Maybank Group
Sustainability Framework

Version 1.1
Approval: Group Board

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1.0 INTRODUCTION

This Maybank Group Sustainability Framework (“the Framework”) is an overarching framework that sets out Maybank Group’s sustainability mission, goals, targets, governance and approach in all our activities.

The Maybank Group (“the Group”) has extensive exposure in all 10 ASEAN countries and globally across multiple business lines. The provision of financial products and services is at the core of what we do as an organization.

As a responsible ASEAN organization, our products and services serve the needs of our communities, across the economic and social diversity of the region as we work towards a fair and just transition. Our objective is to integrate sustainability practices in all our activities and engage our stakeholders and the communities that we serve towards a better future.

We believe that how we embed sustainable practices within our organization will determine the future of our own business. We are mindful of the impact that our activities have on the environment and our communities.

2.0 MISSION, VISION AND VALUES

Our Mission is Humanizing Financial Services.

Embedding responsible Environmental, Social and Governance (“ESG”) considerations and addressing the impact on our communities will drive our decision making towards achieving our goal of a just and fair transition.

2.1 Our Principles and Commitments

2.1.1 Our Principles

We want to play a leading role in ASEAN. The Principles that drive our actions are as follows:

1. To place our communities and their well-being at the centre of our decision-making;

2. To be fair, equitable and ethical in all our activities;
3. To be long-term partners of our customers and stakeholders. We strive to build ecosystems and sustainable solutions;

4. To value our biodiversity and natural systems and recognize the impact of climate change;

5. To drive decision making based on our local understanding, science and data; and,

6. To be responsible for our own actions and that our conduct represents these values.

We will not finance nor continue our associations where we believe that our objective of a responsible transition are not aligned. In higher risk activities, including any which have a material impact on our communities and natural systems, we intend to work with partners who have demonstrated their commitment to ASEAN’s sustainable future.

2.1.2 Our Commitment

The above principles are the foundation of our commitments, :

1. Mobilizing RM50 billion in Sustainable Finance by 2025;

2. Improving the lives of 1 million households across ASEAN by 2025;

3. Achieving a carbon neutral position of our own emissions by 2030 and Net Zero Carbon equivalent position by 2050; and

4. Achieving 1 million hours per annum on sustainability and delivering 1 thousand significant United Nations Sustainability Development Goals (“UN-SDGs”) related outcomes by 2025.

Our commitments reflect our investment in our people, processes and systems to deliver stakeholder objectives aligned to the UN-SDGs.

These principles and commitments are entwined with the Group’s M25 strategy. This involves working with and for our stakeholders in making financial services accessible, building trusted partnerships and ensuring fairness and integrity.
3.0 GOVERNANCE

The Board Sustainability Committee (“Committee”), chaired by the Group Chairman is responsible for overseeing and endorsing the overall sustainability strategy as well as monitoring the execution of the strategy. This includes reviewing and monitoring the sustainability governance structure, principles, priorities and targets as well the integration of sustainability considerations across the Group. The Committee comprise members of the Maybank Board and the Group President and Chief Executive Officer (“GPCEO”).

The EXCO Sustainability Committee (“ESC”) is chaired by the GPCEO and comprises the Executive Committee and Senior Management, representing Business and key Group functional responsibilities such as Finance and Risk.

The ESC is responsible for steering, coordinating and ensuring the effective implementation of the Group’s Sustainability Agenda in line with the Group’s commitment towards sustainability. This includes developing and executing the sustainability strategy, framework, policies and procedures for embedding sustainable practices throughout the Group, reviewing and endorsing plans and guidelines in relation to sustainability, monitoring and advising on the implementation of sustainability initiatives and directly executing transformation programmes, where required. The ESC is also tasked with forming partnerships that are consistent with our values, codes of conduct and sustainability strategy.

Over and above this, sustainability considerations are incorporated across the Group with existing Board-level committees responsible for overseeing specific aspects relating to sustainability.

To facilitate the Board-level committees’ oversight, the related Management-level committees are also responsible for ensuring the implementation of the sustainability related elements within their mandate.

Independent oversight is also provided by the Board of Trustees of Maybank Foundation in managing the Group’s community programmes to ensure alignment to strategic priorities.
4.0 STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a cornerstone of our sustainability strategy. The breadth of our footprint requires us to continuously engage our stakeholders at the domestic and regional levels to understand, assess and respond to material issues.

These engagements aim to address a broad range of ESG issues, challenges and opportunities. The material issues that are seen as critical are integrated into and drive our sustainability strategy. This includes identifying areas of risk that need to be strategically managed and mitigated, as well as creating strategic opportunities that enable us to make a positive impact for our communities.

Our stakeholder engagements reflect what we want to achieve:

i. A fair and just transition;
ii. Sustainable solutions; and,
iii. Manage the impact on the environment and the communities that we serve.

5.0 SUSTAINABILITY STRATEGY

Our sustainability strategy covers 3 broad areas:

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5.1 Pillar 1: Responsible Transition

Our approach towards responsible financing is based on an industry and partnership focus. ASEAN’s regional economic and social diversity requires solutions reflecting global and regional trends together with local market structure and dynamics.

5.1.1 Industry Approach

Our approach is to use our values and science in our customer solutions in order to work towards a fair and responsible transition.

a. Even as we raise expectations of our customers, we see ourselves as being able to engage our stakeholders and partner with them. We intend to work with them towards verifiable commitments and sustainable progress;

b. Taxonomies and principles to address “high risk” and other sectors continue to be updated. These policies include exclusionary sectors or activities and other exclusionary criteria and the bases for these stances

c. Our risk management systems continue to integrate ESG metrics and will be aligned to the standards set by the Task Force of Climate related Financial Disclosures; and,

We will support sustainability focused innovations and projects through our financing capabilities.

5.1.2 Corporate Partnerships

We believe the corporate sector can play a key role in enabling a just transition in the region. We intend to form a coalition with clients as well as peers in our home markets with the goal of setting joint environmental and social targets based on shared values.

The targets reflect our intention to set a pathway towards a more sustainable and responsible growth trajectory.
5.2 Pillar 2: Enabling our Communities

Our communities are at the centre of our decision-making. The countries we are active in are at vastly different phases of development and with different institutional infrastructures. Our engagement starts with the flexibility to understand and serve community needs and to ensure that we focus on measureable impacts tied to the UN SDGs.

5.2.1 Impact Emphasis

We are redeveloping our processes to understand and measure the impact of our products on communities and the environment. This will enable us to focus on creating more value-based solutions that directly and positively impact those in need.

5.2.2 Digitization & Empowerment

We see digitization as a critical tool in reducing barriers to financial products for both the under-banked and un-banked. Our strategy includes the setting up of marketplaces on our platform in order to facilitate growth of the SME.

5.2.3 Environmental Impact

The geography of ASEAN demands a deeper understanding of our natural systems and the impact of climate change on our communities. As data improves, we will continue to develop both quantitative and qualitative models to assess impact. The results of these are used to shape our products to mitigate risk and provide our communities with a more sustainable future.
5.3 Pillar 3: Our House is in Order & We Walk the Talk

We see ourselves as standard bearers for the region. We continue to invest in our people and champion our diversity. Our commitment to be carbon neutral by 2030 and net zero carbon equivalent by 2050 is part of our effort to support the transition to a low carbon economy.

5.3.1 Our Operations

a. Supply chain

Our sourcing policies and processes will actively target communities to support their growth, and in particular, SMEs and sourcing locally where possible.

b. Carbon Neutral and Net Zero

While we commit to a carbon neutral position for Scope 1 and 2 emissions as well as a net zero carbon equivalent position by 2050, we will continue to work towards identifying and implementing key milestones in achieving these targets.

We will continue to release the progress of our emissions, as well as waste and water use.

5.3.2 Our Standards

a. Ethics Charter and Technology Policy

We recognize transparency and trust are what allows us to work with our communities towards shared goals. Our Business Ethics Charter will detail our approach.

We believe technology can be a great enabler. As we move towards greater digitization, we are mindful of the impact this has. As we collect more customer data, we are aware that these need to be used fairly and not only to avoid harm, but also to help communities that may have been held back.
b. Our People

The values that have guided us for over 60 years continue to shape our response to our people, our customers and the communities in which we operate. Sustainable, equitable and responsible growth is central to who we are as an organization. Our ambition is to nurture a sustainability-led culture, where our people are enabled and empowered to use their strengths and capabilities to make the most meaningful impact.

Our workplace practices are guided by Maybank’s core values and valuing the overall wellbeing of our people, nurturing a sustainability-led culture demonstrative of consistently strong ethics, trust and transparency, strong governance and a healthy respect for diversity, inclusion, equity and privacy.

We hold Diversity, Equity and Inclusion (“DEI”) as critical and central to our mission and to our impact. Our DEI framework outlines our commitment to ensuring that different nationalities, varying age groups, and socio-economic levels are represented in our dynamic workforce and is reflected in our talent management framework and stakeholder experience.

We aim to equip and empower our people to be forces for good and able to balance between sustainable and inclusive economic development on one hand, and impact on the communities that we are in, which includes the environment and communities’ well-being, for the benefit of a sustainable future for generations to come.

c. Whistleblowing Policy

Finally, we hold ourselves accountable to the standards we set. Our Whistleblowing Policy allows all our stakeholders, internally and externally, from our customers to our colleagues, to engage with us either directly in person or anonymously.