonomy, mastery and relatedness is applied by all employees in providing learning for all

Awards & Recognition

- Employee Experience Awards 2021 –
 - Sliver Award – Best in Organisational Upskilling and Reskilling Strategy**
 - Bronze Award – Best in HR Transformation Strategy**



Community Development

Why this is Material to Us

Giving back to society has long been an important part of OCBC Malaysia’s corporate culture. We recognise that our wellbeing is intrinsically linked to that of society. By engaging and supporting the communities where we operate, we can help to shape a more prosperous and sustainable future for all of society.

Our Management Approach

Underpinning our ongoing community development strategy is the implementation of our three-pronged Corporate-Division-Branch approach. This implementation framework forms the tangible dimension of our volunteer-based strategy.

The centre of the strategy rests on volunteerism, with the ultimate goal of having every staff – through all the Bank’s divisions and 38 branches – involved in some form of community work through their employment at the Bank.

We use the #OCBCCares platform to attend to a diverse range of community efforts including those related to the environment, humanitarian causes, health, sports, children and education.

Our three-pronged approach emphasises not so much our financial outlay, but how meaningful the effort is to the community we are serving, the number of internal volunteers we are able to garner (and the hours they spend on CSR) and the number of people impacted by our activities.

It is not uncommon to see activities carried out involving no funds at all but with significant impact. Each division and branch has its own community development programme champion. They are involved in quarterly and monthly update engagements respectively.

Following is how the three-pronged approach operates:

1. **Corporate** – Scholarships, Cycling & Health (OCBC KL Car Free Morning and OCBC Cycle KL), the FINCO (Financial Institutions Collective Outreach) programme with other members of the industry, Disaster Support through a pre-determined budget at the company’s disposal for supporting national disasters.
2. **Branch** – At least one activity a year for each branch, based on a funding allocation that is thought out and implemented at branch level.
3. **Division** – At least one activity a year per division, based entirely on money raised by the staff from among themselves, carried out at division level.

The community development efforts are shared with all staff and the Board through various communications channels.

Like the previous year, the Covid-19 pandemic did not stop us from caring for the communities around us. We spent more than RM2 million at all levels – through both corporate and staff funds – to serve the social needs of the community. This was done by directly engaging 64% of our entire staffing who collectively spent 7,161 hours in 90 separate CSR activities. This enabled us to help 111,921 beneficiaries nationwide.

Moving into 2022, we plan to do more of the same, without losing sight of the ultimate goal in the future of achieving a 100% staff volunteerism rate. Augmenting this will be a thrust into climate-related and environmental activities meshed with a social dimension.

#RunForChildren with World Vision

A total of 335 staff, families and friends took part in a virtual run for children’s rights in May 2021.



Our Performance

- 111,921 beneficiaries supported
- More than RM2.3 million donated
- 90 activities organised nationwide
- 3,302 volunteers
- 7,161 volunteer hours

Our Targets

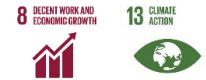
- Increase the number of individuals helped by 10% in 2022
- Increase staff volunteerism by 5% in 2022

Awards & Recognition

- HR Excellence Awards 2021 (Malaysia) – **Excellence in CSR Strategy – Silver**



Sustainability Pillar 5:
Engaging Communities



Community Development (continued)

Our RM50,000 “seed” that brought in RM1.5 million more for medical equipment

When the healthcare system in Malaysia hit worrying challenges amid the Covid-19 pandemic, with hospitals finding it difficult to cater to the growing number of cases, we made a RM50,000 contribution – a combination of corporate and staff funds – to kick-start the Hospital Emergency Fund set up by The Institute for Democracy and Economic Affairs (IDEAS) Community Project and its partner Projek Bangsa Malaysia. In no time the amount snowballed into a RM1.5 million fund involving thousands of others from outside the organisation who caught on to the urgency of the need. With that, a wide range of medical equipment was purchased to attend to the needs of the healthcare system. It only takes a spark!

Reaching out to the community during Covid-19



As part of our Covid-19 community aid programme, our staff volunteers were actively involved in the distribution process.

In 2021, we contributed almost RM1 million through 44 Covid-19 related social support activities at corporate, branch and division levels involving about 1,500 staff who spent 2,927 hours to help 76,807 individuals nationwide.

OCBC Public Scholarships

Since the 1970s, OCBC Bank has been offering tertiary education scholarships to deserving Malaysian students who are academically gifted, active in co-curricular activities and come from needy families. In 2021, we disbursed over RM300,000 in funds to 31 students pursuing degrees at either private or public universities or colleges of their choice nationwide. In addition to helping the students secure a degree, the scholarships provide an avenue for them to participate in internships at the Bank and even gain employment with us.

Financial Industry Collective Outreach (FINCO)

In 2021, OCBC Bank became a member of the industry-wide Financial Industry Collective Outreach (FINCO) Steering Committee and Communications Committee. We were also appointed to the Chair of the FINCO Disaster Relief Committee. FINCO is a collaborative initiative involving all financial institutions in Malaysia with the guidance



of Bank Negara Malaysia to provide under-privileged children and youth with the guidance and educational tools they need to achieve their life goals.

4 STRATEGIC PILLARS WITH WELL DEFINED IMPACT OUTCOMES

- 1 English Proficiency**
(FINCO Reads, Shared Programmes)
 Students who are proficient in English have access to more opportunities when competing in the global workforce and are better placed to contribute to economic development
- 2 Life Aspiration**
(FINCO Mentor, Shared Programmes)
 Students who have high aspirations and good support networks are more likely to overcome academic and personal barriers to achieve life goals
- 3 Financial Literacy**
(Shared Programmes)
 Students who have exposure to financial education are more likely to have reduced financial vulnerability and increased assets in the future
- 4 Disaster Relief**
(Shared Programmes)
 Students and communities who receive timely and appropriate advice and support are more likely to improve resilience and develop the capacity for self-recovery



Sustainability Pillar 5: Engaging Communities



Economic Contributions

Why this is Material to Us

Creating inclusive economic growth over the long-term is imperative for sustainable development. As a Bank dedicated to building and maintaining public trust, we are mindful of the value we create for our stakeholders and how it is managed.

Our Management Approach

Our economic contributions to Malaysia in 2021 included providing financial solutions for repayment assistance and relief facilities to customers affected by the Covid-19 pandemic.

Along with this, we derived retained earnings for reinvestments and dividends for our investors; made taxation and zakat payments to our regulators and government agencies; compensated our employees fairly and continued to hire; sourced goods and services mainly from local vendors and suppliers to support the local economy; and contributed toward charitable efforts and scholarships for the community.

In 2021, OCBC Malaysia distributed a total of RM47.8 billion* in payments that flowed to all our stakeholders.

Our Performance

	2021 RM'000	2020 RM'000
Customers		
Total loans disbursed during the financial year*	47,230,784	46,530,419
% of Covid-19 repayment assistance applications approved	97%	88%
Investor		
Dividend*	434,125	207,000
Economic value retained for reinvestment	7,542,579	7,085,291
Operating income	2,776,927	2,658,232
Regulators & Government agencies		
Taxation*	168,685	183,632
Zakat*	50	50
Employees		
Personnel expenses*	652,737	624,861
Total number of new hires	433	328
Supply chain		
Total vendor spending*	550,345	741,369
• Local vendors	532,400	726,745
• Foreign vendors	17,945	14,624
• % of local vendor	97%	98%
• % of foreign vendor	3%	2%
Community		
Total corporate and staff donations & public and regional scholarships*	2,823	2,538

*Figures included in total contributions to stakeholders.

Our Target

In order to generate long-term economic value for our stakeholders, we will continue to enhance our market competitiveness by driving sustainable growth and enhancing products and financial solutions to ultimately improve our performance to meet the needs of our diverse set of stakeholders.



Our Contribution to the UN SDGs

The United Nations Sustainable Development Goals (SDGs) provide a clear and shared global agenda for addressing the most pressing challenges facing society. Achieving the SDGs requires investment in new solutions and working in partnership across the public and private sectors and society at large. We focus our efforts on six SDGs, where we can make the most meaningful difference. Highlighted here is how OCBC Malaysia contributed to these SDGs in 2021.

3. Good Health and Wellbeing



Employee Health, Safety and Wellbeing:

3,322 employees received a day off as part of the Bank's Covid-19 Vaccination Support Programme to attend their vaccination appointments.

267 employees outside the Klang Valley benefited from the Covid-19 Vaccination Drive arranged by the Bank with a network of private clinics and medical centres.

About 7,000 individuals benefited from a holistic employee assistance programme covering physical, mental, social and financial wellbeing.

9. Industry, Innovation, and Infrastructure



Sustainable Financing:

Proceeds from the issuance of a RM430.0 million SRI Sukuk for Air Selangor will be used for financing sustainable water supply and management projects across the Klang Valley.

Environmental Footprint:

We are continually retrofitting our buildings to ensure they remain sustainable and energy efficient.

7. Affordable and Clean Energy



Sustainable Financing

We were recognised for our expertise in renewable energy project financing, specifically for large scale and rooftop solar projects.

Environmental Footprint

We committed to be part of the OCBC Group's target of achieving carbon neutrality for banking operational emissions.

11. Sustainable Cities and Communities



Sustainable Financing:

We coordinated a first-of-its-kind Unrated Medium Term Notes Programme for Sunway REIT, with sustainability performance targets linked to a reduction in building energy intensity.

Environmental Footprint:

We hosted sustainability training/workshops for our vendors for heightened ESG awareness about suppliers' risk management considerations and to help enhance their own supply chain resilience.

8. Decent Work and Economic Growth



Financial Inclusion:

We provided >RM2 billion in government-guaranteed unsecured small and medium enterprise (SME) financing.

Economic Contributions:

We generated >RM500k in direct economic value for local communities through local spending.

13. Climate Action



Responsible Financing:

We are an active member of the BNM CCPT Industry Working Group and Value Based Intermediation (VBI) Community of Practitioners.

Sustainable Financing:

We were involved in RM1.3 billion worth of sustainable financing transactions.

Environmental Footprint:

We progressively reduced natural resource usage and practised conscious waste management.

OCBC Bank (Malaysia) Berhad

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