

*Rising together*

## ESG ACCOLADES AND RATINGS



### FTSE4Good Index Series\* constituent

- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN 5 Index
- FTSE4Good Emerging Index

Notably, in Top 25% by ESG Ratings among public listed companies in FTSE Bursa Malaysia EMAS Index

**AA**  
(Leader)

### MSCI ESG Rating

- 2020: AA (Leader)
- 2019: AA (Leader)
- 2018: A (Average)

**43/100**  
(2020)

### S&P Global ESG Score

- 2020: 43/100
- 2019: 23/100

#### Disclaimer:

\* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that RHB Bank has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance ("ESG") practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

## PILLAR ONE: SUSTAINABLE AND RESPONSIBLE BANKING

### 1 Green Financing

- Committed to extending **RM5 billion by 2025** to support green activities and the transition to a low-carbon and climate-resilient economy through lending, capital markets advisory and fundraising, together with investment.
- Extended **RM3.1 billion** to support green activities, out of which **16.8%** or RM521.6 million was for renewable energy projects.

### 2 Sustainable Advisory & Investment

- Rolled out a Sustainability Investment Framework to integrate sustainability considerations to make better-informed investment decisions.

## PILLAR TWO: EMBEDDING GOOD PRACTICES

### 1 Upholding Good Corporate Governance

- Established the Group Integrity & Governance division to drive good governance practices within the Group which includes overseeing anti-bribery and corruption matters.

### 2 Supporting Local Industries

- **93%** of suppliers in Malaysia are local businesses, with **RM572.9 million** spent on the procurement of goods and services.

### 3 Investing in Employees

- Invested **RM19.8 million** in learning and development for RHBIans.
- Scored **92%** in Employee Engagement Index.
- Launched RHB Wellness Hotline and Remote Therapy.

### 4 GHG emissions

- Recorded **38% lower GHG emissions intensity per employee in 2020 compared to 2016** for West Malaysia.

## Sustainability Highlights

### 3 Value-based Intermediation ("VBI")

- Launched Asia Pacific's first **eco-friendly recycled plastic debit card**. Issued over **20,500 cards** since its launch in July 2020.

### 4 Supporting SMEs

- Provided RM2.11 billion in total loan and financing facilities through relief funds for 3,395 SMEs in 2020.
- Launched #JomSapot to help SMEs promote their products on online platforms for free.

### 5 Ensuring Customer Satisfaction

#### Achieved

**+11**

Net Promoter Score for customer satisfaction

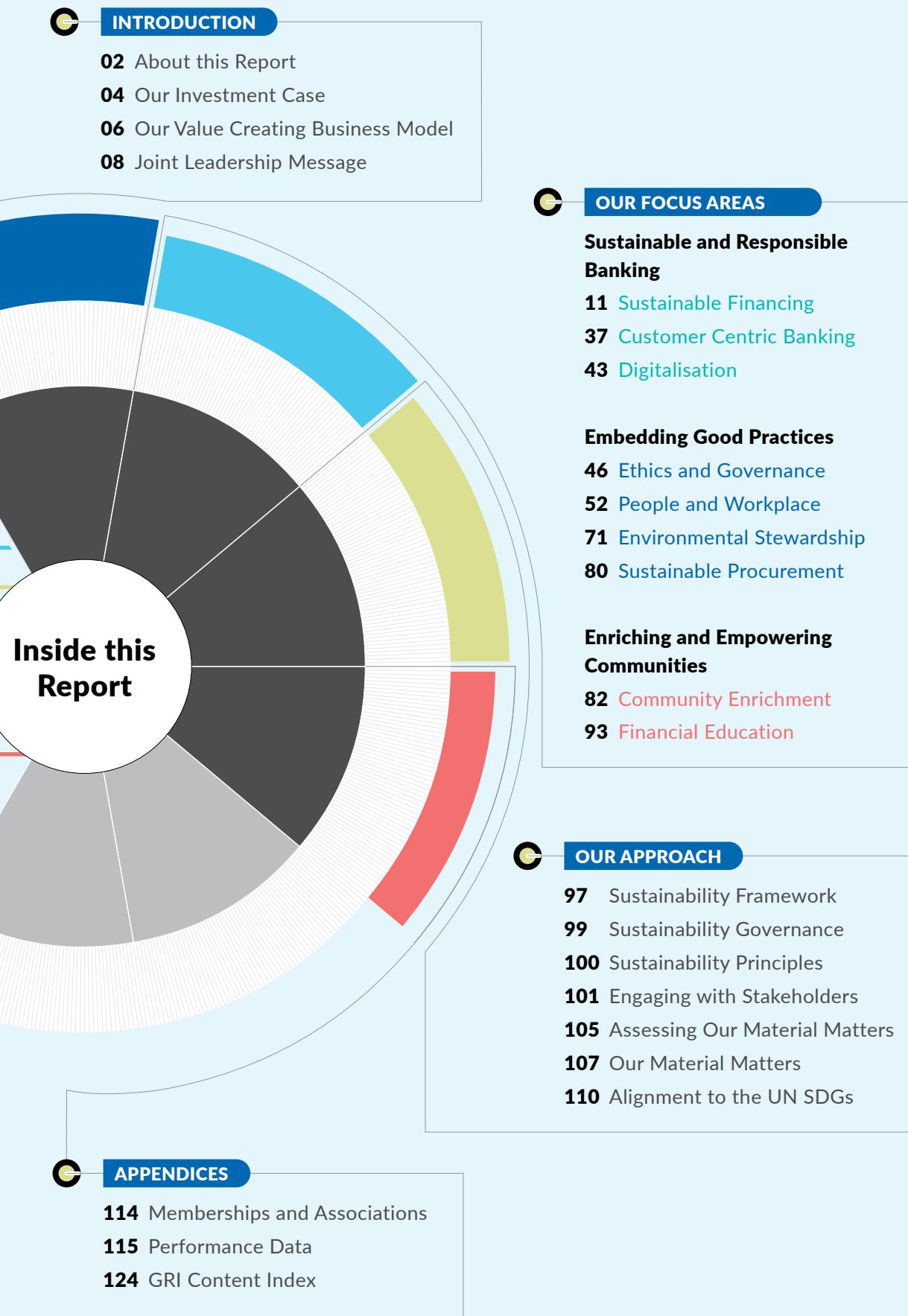
## PILLAR THREE: ENRICHING AND EMPOWERING COMMUNITIES

### 1 Nurturing future generations through quality education

- **1,700+** students from underprivileged backgrounds have benefited from RHB X-Cel Academic Excellence Programme since 2018.
- Increased RHB X-Cel Star Scholars by 11 students.

### 2 Financial Education

RHB Money Chat has attracted about  
**7.5 million**  
views to date





## REPORTING PERIOD AND CYCLE

RHB Bank Berhad is committed to transparently reporting and communicating its sustainability performance annually. The RHB Sustainability Report 2020 covers the financial period from 1 January 2020 to 31 December 2020, unless otherwise stated.

## SCOPE AND BOUNDARIES

RHB Bank Berhad is a public company listed on Bursa Malaysia's Main Market Listing. This Report covers RHB Bank Berhad and its subsidiary companies across the Association of Southeast Asian Nations ("ASEAN"). References to 'RHB', 'RHB Bank', 'the Organisation', 'the Group' and 'we' refer to RHB Bank Berhad and/or its subsidiaries.

The scope of this Report covers strategies, initiatives and activities in RHB Bank Berhad and its subsidiary companies across ASEAN. Certain quantitative data in this Report may be limited to RHB's operations in Malaysia as they reflect our key market. Location-specific data is stated where applicable. We are on an ongoing journey in refining our data collection process to improve our coverage and disclosures in the future.

## GUIDELINES AND STANDARDS

This Report has been prepared 'in accordance' with the Global Reporting Initiative ("GRI") Standards: Core Option. The Report is also in line with the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

This Report should be read together with our suite of reports.



Visit RHB's 2020 microsite to view our 2020 reporting suite - Integrated Report, Financial Report, Corporate Governance Report and Sustainability Report

This Sustainability Report marks **RHB Bank Berhad's ("RHB Banking Group", "RHB" or "the Group")** fourth Sustainability Report. It describes the Group's sustainability journey, highlighting our initiatives, achievements, challenges and key results that are underpinned by our robust Sustainability Framework. Through this Report, we share how our business and operations impact our stakeholders and the planet as we strive to improve our performance to ensure long-term value creation.

Our Report is enhanced taking into account global and recommended sustainability-related frameworks or guidelines in order to better disclose our efforts and the impacts created. Such frameworks or guidelines include:

- Bursa Malaysia Sustainability Reporting Guide 2<sup>nd</sup> Edition
- United Nations Sustainable Development Goals
- Recommendations by the Task Force on Climate-Related Financial Disclosure ("TCFD")
- Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard.

The contents of this Report also take into account areas of assessment with regards to ESG-related ratings by international and regional organisations. This enables us to monitor and benchmark our sustainability performance relative to industry best practices and peers.

## REPORTING PRINCIPLES

The following GRI Standards Reporting Principles were applied when developing the content of this Report:

- Stakeholder Inclusiveness: Re-evaluated and engaged with identified stakeholder groups to understand their concerns and respond to their expectations
- Sustainability Context: Presented information in the wider context of sustainability
- Materiality: Focused on issues that matter to stakeholders and impact our business
- Completeness: This Report includes coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess RHB's performance in the reporting period

### Our Capitals:

#### NAVIGATION ICONS

**F** Financial Capital

**I** Intellectual Capital

**S** Social and Relationship Capital

**H** Human Capital

**M** Manufactured Capital

**N** Natural Capital



## FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements with respect to the business, operational, financial and non-financial performance of RHB Banking Group ("the Group") based on the beliefs of the Group as well as assumptions made by Management and information available at that point in time. These statements can also be used to describe the Group's future objectives, strategies, plans and initiatives in the context of our business and sustainability efforts.

Forward-looking statements are typically identified by words or phrases such as 'expects', 'targets', 'intends', 'anticipates', 'believes', 'estimates', 'may', 'plans', 'projects', 'should', 'would' and 'will'. Such statements should not be construed as a guarantee of future operating or financial results considering the potential risks and uncertainties that can arise from unforeseen events beyond the Group's control. Readers are cautioned not to put undue reliance on forward-looking statements.

Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national and regional economic conditions; interest rates; exchange rates; and credit or matters that have not been reviewed or reported on by the Group's auditors. Future results may also differ from what has been planned due to changes in direction by the Management or the Board of Directors.

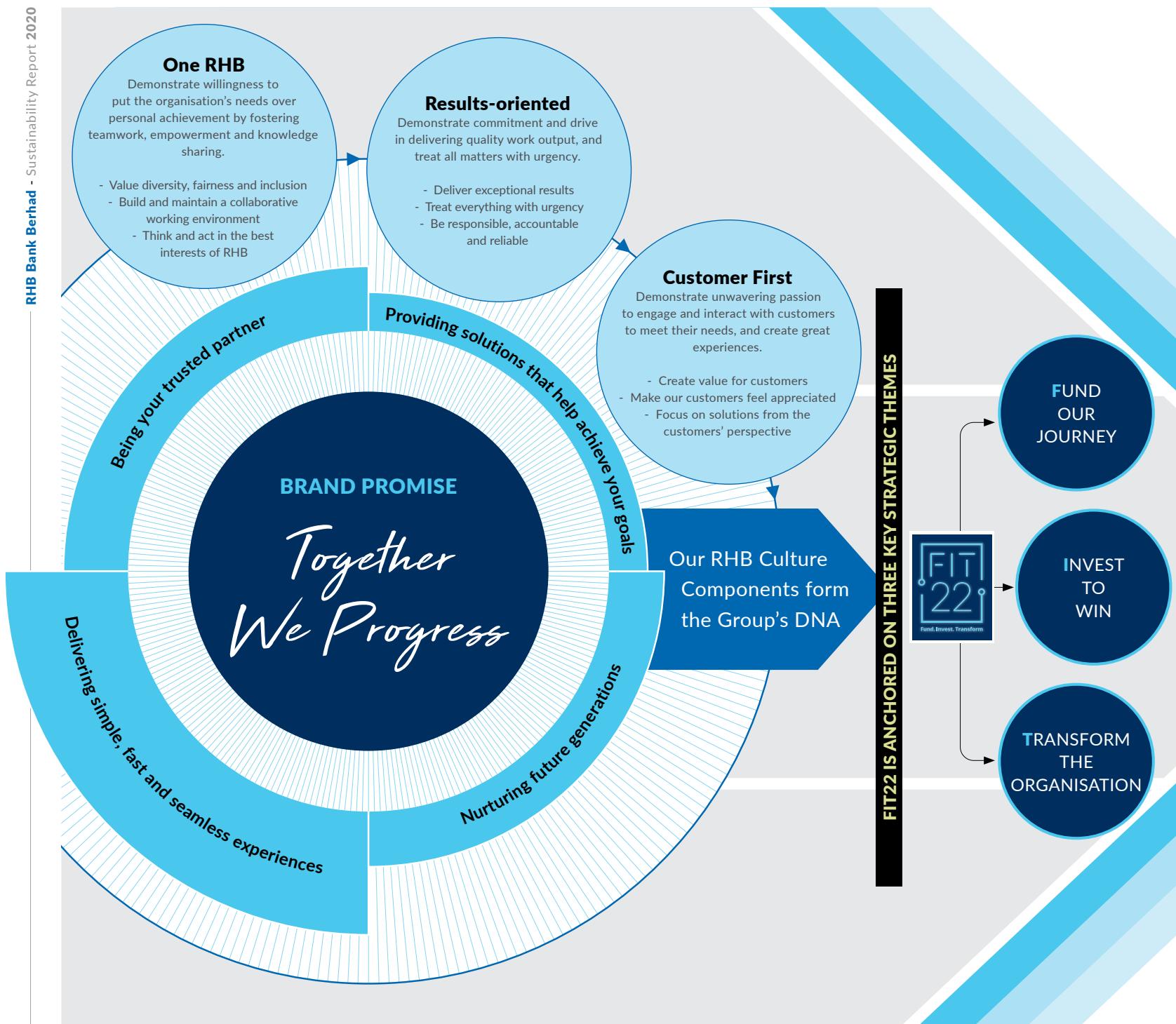
## FEEDBACK

We welcome comments from our stakeholders. For further enquiries and feedback, please contact:

### SUSTAINABILITY MANAGEMENT, GROUP CORPORATE COMMUNICATIONS

Level 8, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Email: [sustainability@rhbgp.com](mailto:sustainability@rhbgp.com)



## OUR VALUES

**P**ROFESSIONAL

We are committed to maintaining a high level of proficiency, competency and reliability in all that we do.

**R**ESPECT

We are courteous, humble and we show empathy to everyone through our actions and interactions.

**I**NTEGRITY

We are honest, ethical and we uphold a high standard of governance.

**D**YNAMIC

We are proactive, responsive and forward thinking.

**E**XCELLENCE

We will continuously achieve high standards of performance and service deliverables.

## OUR MARKET POSITIONING IN 2020



## SUSTAINABILITY VISION: BUILDING A SUSTAINABLE FUTURE

Building a sustainable future for the Group and contributing to sustainable development through impactful actions centred around three thematic pillars. Each pillar and its respective focus area not only advances our sustainability journey, but also creates value across our six capitals and positively contributes to the United Nation Sustainable Development Goals ("UN SDGs").

### SUSTAINABILITY FRAMEWORK

#### SUSTAINABLE & RESPONSIBLE BANKING

- ① Sustainable Financing
- ② Customer Centric Banking
- ③ Digitalisation

#### Key Capitals <IR>:



#### Primary SDGs:



#### EMBEDDING GOOD PRACTICES

- ④ Ethics & Governance
- ⑤ People & Workplace
- ⑥ Environmental Stewardship
- ⑦ Sustainable Procurement

#### Key Capitals <IR>:



#### Primary SDGs:



#### ENRICHING & EMPOWERING COMMUNITIES

- ⑧ Community Enrichment
- ⑨ Financial Education

#### Key Capitals <IR>:



#### Primary SDGs:



To reinvest  
in the  
Group  
Retained Profit

26%

Depreciation,  
Amortisation &  
Written-off

5%

To  
employees:  
Personnel Costs

41%

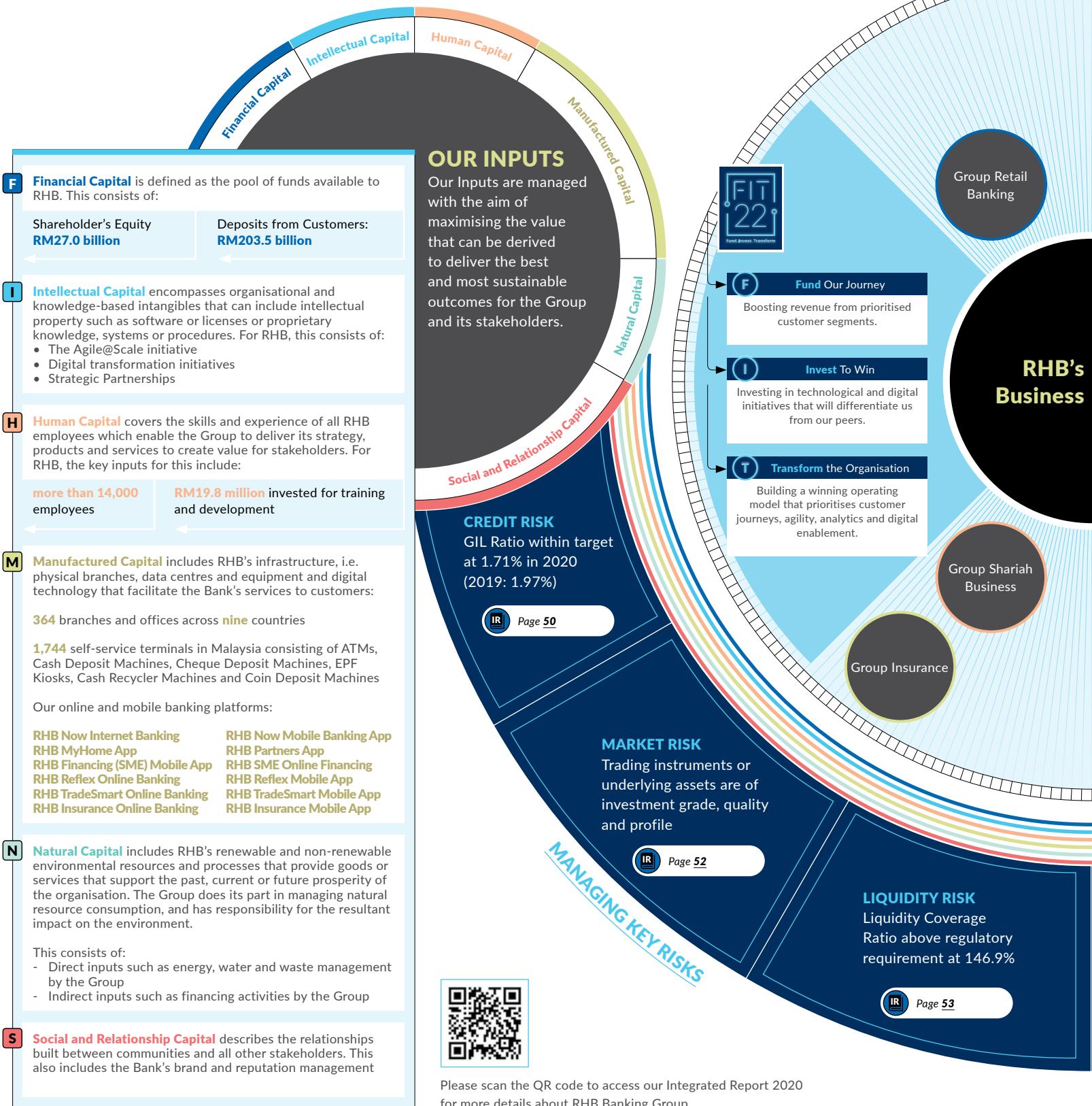
To the  
Government:  
Taxation

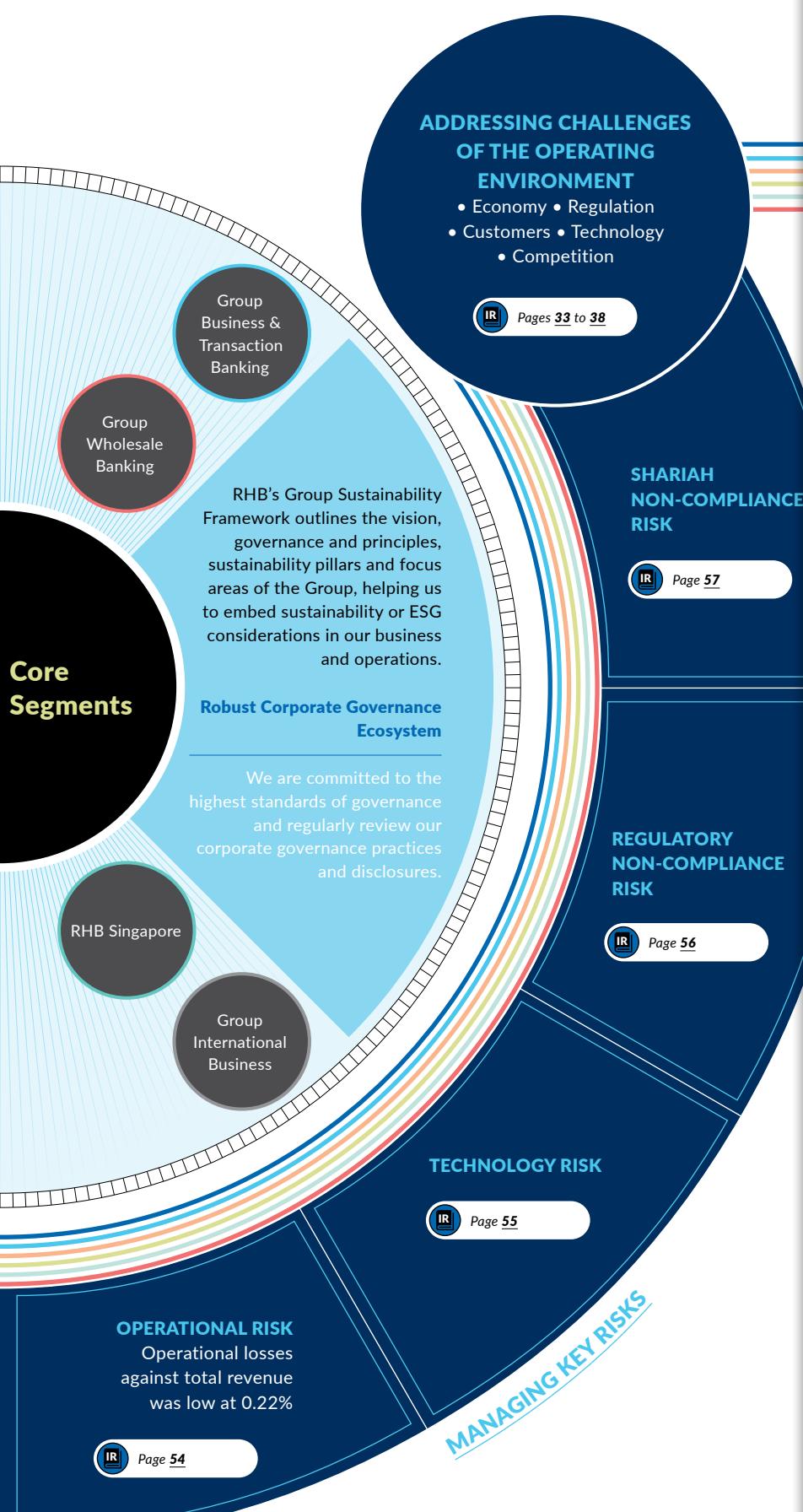
13%

To  
providers  
of capital:  
Cash dividend

15%

# CREATING MEANINGFUL VALUE THROUGH THE OPTIMAL USE OF RESOURCES





- F** Continued execution of the Group's five-year FIT22 strategy:
- Grow the Affluent and Wealth space, by enhancing the Group's product suite and leveraging on SME base
  - Grow the Retail and SME segments through the use of our digital and end-to-end banking solutions
  - Grow the large and mid-cap segments by increasing share of wallet and penetration respectively
  - Expand through a segment-led approach rather than a product-led approach by creating strong value propositions for each segment
  - Protect asset quality and improve end-to-end credit management
  - Drive operating efficiency and manage costs

- I**
- RHB Digital Academy provides digital-related foundational and upskilling training to RHB staff
  - Execution of the Group's Agile@Scale initiative which is a way of working with Design Thinking to prioritise customer journeys, promote agility, drive the use of analytics and accelerate digital enablement
  - Digitalisation of customer journeys across Retail, SME and Insurance
  - Accelerated digital initiatives in Cambodia and Singapore
  - Institutionalised new analytics use cases to cross-sell/upsell to Retail and SME customers as well as enable identification of potential mule accounts and fraud through big data processing for AML purposes
  - RHB has allocated RM200 million to implement and enhance its digital capabilities over five years from 2017-2022, of which 60% has been utilised to date
  - Investments into Digital Academy training in 2020: RM1,597,244

**SR** To find out more about our digital initiatives that help to enhance our intellectual capital, please turn to page **43** of this report.

- H**
- Embarked on an end-to-end workforce transformation to develop a Workforce Of The Future which will future-proof our employees and prepare them to meet future demands that will require skills in digital, analytics and automation, among others
  - Our Employee Value Proposition ("EVP") drives and enhances our human capital. Across its five pillars, we strive to create a high-performing and inclusive workplace which empowers our employees and leads to greater employee satisfaction and higher retention rates
  - We implement robust mentoring, talent management as well as learning and development programmes to unlock the potential of our people
  - We engage our employees by focusing on strong leadership, consistent communications from Senior Management, strategies to improve customer service, innovating new ways to work via Agile and paying close attention to career development opportunities

**SR** To find out more about our initiatives to improve our human capital, please turn to page **52** of this report.

- M**
- Continued enhancements to the SME Ecosystem and Homeowners ecosystem
    - RHB Financing (SME) Mobile App
    - SME e-Solution enhancements
    - Partnership with Finology for online approval of mortgage applications through Loanplus
  - Joy@work for salary crediting account
  - Launched the RHB WWF Debit Card-i, the first eco-friendly debit card in Malaysia and the Asia Pacific

- N**
- Expanded operational GHG emissions reporting boundary to all main buildings and branches in West Malaysia
  - Implemented several eco-efficiency initiatives to reduce energy, water and paper consumption
  - Committed to RM5 billion in support of green activities through lending, capital markets advisory and fundraising, together with investment by 2025

**SR** To find out more about our initiatives to preserve our natural capital, please turn to pages **16** and **71** of this report.

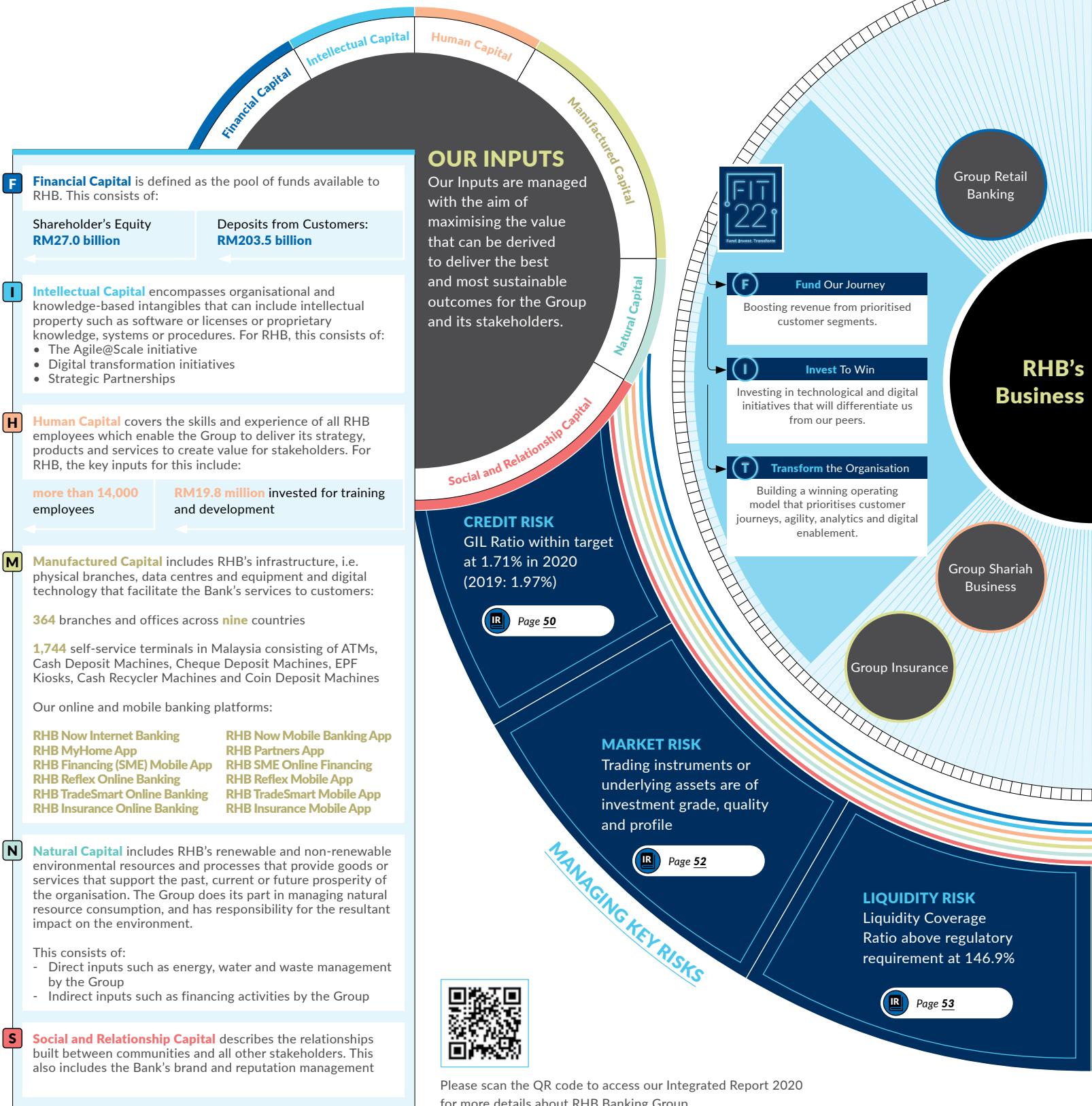
- S** **Community Contributions**
- Contributions to the Community through a host of initiatives that support the underserved and underprivileged members of the community
  - RHB Way 2.0 - to intensify service culture and elevate customer experience to deliver our brand promise of Together We Progress and improve our Net Promoter Score

#### Helping Our Customers

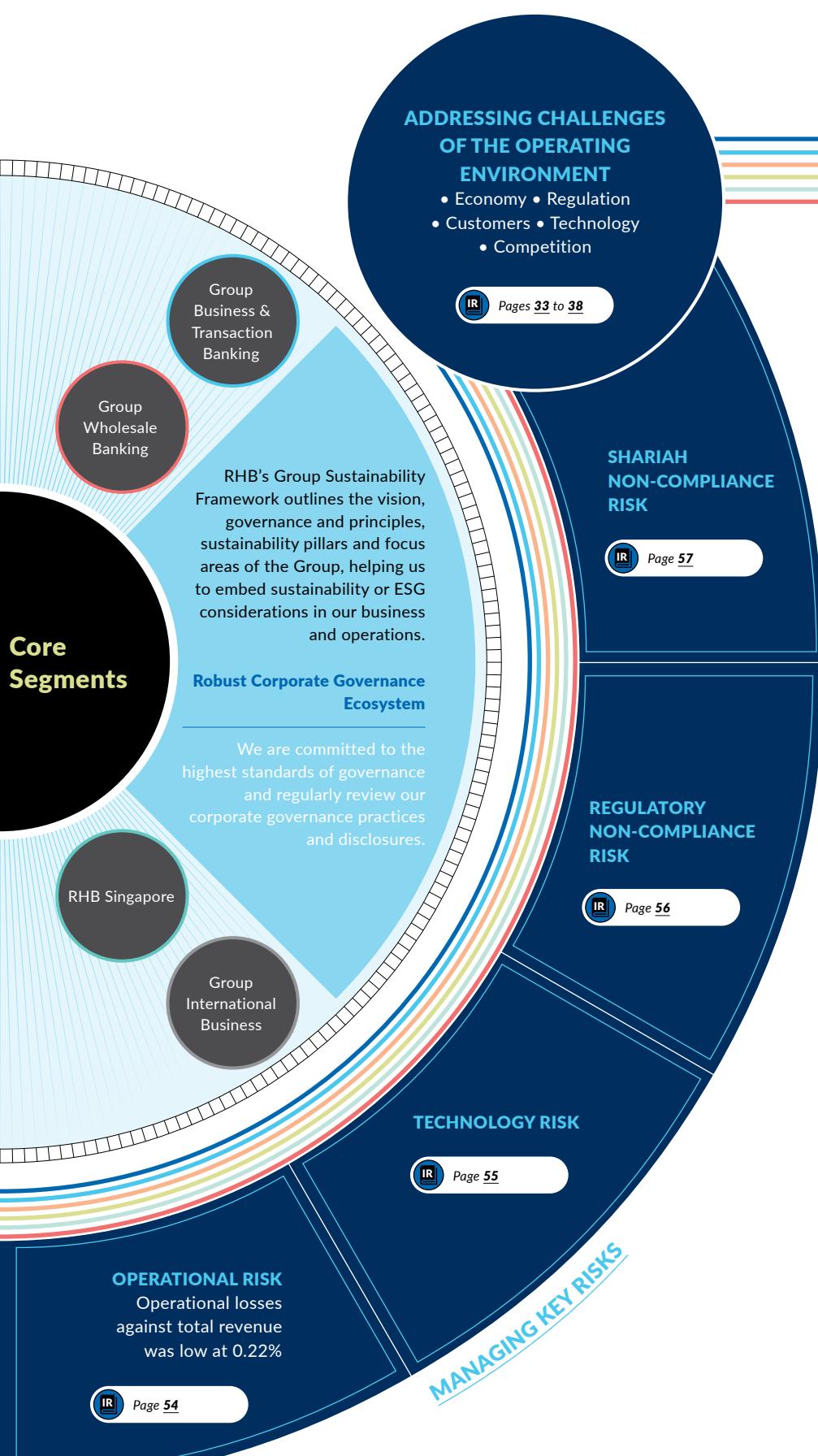
- Launched #JomSapot to enable SMEs to promote their products on Facebook and a purpose-built microsite for free
- Provided a moratorium of up to six months to all customers including individuals and SMEs, and thereafter provided payment assistance to our customers who continued to be impacted by the pandemic

**SR** To find out more about how we build relationships and nurture our communities, please turn to pages **22** to **32**, **38** and **82** of this report.

# CREATING MEANINGFUL VALUE THROUGH THE OPTIMAL USE OF RESOURCES



## CREATING VALUE FOR OUR STAKEHOLDERS

**DELIVERING SUSTAINABLE FINANCIAL OUTCOMES**

We stand guided by our core values as we consistently deliver sustainable financial outcomes. We take the long-term view into consideration to ensure the prosperity of the business and the well-being of our stakeholders.

**ROE****7.7%****TOTAL INCOME****RM7.2 billion****NET PROFIT****RM2.0 billion****DIVIDEND PAYOUT****RM0.7 billion****DIVIDEND PER SHARE****17.65 sen**

- F
- Total income increased by **1.8%**
  - Total assets increased by **5.3%**
  - Profit fell by **18.1%** mainly due to modification loss arising from the moratorium and higher allowances for credit losses
  - Dividend payout ratio of **34.8%** in 2020 vs 50.1% in 2019, to conserve capital

An evident trade-off of our Financial Capital was seen in our various long-term investments across the Group to ensure sustainable business growth.

- I
- At this point there are **4,377 employees** working the Agile way and producing good business results for the Group
  - Delivered cumulative incremental revenue of **RM204 million** through analytics use cases since 2018\*
  - Delivered revenue uplift of **RM63.48 million** from digitalisation of customer journeys
  - Digital and Agile@Scale-related training - average training hours for 12,530 Malaysia Operations Staff was 3.91 hours
- \* For Analytics COE only

Significant amounts of Financial and Human Capital have been invested into improving Intellectual Capital by driving our digital transformation and the Agile way of working to improve the Group's efficiency and productivity.

- H
- Diversity of Workforce**
- Employees:
    - Male: **5,731 (40.6%)**
    - Female: **8,400 (59.4%)**
  - Employee Engagement score of **92%**
- 36 training hours per employee in 2020, a reduction from an average of 72 hours in 2019 due to the COVID-19 pandemic
- Staff attrition: **11.1%**

Investment in the form of Financial Capital focused on leadership and technical/functional development programmes. In return, we have witnessed great benefits for our employees.

- M
- Increased percentage of transactions via digital channels to **75.5%** (FY2020) and improved penetration rates of Internet Banking to **54.9%** and Mobile Banking to **22.8%**
  - 85.7%** of all customers are using non-OTC channels, including Cards and ATM usage
  - Approximately **40%** of new mortgage applications acquired through the MyHome App
  - Onboarded more than **670,000** users on the RHB mobile banking app since its launch in April 2019
  - SME unsecured loans acquired via SME online financing - **61.34%**

We have diverted resources to drive digitalisation initiatives as we strongly believe that building relationships and engagement with customers in a safe and convenient environment will propel business growth and improve brand recognition.

- N
- Operational GHG emissions (West Malaysia): 26,232 tCO<sub>2</sub> eq
  - Electricity Consumption (West Malaysia): 40,147 MWh
  - Paper Consumption (Group): Approximately 149,000 reams

**Green and Sustainable Deals**

- RM3.1 billion** extended as at December 2020 to support green activities through lending, capital markets advisory and fundraising, together with investment
- Cypark Renewable Energy Perpetual Sukuk Musyarakah Programme: Principal Adviser, Lead Manager and Lead Arranger for the issuance of Malaysia's 1<sup>st</sup> ever ESG-related Unrated Perpetual Sukuk of up to **RM500 million**, of which **RM165 million** has been issued

In order to promote eco-efficient practices and manage natural resource consumption, there was an increase in cost to adopt more modern and efficient technology in our operations.

- S
- Brand Value**
- Maintained position as Malaysia's **14<sup>th</sup>** most valuable brand (14<sup>th</sup> in 2019) valued at **USD830 million**, amidst challenging market conditions.
  - Putra Brand Awards 2020 – RHB clinched the **Gold** (Silver in 2019) as voted by Malaysians as their **preferred brand** in the Banking, Investment & Insurance category.

**Customer Experience**

- Achieved **98%** of SLA target for timeliness in providing responses to Complainants

**Community Contributions**

- Total Group community investment: Close to **RM4.4 million** for 2020 which impacted more than 20,000 underprivileged community members in Malaysia, Cambodia and Laos
- Allocated **RM3.2 million** to the RHB X-Cel Academic Excellence programme to support students from the B40 segment from 2018 to 2020
- Allocated **RM4.2 million** to support 60 RHB X-Cel Star scholars from 2019 to 2020
- Contributed **RM3 million** to various community initiatives to mitigate the effects of COVID-19 which includes assisting the Ministry of Health and frontliners

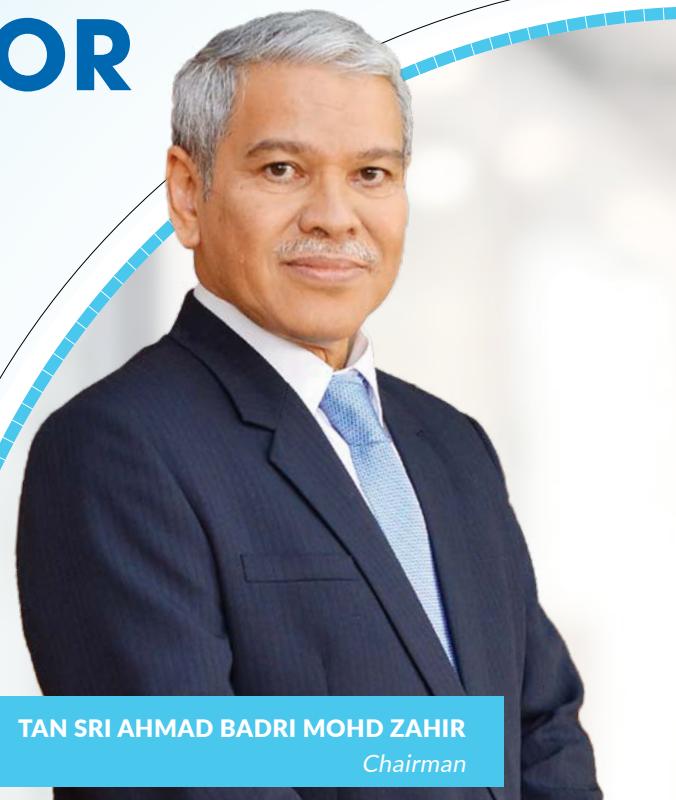
**Customer Satisfaction Net Promoter Score ("NPS")**

- Achievement of **+11** in 2020

RHB supports the communities around us through our Financial Capital and time volunteered by our employees. We view this as an important trade-off as the resources expended will lead to continued goodwill, brand recognition and an opportunity to serve the unbanked and underserved.

# STRENGTHENING SUSTAINABILITY FOR A BETTER FUTURE

“We are pleased to present to you our fourth Sustainability Report, which highlights our continuous efforts in driving forward our sustainability agenda and our collective efforts in responding to the COVID-19 pandemic in support of our customers, employees and communities.”



**TAN SRI AHMAD BADRI MOHD ZAHIR**

*Chairman*

## DEAR VALUED SHAREHOLDERS,

**While the COVID-19 pandemic accelerated the need for better sustainability practices across all industries in 2020, the desire to be sustainable is not new to RHB. We have been consciously and progressively embedding sustainability practices into our business and operations over the last few years, and managing our sustainability impacts to create even greater value for our stakeholders.**

During the year under review, we further strengthened our foothold in sustainability by rolling out more robust initiatives across all areas – from sustainable and responsible banking to empowering local communities. The pandemic also gave us an opportunity to actively reach out to a wider range of customers and communities, generating positive impacts and further progressing our sustainability agenda.

## CHAMPIONING OUR SUSTAINABILITY AGENDA IN THE PANDEMIC ERA

As a regional financial services provider, we play a pivotal role in driving change among employees, customers and all other stakeholders. To achieve this, we are guided by our Sustainability Framework that is anchored on three pillars: Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities.

### PROMOTING SUSTAINABLE AND RESPONSIBLE BANKING

We aspire to be a responsible financial services provider by embedding Environment, Social and Governance (“ESG”) factors into our business and operations. This includes supporting the transition to a low-carbon and climate-resilient economy by promoting eco-friendly loans/financing facilities as well as offering environmentally friendly banking products. In this regard, we have committed RM5 billion to supporting green activities through lending, capital markets advisory and fundraising as well as investment activities by 2025. As at December 2020, we have extended RM3.1 billion, of which 16.8% or RM521.6 million was for renewable energy projects. The Group will continue to explore opportunities and areas where we can collaborate with our customers to support the transition.

It is also of critical importance for us to strengthen our ESG and climate resilience. To this end, we have expanded the scope of our ESG Risk Assessment (“ERA”) Tool to cover five ESG Sensitive Sectors, enabling us to better manage any negative impact and nurture our customers from the sensitive sectors to gradually adopt more sustainable practices. We will continue to fortify our ESG risk management, which includes climate-related risks, and progressively adopt the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).

**DATO' KHAIRUSSALEH RAMLI***Group Managing Director*

## EMBEDDING GOOD PRACTICES

Fundamentally, ensuring proper conduct and embedding good practices among our employees is important towards maintaining and building reputation and trust. The Group recognises that focusing on good corporate governance, reinforcing key levers that will contribute to cultural change as well as aligning day-to-day business conduct and risk management practices is a continuous journey and a critical process.

To promote integrity and governance culture in the workplace, an Integrity and Governance division was set up as a dedicated function to oversee the Group's overall governance function, drive anti-corruption efforts and augment integrity and good workplace conduct, in line with national aspirations to combat corruption. To this end, the Group's Anti-Bribery and Corruption ("ABC") Policy, Whistleblowing Policy and Gifts and Hospitality Guidelines were further strengthened and our ethics and integrity practices were further enhanced.

Our employee welfare was top on our agenda in 2020. Stringent SOPs and new work-from-home guidelines were put in place to ensure our employees' health and safety throughout the pandemic. We continued to engage with our employees consistently, providing them with the latest updates on matters in relation to the pandemic. Reflecting our increased employee engagement level throughout the year, we scored 92% in our annual Employee Engagement Survey ("EES"), up from 90% in 2019. We aim to maintain this strong working relationship with our employees to further enhance employee satisfaction, which we believe is a key driver of a high-performing workforce.

We also saw steady progress in our approach to environmental stewardship, which, among others, included the expansion of our Greenhouse Gas ("GHG") inventory and reporting across all our buildings and branches in West Malaysia. Significantly, we recorded 38% lower emissions intensity per employee in 2020 compared to 2016. This encourages us to continue driving operational eco-efficiency towards contributing positively to our environment.

## ENRICHING AND EMPOWERING COMMUNITIES

The Group is committed to ensuring that the younger generations continue to receive quality education and excel in their studies despite the challenges brought about by the COVID-19 pandemic.

In 2020, we took a different approach in engaging with the children and youth in our flagship RHB X-Cel Academic Excellence Programme. We mitigated disruptions to the physical delivery of the programme due to the pandemic by conducting online tuition classes, soft skills training as well as online motivation sessions for 1,000 of our participating students. Engagement through our social media platforms was further amplified.

We are pleased to share that the programme has directly benefited more than 1,700 students since it began in 2019, providing them with both support and opportunities for them to excel in their studies. Of those who have excelled in the programme, 21 have received the RHB X-Cel Star scholarship to further their studies in local public universities. The Group has allocated RM4.5 million for the purpose of supporting 60 underprivileged/B40 students through the X-Cel Star Scholarship Programme.

Another key focus area is financial education. We are committed to promoting financial literacy and knowledge among the community, particularly children, youth and our customers, to enable them to better manage their finances. Our structured and interactive Money Ma\$ter programme has benefited over 22,000 students since 2018. RHB Money Chat, our online series of webinars to provide insights and tips for customers to better manage their finances, has attracted more than 7.5 million views and is on a positive trajectory.



## REACHING OUT DURING COVID-19

The pandemic has fundamentally changed the way individuals and businesses around the world act and think. Consumer habits and preferences have changed drastically, forcing the Group to take a quick step back in revisiting our business strategies and reprioritising our plans to meet current consumer demands brought about by the pandemic. We rolled out plans to support the needs of our customers, employees and surrounding communities. Our objective was clear – to ease the financial burden of affected customers and to ensure the health and safety of our employees and local communities, while ensuring continuity in our business and our operations.



## FOR OUR CUSTOMERS

The massive disruption brought about by the pandemic has left an indelible mark on our customers. To assist financially impacted customers, we provided assistance to individuals and businesses, especially to small and medium enterprises ("SMEs"), through an industry-wide automatic six-month moratorium on loans and financing facilities that began in March 2020. We then introduced payment assistance to alleviate the financial difficulties of borrowers, in particular the B40 segment and microenterprises. To keep our customers safe, we further enhanced our online banking features to make it easier and more convenient for them to perform their banking transactions from the safety of their own homes.

### HELPING OUR CUSTOMERS WHEN IT MATTERS MOST (as of March 2021)

#### Total loan and financing facilities through Payment Assistance:

**RM16.5 billion to 180,984 individuals**  
and **RM4.9 billion to 1,732 SME customers**

**RM5.10 billion** rescheduling and restructuring assistance for corporate customers

#### Total loan and financing facilities through relief funds: **RM2.62 billion to 4,216 SME customers**

**REACHING OUT DURING COVID-19****FOR OUR EMPLOYEES**

We continue to focus on the health, safety and well-being of our employees. To minimise the risk of exposure to COVID-19, we facilitated work-from-home arrangements involving up to 80% of our employees and implemented split operations for certain critical functions. We provided our frontliners serving customers at our branches with Personal Protective Equipment ("PPE") while accelerating the roll-out and availability of laptops and Virtual Private Networks ("VPNs") to enable even more RHBians to work safely from home.

We understand that extended periods of isolation, including working from home and being away from friends and loved ones, may have a negative impact on the mental well-being of our employees. Hence, through our RHB Wellness Programme and other initiatives, we ensured that our employees had the support that they needed, including access to a remote therapy hotline as well as flexible working hours arrangements.

In the spirit of the 'RHB family', we activated the RHB Humanitarian Fund, allowing contributions from RHBians to RHBians, to help our colleagues who were directly impacted by the pandemic. In addition to these self-collected funds, the Group extended financial support to employees who required medical attention due to the pandemic, including for COVID-19 tests.

**RHB HUMANITARIAN FUND**

Collected more than **RM500,000** from RHBians, which was used to help employees and families affected by the pandemic

**COVID-19 SUPPORT**

- Provided financial assistance to employees who contracted COVID-19
- Free screening at private hospitals for employees identified as primary contacts

**PRIORITISING STAFF HEALTH AND WELLNESS**

Spent more than **RM11 million** on wellness activities, personal protective equipment, COVID-19 swab tests and financial assistance for COVID-19-positive employees

**FOR THE COMMUNITY**

Our local communities remain a priority in our sustainability agenda as we hold true to our brand promise of Together We Progress. To help ease their difficulties arising from the pandemic, we contributed close to RM3 million to the Ministry of Health, Mercy Malaysia and other non-governmental organisations. This helped in the distribution of various medical equipment, supplies and financial support and the contribution of other necessities to vulnerable groups across Malaysia, as well as of 20,000 food packs to medical frontliners at eight hospitals across the country during the initial Movement Control Order period from March to May 2020.

**BUILDING RESILIENCE IN THE POST-PANDEMIC ERA**

While the crisis both amplified familiar risks and created new ones, changes of this scale also created new opportunities and new ways to improve resilience, as we continued to contribute to the UN Sustainable Development Goals. Moving forward, we believe that we can optimise our role as an enabler in rebuilding the economy, transitioning to a sustainable/low-carbon future and strengthening the community. We remain committed to generating positive results while creating sustainable value for our stakeholders as we strive to rise together with the nation in a post-COVID-19 environment.

**A THANK YOU NOTE**

We wish to thank all RHBians for their continuous contributions towards our sustainability journey. Your commitment and hard work have led to an improvement in our ESG ratings and accolades, reflecting the Group's steady progress in sustainability practices and disclosures that are in line with globally recognised benchmarks.

Our deepest appreciation goes to our Sustainability Sponsors and Champions for being the main driving force behind our sustainability agenda. Most of our achievements today are due to their unwavering commitment towards embedding sustainability practices in our business and operations.

We would also like to express our most sincere gratitude to our Shareholders, valued customers and business partners for your support in our drive towards a more sustainable future. Rest assured that the Group remains committed to better understanding our collective needs, expectations and aspirations, so that we may progress together in our sustainability journey.

To the Board of Directors, thank you for your continued guidance during these challenging times and in providing the strategic direction in driving our sustainability agenda.

To the Group Management Committee, thank you for collaborating and closely ensuring that our sustainability initiatives meet the intended objectives. A special thank you also goes to the Board of Trustees of RHB Foundation for their commitment in driving the Group's community engagement initiatives.

Lastly, we also wish to especially acknowledge our former Chairman, Tan Sri Azlan Zainol, who remained a keen advocate of our sustainability agenda from the very beginning. We thank him for his guidance and support, and we wish him every success in his journey ahead.

**TAN SRI AHMAD BADRI MOHD ZAHIR**

Chairman

**DATO' KHAIRUSSALEH RAMLI**

Group Managing Director  
24 March 2021

# PILLAR ONE: SUSTAINABLE AND RESPONSIBLE BANKING

## SUSTAINABLE FINANCING

GRI 102-11, 102-12, 203-2

**Key Capitals <IR>:**



**Sustainable and responsible banking is vital for the long-term growth of the banking industry and the Group as it promotes sustainable development. Integrating Environmental, Social and Governance ("ESG") considerations into our banking practices will minimise negative impacts and risks as well as identify opportunities for the Group and create positive impact on society and the planet. This approach will enable RHB to support customers as they navigate the transition to a low-carbon economy and contribute to sustainable development, ultimately promoting sustainable economic performance for their businesses and all stakeholders.**

### ALIGNMENT TO OUR PRIORITISED UN SDGS

8 DECENT WORK AND ECONOMIC GROWTH



**SDG 8:**

Decent Work and Economic Growth

9 INDUSTRY INNOVATION AND INFRASTRUCTURE



**SDG 9:**

Industry, Innovation & Infrastructure

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**SDG 12:**

Responsible Consumption & Production

13 CLIMATE ACTION



**SDG 13:**

Climate Action



**This section addresses the following TCFD-recommended disclosures:**

Governance: Disclose the organisation's governance around climate-related risks and opportunities.

Risk Management: Disclose how the organisation identifies, manages and assesses climate-related risks.



### ESG RISK MANAGEMENT

Sustainable and responsible financing refers to financing solutions and product offerings that incorporate ESG considerations to minimise negative impacts across the ESG domains and contribute towards sustainable development. At RHB, we continue to integrate ESG considerations into our risk management processes. Our current ESG risk management processes include ESG-related policy on prohibited credits and financing assessments which are reviewed and assessed gradually over time to strengthen our responsible banking practices.

In recognition of investors' growing concern over climate change and global environmental issues, we have incorporated sustainability risk in our Risk Library as part of the Group's Material Risk Assessment. The Group has expanded the definition of 'environmental risk' to 'sustainability risk' in line with the Group's direction and sustainability agenda. Sustainability risk is defined as ESG risks, including climate-related risks, arising from the Group's own operations as well as through customers', clients' and investees' operations. If left unmanaged, these risks can lead to a decline in the financial institution's reputational image, costly litigation or loss of revenue.

Sustainability risk has been identified as a significant risk for the Group. The Group remains cognisant that some sustainability or ESG risk events may seem unlikely to occur, but if they do, the ESG impact could be potentially high. To this end, the Group adopts a precautionary approach and strives for continuous improvements across ESG and risk management practices.

## ESG RISK MANAGEMENT

### PROHIBITED CREDITS

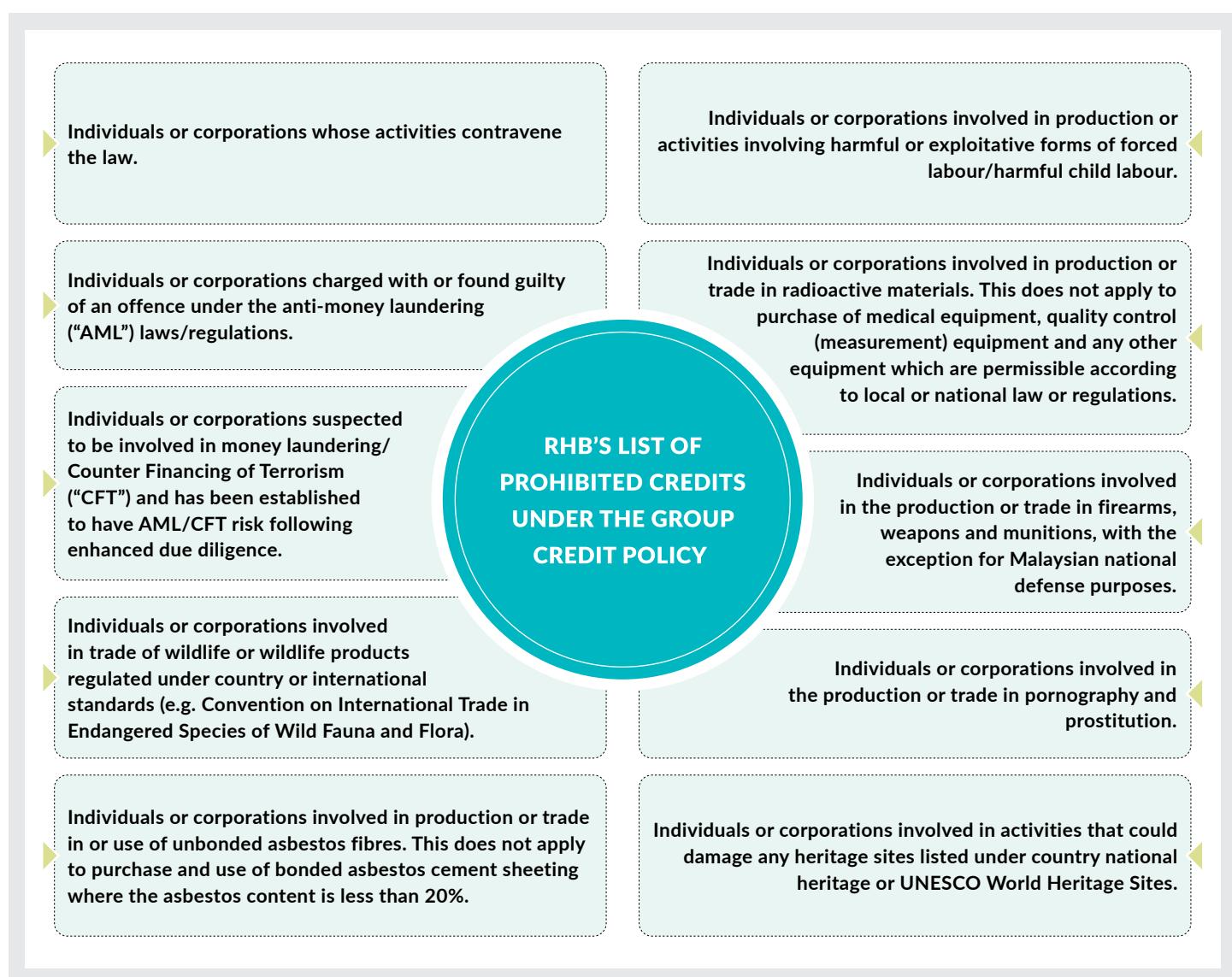
The RHB Group Credit Policy and local country credit policies were enhanced with the inclusion of ESG risk-related activities into the List of Prohibited credits in 2020 and this was implemented across Malaysia, Singapore, Thailand, Cambodia, Laos and Brunei.

Through these enhancements, we shall not knowingly finance and shall be selective in conducting our business and dealings with customers or counterparties whose activities contravene local and international standards, laws and regulations, as well as activities that could have a significant adverse impact on environmental, social or governance aspects.

Appropriate mitigation action such as capping and reducing our credit exposure will be taken for existing customers whose businesses are categorised under Prohibited Credits.

The Group is currently revising its loan documentation terms for both conventional and Islamic banking to integrate our enhanced Prohibited Credits and align with BNM's Guiding Principle 5: Prohibited activities, which is part of BNM's guiding principles for the assessment of economic activities in its Climate Change and Principle-based Taxonomy\*. According to Principle 5, financial institutions are required to verify and ensure that the economic activities are not illegal and do not contravene environmental laws.

\* Note: The Discussion Paper on Climate Change and Principle-based Taxonomy was issued on 27 December 2019. The final issuance of the Climate Change and Principle-based Taxonomy guidance document was released on 30 April 2021.



## ESG SENSITIVE SECTORS

ESG Sensitive Sectors are sectors within our non-retail portfolio that have elevated ESG risks or are more vulnerable to ESG issues and impacts. To identify ESG Sensitive Sectors, RHB is guided by the International Finance Corporation ("IFC")/World Bank's sectors that are 'High Risk' and took into consideration sectors with ESG issues that have received strong public attention within the region.

ESG Sensitive Sectors are subject to ESG Risk Assessment ("ERA"). The ERA tool comprises General and Industry-Specific Criteria and it provides guidance to the relationship managers ("RMs") and credit evaluators when assessing the ESG risk for each of the ESG Sensitive Sectors. The ERA is integrated into the financing decision-making of non-retail lending and is required for new, enhancements and review cases.

This year, the ERA tool was rolled out in Malaysia, Singapore and Thailand for our non-retail lending/financing portfolio.

### General ERA

All non-retail credit lending/financing falling under the ESG Sensitive Sectors is subject to the General ERA, which focuses on:

- Legal issues associated with the clients' ESG performance
- Material adverse environmental issues faced
- Material adverse occupational health & safety issues
- Establishment of safe and proper working conditions and labour practices
- Implementation of good corporate governance practices
- Environmental impact studies conducted for projects (where required)

### Industry-Specific ERA

In addition to the General ERA, five Industry-Specific ERA have been developed to date for the our top five ESG Sensitive Sectors:

- Palm Oil
- Oil & Gas
- Manufacturing Iron, Steel & Other Metals
- Power Producers
- Manufacturing of Cement

Three Industry Specific ERAs were developed in 2019 (Palm Oil, Oil & Gas and Manufacturing Iron, Steel and Other Metals). In 2020, we expanded our Industry Specific ERAs ESG Sensitive Sectors to include Power Producers and Manufacturing of Cement. The following are our top five ESG Sensitive Sectors:



RHB's Approach: Support sustainable palm oil in line with national and international standards

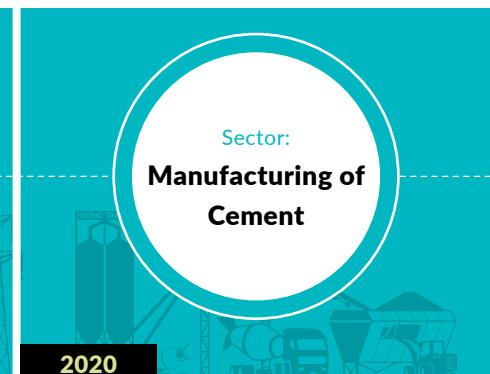
- Customers with a plantation size of more than 100 acres are required to:
  - Obtain the Malaysian Sustainable Palm Oil ("MSPO") certification or be in the process of obtaining the certification
  - Obtain Roundtable on Sustainable Palm Oil ("RSPO") and Indonesian Sustainable Palm Oil ("ISPO") certification for those with regional operations
- Customers with palm oil estates and smallholdings are required to:
  - Adhere to the MPOB's Code of Good Agricultural Practice for Palm Oil Estates and Smallholdings
- All customers are also required to avoid virgin forest, aboriginal or heritage land and land prone to flooding. Peatlands must also be avoided, unless it is in accordance with the guidelines for best practices on peatland developed by the MPOB.
- Customers with palm oil mills are expected to adhere to the MPOB's Code of Good Milling Practice.

## ESG RISK MANAGEMENT



RHB's Approach: Proactively engage with borrowers and support their efforts towards sustainable practices such as:

- Reducing Greenhouse Gas ("GHG") emissions
- Adopting best practices for proper wastewater management
- Reducing dependency on conventional fuels and increasing the share of renewable energy in the energy generation mix
- Improving energy efficiency
- Practising responsible disposal methods of solid waste/sludge
- Preventing oil spills



RHB's Approach: Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reducing GHG emissions
- Adopting best practices for proper wastewater management
- Improving energy efficiency
- Practising responsible disposal methods of solid waste/sludge
- Preventing fire and explosion hazards

RHB's Approach: Proactively engage with our borrowers and support their efforts towards transitioning to a low-carbon economy and sustainable practices through:

- Reducing GHG emissions from coal-fired plants
- Adopting best practices for proper wastewater management
- Practising responsible disposal methods of solid waste/sludge
- Reducing dependency on conventional fuels and increasing renewable energy
- Improving combustion and conversion efficiency

RHB's Approach: Proactively engage with our borrowers and support their efforts towards sustainable practices such as:

- Reducing GHG emissions
- Adopting best practices for proper wastewater management
- Improving energy efficiency
- Practising responsible disposal methods of solid waste/sludge
- Preventing fire and explosion hazards

From the assessment, our clients are assigned an ESG risk rating of 'Low', 'Medium' or 'High' to reflect the levels to which they have met the standards under our General ERA and Industry-Specific ERAs. Clients who are rated 'Medium' or 'High' may be imposed with time-bound mitigation action plans to mitigate the ESG issues, which will be monitored as part of the annual review process. The borrower's/ customer's ERA rating will be reviewed on an annual basis. This will be taken into consideration for conventional and Islamic lending/ financing decision-making.

We will continue to engage with our customers on an ongoing basis to create awareness and a better understanding of good ESG practices, enabling progressive improvement of our practices as well as those of our clients.

## Together Supporting ESG and Climate Integration in Malaysia

RHB, together with other financial institutions, contributed to the development of the Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guide for Energy Efficiency (Consultative Document). Other Sectoral Guides developed were for Palm Oil and Renewable Energy.

The VBIAF Sectoral Guide aims to incorporate ESG impacts into Islamic banks' financing and investment decisions. It also aims to promote transparency among customers and investors in relation to Islamic banks' ESG assessment considerations in arriving at their final financing and investment decisions.

RHB is also part of BNM's Joint Committee on Climate Change ("JC3"), which involves collaborative efforts through industry representation to build climate resilience in the financial sector. This section addresses our role as a financial services provider in mitigating climate change impacts by implementing ESG risk management and facilitating our customers' transition to a low-carbon economy.



To read more about our Climate Change, please refer to page [74](#).

We are committed to adopting practices to minimise the adverse impacts on the environment and society as well as to ensure that we continue to create value for our stakeholders. We recognise that this is an ongoing journey that needs to be balanced with the needs of our stakeholders, which include the socio-economic well-being of local communities, as well as the development of the nation, along with legislative and regulatory reforms within the markets we operate in.

Moving forward, the Group will continue to increase awareness on sustainability and the impact of climate change across the Group's business operations and portfolios. This will also take into account the changing regulatory landscape that is emerging with regard to sustainability and climate change. A deeper understanding of risks related to sustainability issues will improve the Group's contribution to sustainable development by minimising the financing of activities that generate negative impacts and identifying financing opportunities that create positive impacts. This will be supported by the development or enhancement of relevant existing frameworks, policies, guidelines or controls to manage different issues identified under sustainability risk.

**GREEN FINANCING**

Financial institutions are well-positioned to play an important and influential role in advocating and promoting sustainable and green practices, given our multiple roles of financier, investor and advisor. In this regard, the Group continues to strongly support green financing through its core activities.

**RHB's Green Financing Commitment**

**RHB Banking Group has committed RM5 billion by 2025 in support of green activities, through our core business activities of lending, capital markets advisory and fundraising, together with investment.**

The definition of eligible green projects or activities must consist any one of the following categories:<sup>\*</sup>

**Renewable Energy**

**Energy Efficiency**

**Green Buildings**

**Climate Change Adaptation**

**Sustainable Water & Wastewater Management**

**Pollution Prevention & Control**

**Clean Transportation**

**Environmentally Sustainable Management of Living Natural Resources and Land Use**

**Terrestrial & Aquatic Biodiversity Conservation**

**Eco-Efficient and/or Circular Economy Adapted Products**

**Production Technologies and Processes**

**RM3.1 billion**

extended as at December 2020 in support of green activities through lending, capital markets advisory and fundraising, together with investment



Our Group Corporate Banking has lent **RM282.7 million** since the establishment of the Commitment in 2019 for **renewable energy projects** such as for **solar photovoltaic plants** and a **3.0 MW biogas plant** using methane gas from landfill sites

\* These categories were derived from examples of green projects or activities from globally and locally recognised frameworks such as the Green Bond Principles, Green Loan Principles and Sustainable and Responsible Investment ("SRI") Sukuk Framework.

**Singapore**

In Singapore, the Group successfully arranged a two-bank club green term loan facility of SGD150 million to support the acquisition and development of a top-tier colocation data centre for a major property player. This was the second green loan for RHB Singapore, following the successful conclusion of its first deal in March 2019.

We are expecting an increasing number of our customers to turn to green financing to meet their future funding requirements given the rising interest in green initiatives among real estate eventers, tenants and regulatory borders.

**Thailand**

RHB Thailand granted a new multitrade line of THB100 million and Foreign eXchange Contract Lines ("FXCL") to support the working capital of a green technology company engaged in the supply & installation of solar cells, energy-saving products, electric mobility solutions and electronic vehicle ("EV") charging stations, among its other businesses.

It is the Bank's business strategy to support more business engaged in sustainable industries in the future in line with the Group & Bank of Thailand's approach towards Sustainable Banking & Lending.

We hope to play a bigger role in supporting the transition to a low-carbon and climate-resilient economy by encouraging our customers to adopt more sustainable business practices. Promoting the growth of such an economy involves channelling capital towards supporting sectors and economic activities that can make the biggest difference in the fight against climate change. This also requires us to nurture businesses and stimulate innovation and development of environmentally friendly products and services.

Out of the **RM3.1 billion**

**16.8% or RM521.6 million**

was for renewable energy projects/activities/sectors

**Cypark Renewable Energy Perpetual Sukuk Musyarakah**

**Programme** - RHB Bank is the Principal Adviser, Lead Manager and Lead Arranger for an Unrated Perpetual Islamic Note of up to **RM500 million, of which RM165 million has been issued**.

Purpose of the fund raising was for working capital and general corporate purposes **related to renewable energy**



These projects will have a positive impact on the environment and society and we will continue to step up our efforts to support the nation's transition to a low-carbon and climate-resilient economy. Beyond the apparent benefits to the environment, supporting the green economy will also create new jobs and businesses while the need for new solutions will drive innovation and technology.



For more information, please refer to Sustainable Advisory & Investment on page **18**.

## SUSTAINABLE ADVISORY AND INVESTMENT

**RHB Banking Group views Sustainable and Responsible Investment (“SRI”) as the next investment frontier as investors are increasingly drawn to investment opportunities that encompass strong social and environmental aspirations.**

A growing number of investors, both institutional and retail, believe that the ability of a company to operate and generate revenue sustainably and over the long term relies on the maturity and depth of its integration of ESG considerations into its business strategies and operations.

On our part, we have continued to pursue the integration of ESG considerations into our business, which also improves our ability to identify the potential risks and opportunities in companies we may invest in. Thus, with this information in hand, we are making better investment decisions. In 2020, we inked new deals as we sought to further develop a strong base in the area of sustainable and responsible banking.

We are guided by the following publicly endorsed principles or frameworks as we aim to increase the establishment and issuance of green and SRI bonds/sukuk in the Malaysian capital market space. Our approach is in line with and supports SC's Roadmap for the Malaysian capital markets.

- Green Bond Principles (“GBP”) developed by the International Capital Market Association
- ASEAN Green Bond Standards (“ASEAN GBS”) developed by the ASEAN Capital Markets Forum
- Sustainable and Responsible Investment (“SRI”) Sukuk Framework developed by Securities Commission Malaysia (“SC”)

In the context of ESG integration, RHB’s Group Treasury and Global Markets investment and trading teams have incorporated an ESG assessment as a standard credit analysis process when purchasing bonds or sukuk. The ESG assessment is utilised in new investment applications and annual reviews of assets. The teams have further integrated the approved list of Group Prohibited Credits into this process, as part of the Group’s ESG and risk management approach.

## Awards

RHB was the sole principal adviser, sole lead arranger and sole lead manager for a RM200 million Pasukhas Green Assets’ ASEAN Green SRI Sukuk Programme, for which it was awarded the:

- Green Deal of the Year at the Asian Banking & Finance Corporate & Investment Banking Awards 2020
- Best ASEAN Green SRI Sukuk at The Asset Triple A Islamic Finance Awards 2020

The Programme adopts the Shariah principles of Wakalah Bi Al-Istithmar and Murabahah (via Tawarruq arrangement), and proceeds from the issuance are used to fund SRI projects, among other Shariah-compliant purposes.

Listed below are the programmes and deals related to our Green Financing Commitment as well as sustainable and responsible investments (“SRI”) in 2020:



### Cypark Renewable Energy Sdn Bhd Perpetual Sukuk Musharakah Programme



- RHB Bank is the Principal Adviser, Lead Manager and Lead Arranger for an Unrated Perpetual Islamic Note of up to RM500 million, of which RM165 million has been issued
- Cypark is mainly involved in renewable energy-related engineering and construction and the management of companies and enterprises related to solar photovoltaic power plants. It also owns solar photovoltaic power plants, in addition to offering environmental engineering and integrated turnkey contract services
- The fundraising was for working capital and general corporate purposes related to renewable energy



For an overview of our Green Financing, please turn to page [16](#) of this Report.



### Cagamas ASEAN Sustainability SRI Sukuk

- RHB Bank originated, priced and distributed Cagamas Berhad's inaugural ESG Sukuk, which received overwhelming response from investors. Cagamas is Malaysia's national mortgage corporation and 20% owned by Bank Negara Malaysia
- Proceeds from the RM100 million raised will be utilised to finance affordable housing and employment generation assets in the form of loans to SMEs



### Sukuk Prihatin

- RHB participated as one of the distributor banks for the Malaysian government's Sukuk Prihatin totalling RM666 million, a key initiative under the National Economic Recovery Plan (“PENJANA”) in response to the COVID-19 pandemic
- The proceeds from the sukuk issuance will be channelled to Kumpulan Wang COVID-19 to help communities and businesses affected by the economic downturn



# SUSTAINABLE AND RESPONSIBLE BANKING

- Sustainable Financing

## SUSTAINABLE ADVISORY AND INVESTMENT

RHB Asset Management has rolled out a Sustainability Investment Framework which aims to integrate sustainability considerations into all of its investment processes in order to make better-informed investment decisions. A phased approach will be used to accomplish this. The Sustainability Investment Process, introduced under the framework, incorporates ESG considerations into the investment process and will leverage its fiduciary duty to promote sustainable practices. Additionally, RHB Asset Management aspires to advocate for and educate its clients and investee companies on sustainability.

**RHB Asset Management hosted a webinar titled 'ESG & Sustainable Investing – The Way Forward' on 10 November for its clients and stakeholders. This was part of a series of webinars held throughout 2020 and was the first that focused on the ESG movement. The webinar targeted investors who were keen to explore sustainable investing options and discussed the development of ESG-focused investing within asset management.**

In December 2020, RHB Asset Management also became a member of the Institutional Investors Council Malaysia. By being a member, we are part of an industry-led initiative that has the ability to shape and influence a wider sphere of corporate governance culture through, among others, the effective adoption of the Malaysian Code for Institutional Investors ("MCII"). The MCII, of which RHB is a signatory, advocates for institutional investors to invest responsibly by taking into account a company's corporate governance and sustainability practices.

We have launched ESG-themed funds, our first being the SRI-KEHATI Index (Sustainable and Responsible Investment – Keanekaragaman Hayati Indonesia) - an equity index through a collaboration between Yayasan Keanekaragaman Hayati Indonesia ("the KEHATI Foundation") and the Indonesia Stock Exchange ("Bursa Efek Indonesia"). The SRI-KEHATI Index has been able to demonstrate to investors companies that are regarded as benefiting society and the environment through their commitment to sustainable development.

The RHB SRI-KEHATI Index Fund is a passively managed, solely Indonesia Country Fund, investing in the Indonesia Stock Exchange and replicating the performance of the SRI-KEHATI Index. The fund is regarded as a pioneer ESG-themed fund in the country and currently is the biggest ESG retail fund in Indonesia. The total Assets Under Management for the RHB SRI-KEHATI Index Fund was USD25.47 million as of end-December 2020. Fund performance in FY2020 was -7.57%, slightly better than its benchmark (-7.76%). The fund managed to register a low tracking error of 0.37% in FY2020.

We recently launched another ESG-themed fund, namely the RHB i-Global Sustainable Disruptor Fund, in 2021, our first-ever Shariah sustainable and responsible investment fund subject to ESG criteria and methodology. Going forward, we plan to launch more ESG-themed funds.

## Awards

### Asset Management Company of the Year - Highly Commended

#### Presented at

The Asset Triple A Sustainable Investing Awards 2020 for Institutional Investor, ETF and Asset Servicing Providers

#### Category

Asset Management Company of the Year - Highly Commended (Malaysia) – RHB Asset Management Sdn Bhd

## UPSKILLING FOR THE FUTURE

The Group continues to support and encourage its employees to enhance their knowledge on sustainability and keep abreast of market developments in relation to sustainable financing. In 2020, RHB Investment Bank, in collaboration with the International Capital Market Association ("ICMA"), held a six-day training programme on Green Bond Standards. The programme gave participants a comprehensive overview on all aspects of sustainable finance in the context of Green Bonds.

As for RHB Asset Management, the investment team organised capability building sessions for its equity and fixed income analysts to better understand the appraisal of risk and evaluation of ESG factors as part of the investment decisions of investee companies, focusing on impact areas and taking into consideration industry-specific risk exposure. The analysts adopted the ESG scoring methodology and started to engage with investee companies from Q4 2020 onwards.

## PREPARING FOR AN ESG-DRIVEN FUTURE

At RHB Bank, we are constantly looking for ways to improve the value propositions in anything we do. Embedding sustainability within the products and services we offer will enable us as a banking group to contribute towards nation building and the country's transition to a low-carbon and climate-resilient economy. RHB Bank has now also positioned itself to play a leading role in providing ESG-related information to our investors, a decision that meets investor needs and furthers the Bank's own sustainability agenda.

We note that investors are changing the way they evaluate stocks and are demanding for more information on ESG-related metrics and facts. This trend is global with the world's largest asset manager, BlackRock, calling in January 2020 for companies it invests in to make disclosures about their own sustainability and climate change mitigation-related efforts. The COVID-19 pandemic has lent further credence to the ESG movement, proving to investors that a company's robust ESG practices are likely to determine resilience and lead to more sustainable long-term value creation.

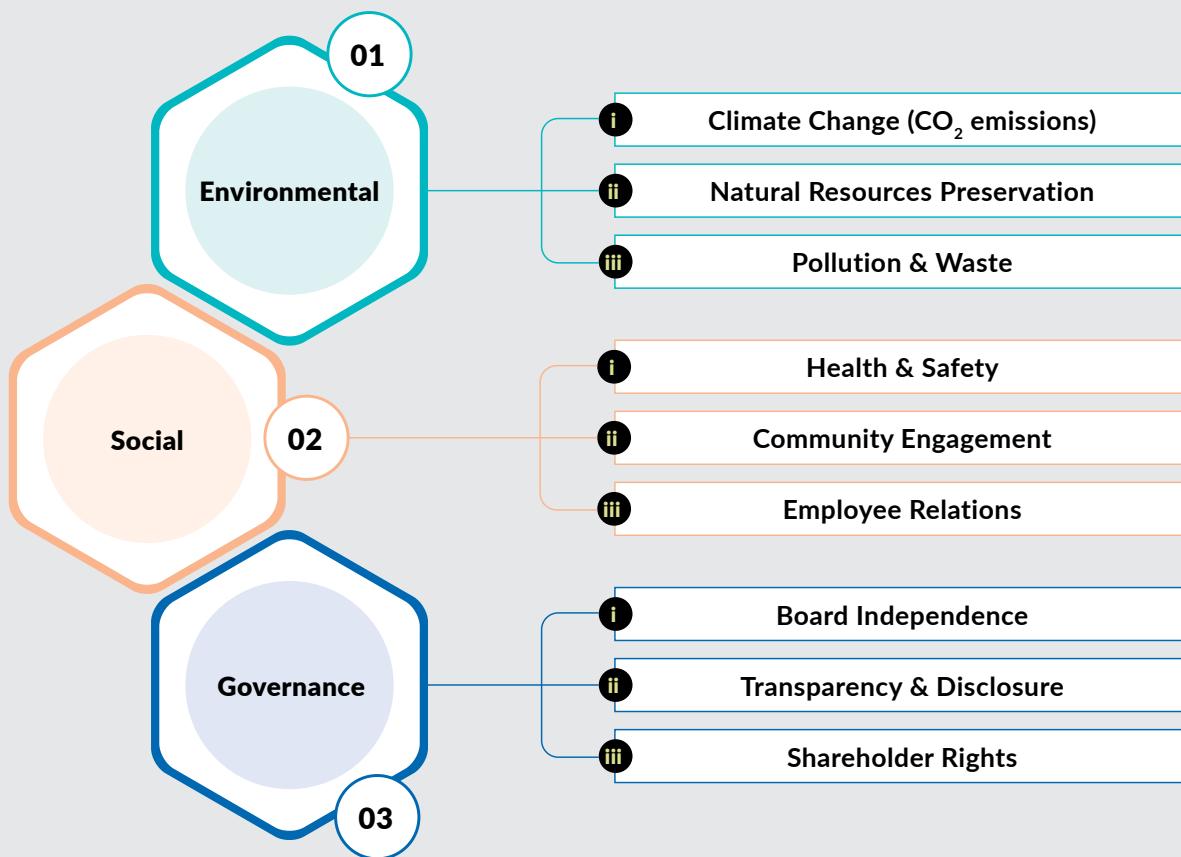
In October 2020, we published our Malaysian thematic research report titled 'Environmental, Social and Governance: EnviSioninG a Better Future'. The report simplifies ESG concepts by looking at each of the three pillars for the sectors represented within the FTSE Bursa Malaysia ("FBM") Kuala Lumpur Composite Index ("KLCI").

It summarises as well RHB Research's proprietary ESG scoring system for FBM KLCI stocks under our coverage as a means to give investors a quick snapshot on where a company stands in terms of its ESG practices. The ESG scores are included in research reports for the stocks under our coverage and are based on nine key ESG metrics that cover most companies. These metrics also demonstrate the companies' intention in tackling ESG issues.

## SUSTAINABLE ADVISORY AND INVESTMENT

### KEY METRICS RHB RESEARCH FOCUSES ON

The exact definitions of each of the nine factors follow:



#### Other ESG factors we consider

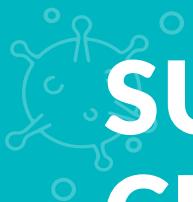
A multitude of factors have to be considered to ensure a fair analysis is conducted as many ESG-related variables can impact a particular company. As a start, we believe that any analysis must be looked at in the context of time as it involves tracking a company's progress in ESG areas. We estimate that an improving ESG score over time will yield higher and more superior returns for investors while a low ESG score that does not improve over time may negatively impact a company's profitability and its ability to generate long-term sustainable value.

Much of this approach is fundamentally an evaluation of a company's risk management in the context of ESG-related risks as well as the company's focus on managing its material matters. Given the strong investor interest in ESG, we see many advantages to incorporating ESG scoring into our analysis of stocks. It is, however, not without some challenges as we note that the comparability of ESG data is not robust enough considering that it is a relatively new development. There is also an absence of a global regulator and a unified framework for ESG scoring.

Lastly, we will remain vigilant in looking out for the practice of greenwashing, which is the misleading behaviour of companies to make people believe that they are doing more to protect the environment than they actually are. Going forward, RHB Bank will eventually roll out our ESG analysis to all stocks under our coverage.



To read more about the report and our ESG scoring system, please go to [https://research.rhbtradesmart.com/view-file/hash/409530120159987365f75815e272cb?NO\\_CACHE=523d596c27f9b182563e275c7287a9f2](https://research.rhbtradesmart.com/view-file/hash/409530120159987365f75815e272cb?NO_CACHE=523d596c27f9b182563e275c7287a9f2).



# SUPPORTING CUSTOMERS

## DURING COVID-19



**RHB Banking Group remains committed to supporting its customers and reached out to them during the COVID-19 pandemic to ease the financial burden of individual, corporate and SME customers. Due to the prolonged pandemic effects, we anticipated the challenges faced by our customers would exceed what we experienced in the previous economic crises.**

We responded immediately to the pandemic by leveraging our resources and network of connections, introducing financial assistance and business support programmes, as well as supporting government-initiated special relief programmes. Where possible, we optimised our expertise and accelerated our digital enhancement efforts to reduce the adverse effects of the crisis and provide our customers with a seamless banking experience.

Our initiatives included facilitating the delivery of government assistance to businesses. Alongside all other banks in the country, we offered an automatic six-month moratorium on loans and financing facilities from April to September 2020. However, we did not stop assisting our customers when the moratorium ended but continued to offer payment assistance, especially to the vulnerable B40 segment and microenterprises.

During the pandemic, we ensured customer and employee safety by implementing strict Standard Operating Procedures across all branches and physical touchpoints. This included temporary closure of branches in high-risk areas, limiting the number of customers in branches and shortening operating hours.



HELPING OUR CUSTOMERS WHEN IT MATTERS MOST

Total loan and financing facilities through Payment Assistance as of March 2021:

⦿ **RM16.5 billion**  
to **180,984** individuals

⦿ **RM4.9 billion**  
to **1,732** SME customers

⦿ **RM5.10 billion**  
in rescheduling and restructuring assistance for corporate customers

Total loan and financing facilities through relief funds as of March 2021:

⦿ **RM2.62 billion**  
to **4,216** SME customers

⦿ Helped more than  
**5,600**  
local SME outlets via #JomSapot campaign



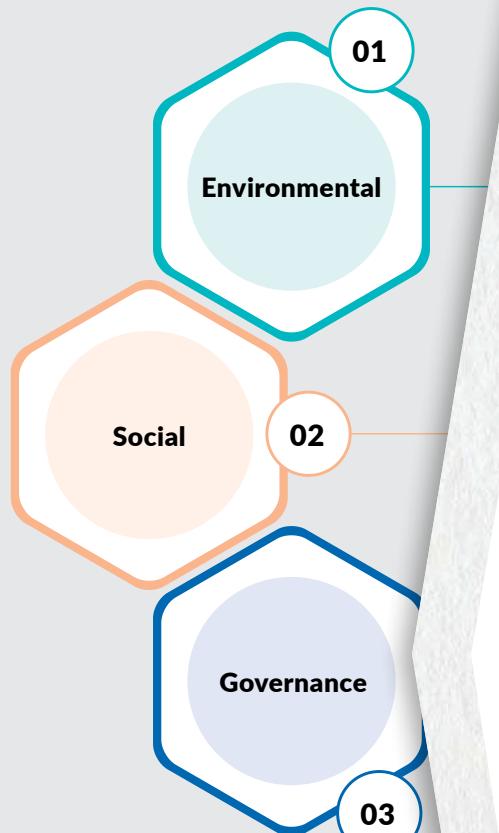
Scan the QR code for more details on RHB's Loan/Financing Payment Assistance.



## SUSTAINABLE ADVISORY AND INVESTMENT

## KEY METRICS

The exact definitions of each of the nine factors follow:



## Other ESG factors we consider

A multitude of factors have to be considered to evaluate a particular company. As a start, we believe that a company's progress in ESG areas. We estimate that investors while a low ESG score that does not improve generate long-term sustainable value.

Much of this approach is fundamentally an evaluation as the company's focus on managing its material matters incorporating ESG scoring into our analysis of stocks. of ESG data is not robust enough considering that it is and a unified framework for ESG scoring.

Lastly, we will remain vigilant in looking out for the practices make people believe that they are doing more to protect eventually roll out our ESG analysis to all stocks under our



To read more about the report and our ESG scoring system, please visit [https://www.rhb.com.my/reports-and-publications/sustainability-report-2020/#hash/409530120159987365f75815e272cb?NO\\_CACHE=5](https://www.rhb.com.my/reports-and-publications/sustainability-report-2020/#hash/409530120159987365f75815e272cb?NO_CACHE=5)

## Our efforts to continue assisting our customers

## Payment Assistance Programme



A Credit War Room was mobilised in May 2020 to enable fast decision-making on customer credit-related matters during the pandemic to assist customers amidst the economic slowdown. The assistance we offered included a comprehensive debt advisory and payment assistance programme as well as assistance to severely impacted industries. The Credit War Room was further enhanced in August to evaluate and assess customers' financial positions and identify upfront those customers who may be impacted by the pandemic and the Movement Control Order ("MCO").

To provide further support, we held Financing Payment Assistance Clinics over three consecutive weekends at more than 100 selected branches nationwide to offer financial advice prior to the end of the moratorium in September. The clinics were held to assist customers with their loan and financing repayments. The assistance was mainly targeted at those who lost their jobs or had their salary deducted due to the pandemic. For credit card facilities, customers were given the option to convert their outstanding balances into a three-year term loan with reduced interest rates. Through the clinics, we extended assistance to close to 59,000 of our individual and SME customers.



## SUPPORTING SMEs

As the effects of the pandemic persisted throughout the year, Small and Medium Enterprises continued to be affected by the adverse impacts of the economic slowdown. To aid SMEs, we facilitated Bank Negara Malaysia's ("BNM") relief funds, namely the Special Relief Fund ("SRF"), the Automation and Digitalisation Facility ("ADF") and the Agrofood Facility ("AF"). We also supported government assistance such as the Targeted Relief and Recovery Facility and the High-Tech Facility - National Investment Aspirations by Malaysia's Ministry of Finance.

To boost the businesses of SMEs, we rolled out the #JomSapot campaign that leveraged the power of social media to appeal to customers to support local businesses. As of February 2021, the campaign has benefited more than 5,600 outlets operated by SMEs at no extra cost while uplifting the Group's growth in deposits, cards and digital adoption.



For more information, please turn to page 30 to read about Helping SMEs Navigate the Effects of COVID-19.

safely and effectively were focused on:



## HELPING OUR CUSTOMERS WHEN IT MATTERS MOST

Total loan and financing facilities through Payment Assistance as of March 2021:

⦿ **RM16.5 billion**  
to **180,984** individuals

⦿ **RM4.9 billion**  
to **1,732** SME customers

⦿ **RM5.10 billion**  
in rescheduling and restructuring assistance for corporate customers

Total loan and financing facilities through relief funds as of March 2021:

⦿ **RM2.62 billion**  
to **4,216** SME customers

⦿ Helped more than  
**5,600**  
local SME outlets via #JomSapot campaign



Scan the QR code for more details on RHB's Loan/Financing Payment Assistance.

### Accelerating our Digital Solutions



Across all our business channels, we continued to simplify our processes, swiftly enabling and activating new digital experiences to deliver the best possible customer service and experience. Our significant investments in building digital ecosystems enabled us to meet customer needs and demands while keeping customers safe during the MCO.



For more information on Digital Solutions and Inclusion, please turn to page **43**.

### Financial Guidance



RHB went beyond the payment assistance programme to help Malaysians navigate the economic crisis by providing financial guidance and sharing financial knowledge insights through webinars and virtual events such as RHB Money Chat. Qualified speakers from the Bank and industry were engaged to share insights on how to manage and sustain personal and business finances during the pandemic.



For more information on Reimagining Financial Awareness for Customers, please turn to page **96**.

### Changing How We Operate



As a financial services institution, our key task was to sustain our operational effectiveness and efficiency throughout the pandemic and the prolonged MCO period. At branch level, we changed their operations to adapt to the new normal, given their frontline nature. This led to the acceleration of our digital transformation strategy and implementation of crowd management strategies such as electronic queuing, which was piloted at several branches.

In all other aspects of our operations, we looked for alternatives to manage what needed to be done within the guidelines provided by the COVID-19 SOPs. This included allowing email sign-offs for matters requiring approvals, using virtual conferencing tools for meetings and adopting e-Know Your Customer ("e-KYC") solutions.

## SUSTAINABLE SOLUTIONS FOR CUSTOMERS

**RHB Banking Group continuously reaches out to a wider range of customers to serve the underserved and the unbanked. We strive to provide greater financial access and inclusion by leveraging our branches to meet the needs of the communities and offer innovative products and services through cross-sector partnerships to increase sustainable solutions for customers.**

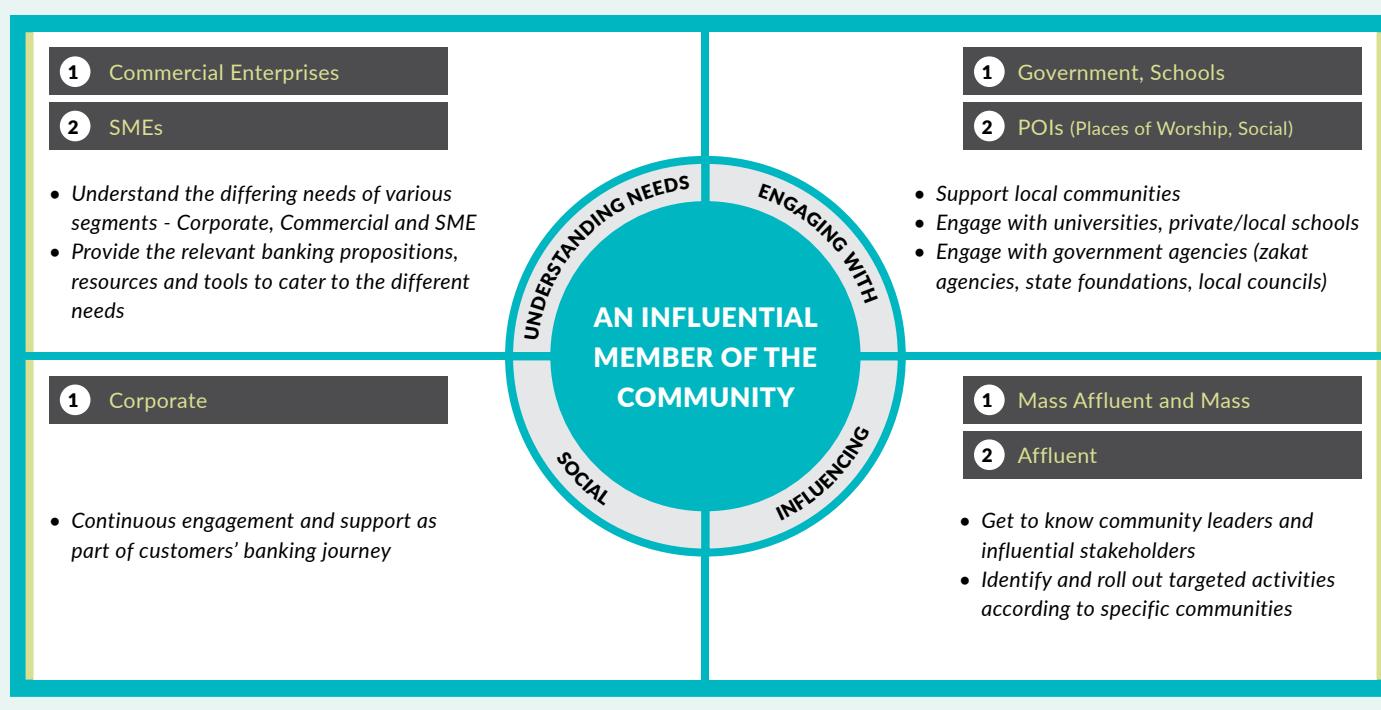
### COMMUNITY BANKING

The Group's Community Banking initiative is a natural extension of our brand promise and the role our branches play, as we reach out and enable financial access for all segments of society. Our branches are the key conduit through which we implement a structured Community Banking engagement model with communities from all walks of life. Our branch managers, relationship managers and front desk officers continue to provide the human touch to meet the banking needs of communities while delivering excellent customer service and support.

Community Banking enables us to engage with a diverse range of communities and segments of society, ranging from Retail customers to SME and Corporate clients to government agencies, universities, schools and trade associations. Through our structured Community Banking Programme that was launched in 2019, we are able to monitor the progress of each branch in Community Banking. During the pandemic, we

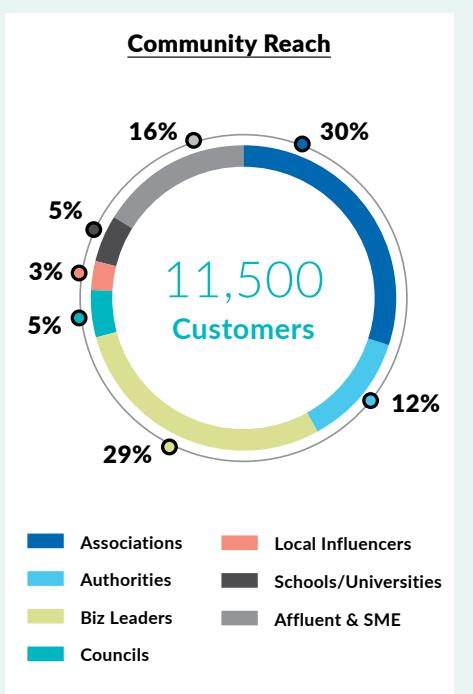
approached community leaders, SMEs and retail businesses to promote our products and activities online, such as the RHB Perlindungan Tenang Campaign and Private Retirement Scheme. We also organised multiple separate briefing sessions to engage with our customers while adhering to strict Standard Operating Procedures ("SOPs").

In line with the FIT22 strategy to improve services and sales via 'Community Banking' and 'Branch of the Future' strategies for greater efficiencies, reach and performance, approximately 2,300 community events were held throughout 2020 (both physically and virtually) led by respective regions and branches, contributing to branch AUM growth of 16% from RM56 billion in 2019 to RM66 billion in 2020.



Our aim is to extend our financial services and promote financial inclusion to the unserved and underserved segments while uplifting the financial well-being of individuals and businesses.

The Bank has continued to upskill our branch managers and reinforce our structured method of engagement with local communities. While our product offerings leverage the resources of various teams in the banking group, we are cognisant that such cross-business or cross-selling initiatives must resonate with and bring value to the communities we serve. In 2020, the Community Banking platform focused on creating awareness on basic life insurance and retirement savings, two critical areas of personal finance which took on renewed importance during the pandemic.



## PROVIDING PEACE OF MIND DURING UNCERTAINTY THROUGH PERLINDUNGAN TENANG

According to the Life Insurance Association of Malaysia ("LIAM"), the penetration rate of life insurance has been stagnant for the past five years at 54%. The percentage continues to drop to less than 41% after eliminating multiple ownership of policies. Of the figure, only 30.3% of households in the bottom 40% (B40) of the population have acquired some form of life coverage. This falls far short of the national goal of reaching 75% national penetration by 2020. Among the main reasons cited for the low penetration rate are the pricing and affordability of such policies.

In view of the need for protection amidst the current uncertainties, RHB Banking Group launched the 'RHB Perlindungan Tenang Campaign' through a collaboration with Tokio Marine Life Insurance Malaysia Berhad ("TMLM") in August 2020. The campaign offered a two-month premium waiver to RHB customers when they signed up for the *Perlindungan Tenang TokioMarine-Starter Pack*. *Perlindungan Tenang* is aimed at providing a life protection plan to low-and-middle-income groups, especially the underserved communities. The plan is designed to provide Malaysians with financial protection against unfortunate events, enabling customers to have peace of mind knowing that their loved ones will be protected if the unexpected happens.

The life protection plan was rolled out digitally in 2018 in support of BNM's *Perlindungan Tenang*, a national initiative to collaborate with the insurance industry to provide affordable and accessible insurance coverage to the underserved segments in Malaysia. During the RHB *Perlindungan Tenang* Campaign, all branch staff actively promoted the life insurance product through in-branch and out-of-branch activities, as well as online activities such as video conferencing and webinars. The initial phase of the campaign ended in December 2020, which saw more than 14,500 customers enrolling for the insurance coverage. The Bank will continue to strive to ensure more Malaysians are insured in line with the national agenda.

## HELPING MALAYSIANS TO RETIRE WELL VIA THE PRIVATE RETIREMENT SCHEME ("PRS")

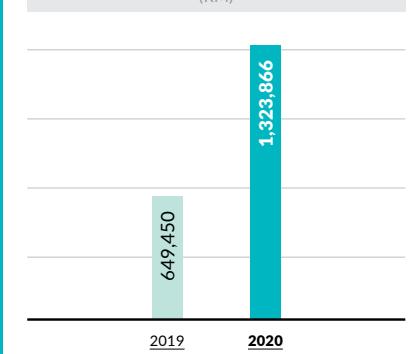
The lack of retirement planning is a growing concern as Malaysia's demographics slowly shift toward an aging population. Based on Bank Negara Malaysia's observation, only 40%\* of Malaysians have sufficient retirement funds while others are forced to rely on their children when their Employees Provident Fund ("EPF") or pension runs out.

To help Malaysians prepare for their retirement, RHB Banking Group focuses on encouraging Malaysians to save during times of uncertainty through its Private Retirement Scheme ("PRS"). The PRS is a voluntary long-term investment scheme aimed at helping individuals accumulate savings for their retirement. During the PRS campaign from August to October 2020, we suspended all sales charges as we sought to drive more savings into the PRS.

During the campaign period, total sales were at RM1,323,866 with a total of 1,016 transactions and 114 new-to-PRS cases harvested. Growth rate was at 104% compared to 2019.

\* Source: <https://www.bnm.gov.my/-/deputy-governor-s-speech-at-the-launch-of-the-financial-management-for-retirement-module-shaping-the-future-starts-now>

TOTAL PRS SALES 2019 VS 2020 (RM)





## SUSTAINABLE SOLUTIONS FOR CUSTOMERS

### BRANCH MANAGERS

Branch Managers continue to play a key role in ensuring Community Banking is well implemented in every branch to meet the banking needs of local communities. As the CEOs of the branches, they are expected to deliver service and operational excellence. Branch Managers are required to attend a comprehensive Branch Manager Competency training programme to upskill into excellent community bankers while enhancing their leadership and technical skills. Some of the training modules include:

- SME Credit Development Pathway
- Relationship Management
- Macroeconomic & Capital Market
- Credit Evaluation for BMs
- Winning Presentation Skills

In 2021, we will continue to improve our Branch Managers' competencies by focusing on soft skills and technical training, customer engagement and cross-selling to provide holistic value to customers.

### Promoting Green Auto Financing

RHB offered a special financing scheme for hybrid, plug-in hybrid or electric cars in June 2020 and extended a total of **RM11.3 million** in loan facilities for purchases of these vehicles up to December 2020. Preferential rates were offered to customers in support of this segment.



### HOMEOWNERS ECOSYSTEM

**Owning a home is a dream come true for many. At RHB, we endeavour to help aspiring homeowners realise their dream through our holistic RHB Homeowners Ecosystem, a platform that provides end-to-end access to solutions to own a home, offering a smoother and simpler homeownership process.**

The ecosystem plays a pivotal role in driving RHB's mortgage business and bolsters the Group in becoming a preferred digital solutions provider.

The RHB Homeowners Ecosystem eases the customer journey to owning a home and provides a superior experience, starting from finding a house and turning it into a perfect home. The RHB Homeowners Ecosystem is enhanced from time to time to ensure a better and more seamless experience to meet evolving customer needs. The ecosystem comprises the RHB MyHome App, RHB Partners App and RHB MyHome website, three distinct platforms that encompass pre-purchase and post-purchase ecosystems. We will continue to enhance our ecosystem to offer a truly seamless end-to-end digital journey and forge new partnerships to serve the needs and demands of a wider range of customers.



## RHB MYHOME WEBSITE

The RHB MyHome website is an all-in-one platform that eases the moving-in experience for homebuyers, offering financial solutions, renovation services, maintenance services and tips & guides for the home. Through its collaborations with established partners like Signature Kitchen and Kaodim, it enables homeowners to enjoy home improvement services at a discounted rate. The website also enables cross-selling, allowing customers to access other selected products such as credit cards, mortgages and personal loans. The RHB MyHome website has since expanded its collaborations to include five new partners for renovation and eight new credit card merchants that offer 0% easy payment during its relaunch in August 2020.

The RHB MyHome website attracted  
**more than 280,000**  
visitors in **2020**



## RHB MYHOME APP

The RHB MyHome App is a mobile application that delivers end-to-end digital mortgage applications to ease customer experience in owning a home. The app has been a key enabler in driving RHB's mortgage revenue, giving homebuyers a convenient avenue to apply for a home loan through their mobile phones. The app also keeps homebuyers updated on guidance in owning a property, financing eligibility and purchase of properties.

**39.47%** (7,034 acceptances)

of total new mortgage acquisitions in 2020 originated via RHB MyHome App, compared to **20%** in 2019



**68.75%** (18,926 referrals)

of total mortgage referrals via our homeowner ecosystem partnerships were referred via RHB Partners Application



## Affordable first-time homeownership - *Skim Rumah Pertamaku*

RHB continues to promote financial inclusion by offering affordable home loans through its My First Home Scheme (*Skim Rumah Pertamaku*) to assist first-time homebuyers earning a gross monthly household income of up to RM10,000 to purchase their first home.



In 2020, RHB empowered **1,125** homeowners to acquire their first properties through the Skim Rumah Pertamaku. A total of **RM305 million** in mortgages was extended.

## Awards & Recognition

1

### Asian Banking & Finance Retail Banking Award 2020

- Mortgage & Home Loan Product of the Year (Malaysia) - MyHome Ecosystem

2

### International Business Award 2020

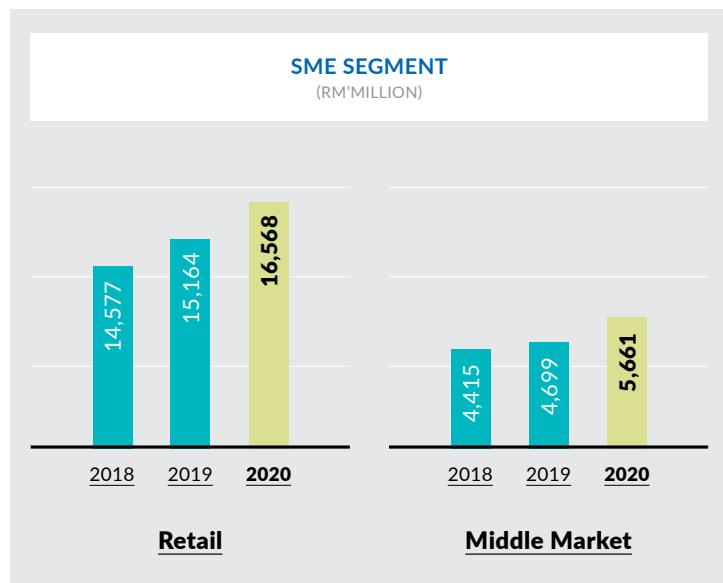
- Best Retail Bank Malaysia 2020



## SUPPORTING SMEs DURING CHALLENGING TIMES

SMEs are the backbone of a healthy economy as they drive growth, generate employment opportunities and open new markets. According to SMECorp Malaysia\*, 98.5% of businesses in Malaysia are SMEs, which contributed 38.9% to Malaysia's GDP in 2019.

In our aspiration to be the preferred SME bank in Malaysia by 2022, we seek to include SMEs in the financing mainstream. We established a holistic SME ecosystem to focus on improving the SME financing landscape by promoting financial access and inclusion, efficiency and convenience. RHB's SME Ecosystem allows SMEs to perform their daily transactions seamlessly, ensuring a smooth journey to finance on a single platform.



\* Source: <https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-statistics>

## RHB'S SME ECOSYSTEM – SOLUTIONS BEYOND BANKING

RHB's SME Ecosystem is a comprehensive and all-encompassing system that leverages technology and online platforms to help SMEs embrace digitalisation. We are the first bank in Malaysia to offer integrated connectivity through collaboration with technology solution providers and ecosystem partners. Our ecosystem is anchored on three planks:

**1** Improve access to financing

**2** Increase efficiency and reduce cost of operations

**3** Enable SMEs to focus on growing their business

## RHB'S SME ECOSYSTEM UPDATES

	2019	2020
<b>Loans disbursed to SMEs</b>	RM4.8 billion	RM5.4 billion
<b>SME loan market share</b>	9.6%	9.7%
<b>Total no. of SME customers</b>	200,000	208,000
<b>Reflex customers</b>	100,000	113,000
<b>Business Solution Partners</b>	Accounting Point of Sales Inventory Management Payroll & HR	Interfaced with new technology partners (Talenox, Storehub, SQL and iKEY) in 2020
<b>SME ecosystem comprises:</b>	<ul style="list-style-type: none"> <li>• RHB Reflex and Reflex Mobile Cash Management</li> <li>• Financial Supply Chain</li> <li>• Financing</li> <li>• SME e-Solutions</li> <li>• SME Digital Journey</li> </ul>	<ul style="list-style-type: none"> <li>• Digitalisation of onboarding process via SME Web Portal and RHB Financing (SME) Mobile App</li> <li>• Initiatives and integration with new technology partners to drive acquisition</li> </ul>
<b>SME e-Solutions platform customers</b>	>6,000	>10,000

**In 2020, we onboarded more than 23,000 new-to-bank SMEs and now have more than 113,000 SMEs within the connected ecosystem. RHB's ecosystem is also the first to provide e-Solutions to SMEs to automate and digitalise their business operations to drive productivity and growth through comprehensive and value-added features.**

The system's direct Application Programming Interface ("API") is integrated with solution partners that cover the areas of payroll, accounting, point of sales and inventory management and targets sectors such as Education, Manufacturing, Property Management and Retail & Services. In 2020, our total SME e-Solutions customers grew by 83.4% from 6,000 in 2019 to more than 10,000.

Our SME Online Financing platform enables a simple, fast and seamless application experience where consent can also be obtained digitally. This enables RHB's SME customers to apply for financing online and receive cash within a few days. Digital acquisition of small ticket SME financing more than tripled via our SME Online Financing and the launch of our mobile app for SME financing.

We also launched the first artificial intelligence ("AI")-powered SME financing mobile app in Malaysia that automates the customer onboarding process and enables remote interaction with Relationship Managers. It enables easy access to financial aid, enhances SMEs' working capital and helps to boost cash flow by allowing SME owners to apply for financial aid anywhere and anytime within minutes through their mobile phone. It also allows applicants to check on their application status.

Under RHB Reflex & Reflex Mobile Cash Management, customers can benefit from the integrated online service combining cash management and trade and payment solutions. Meanwhile, RHB Financial Supply Chain ("FSC") offers business solutions that optimise working capital and provide liquidity to businesses through ecosystem financing.



### STRENGTHENING SMES THROUGH GOVERNMENT SCHEMES

In our endeavour to be the preferred SME bank, we collaborate with government-linked companies Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") and Credit Guarantee Corporation Malaysia Berhad ("CGC") to provide SMEs with access to finance.

- Recognised with Top Performance Award for 2020
- Worked with CGC in three areas:
  - CGC's Wholesale Guarantee Islamic ("WG-I") Bumi, a scheme that supports Bumiputera SMEs
  - Financial Supply Chain Portfolio Guarantee ("FSC PG")
  - BIZMAJU, which enables viable SMEs with no adequate track record and/or collateral to apply for a credit facility directly with CGC, funded by RHB with a 100% guarantee from CGC



## HELPING SMEs NAVIGATE THE EFFECTS OF COVID-19

**The COVID-19 pandemic and the disruption caused to the economy had a significant impact on SMEs. It was clear to the Group that given our strength and focus in the SME sector, we were in an ideal position to help SMEs weather the storm. It is our belief that the Malaysian economy will have a more sustained recovery if SMEs pulled through the economic fallout with their businesses intact, especially given their significant contribution to Malaysia's gross domestic product.**

The six-month moratorium introduced by the government gave us the opportunity to re-engage with customers facing financial difficulties and to assess what they needed. We extended payment assistance to those businesses struggling financially, whereas payment assistance was aimed at helping microenterprises weather the storm. Additionally, we continued to provide our own financing through the RHB Biz Relief Financing facility and facilitated government assistance for SMEs through the Special Relief Facility.

- **Bank Negara Malaysia's Special Relief Facility**

- Objective: To help businesses adversely affected by the pandemic to sustain their business operations, safeguard jobs and support economic growth
- Purpose of financing: Working capital

- **RHB BizPower Relief Financing facility**

- Objective: To alleviate short-term cash flow problems faced by SMEs adversely affected by the COVID-19 outbreak
- Purpose of financing: Working capital

- **Targeted Relief and Recovery Facilities ("TRRF")**

- Objective: To provide relief to and support recovery of SMEs in the services sector affected by the reintroduction of containment measures since June 2020 (except tourism and tourism-related subsectors)
- Purpose of financing: Working capital

- **High-Tech Facility – National Investment Aspirations ("HTF-NIA")**

- Objective: To support affected high-tech and innovation-driven SMEs that are best aligned to strategic long-term development goals embedded in the National Investment Aspirations ("NIAs")

- **Malaysian Ministry of Finance PENJANA SME Financing ("PSF") and PENJANA Tourism Financing ("PTF") schemes**

- Main objective: To help alleviate the short-term cash flow problems faced by SMEs due to COVID-19 and the MCO

**Total loan and financing facilities through Payment Assistance:**

As at March 2021

**RM4.9 billion**

to 1,732 SME customers

As at December 2020

**RM4.25 billion**

to 1,516 SME customers

**Total loan and financing facilities through relief funds:**

As at March 2021

**RM2.62 billion**

to 4,216 SME customers

As at December 2020

**RM2.11 billion**

to 3,395 SME customers

## COV-AID Schemes

RHB Insurance implemented the COV-AID Premium Instalment Scheme and COV-AID Premium Relief Scheme from April 2020 to 31 December 2020 to support individuals and SME clients whose income or business was affected by the pandemic. A total of RM5 million was allocated to RHB Insurance's customers through the schemes, allowing up to 50% relief for both new and existing SME policyholders, individuals and SME clients.

Scheme Performance as at December 2020:

### Cov-Aid Premium Relief Scheme

About

**RM650,000**

has been granted.

### Cov-Aid Premium Instalment Scheme

About

**RM2 million**

gross premiums impacted.

## FACILITATED GOVERNMENT ASSISTANCE - SPECIAL RELIEF FACILITY

The Malaysian government responded with multiple economic stimulus packages to help mitigate the damage to the economy. One of the main initiatives under the economic stimulus packages was the RM5 billion Special Relief Facility ("SRF") to help alleviate the short-term cash flow difficulties faced by SMEs.

RHB participated in this programme via its SME Financial Relief Assistance Programme and approved applications totalling more than RM500 million for more than 700 SMEs. The funds were to help businesses adversely affected by the pandemic to sustain their business operations, safeguard jobs and support economic growth.

The highest number of approvals granted were for SMEs from the wholesale and retail trade sectors, at 31% with a total facility amount of RM155 million. This was followed by 16% from the manufacturing sector at RM79 million, while the rest were mainly SMEs from the various services sectors.

The Group's SME Ecosystem, in particular the SME Online financing platform, played a crucial role during the roll-out of the SRF during the MCO period. As a result, the Group saw an encouraging 36% of SRF applications being submitted through the online platform.

In addition to the SRF, the Bank supported SMEs affected by the pandemic with the restructuring or rescheduling ("R&R") of financing instalments and by offering a moratorium on loans and financing to enable better management of cash flow for business owners.

## Awards & Recognition

1

### Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") 2020

- Top Performance Award

2

### Alpha Southeast Asia Awards 2020

- Best Digital Bank in Malaysia
- Best Trade Finance Bank in Malaysia

3

### Retail Banker International Asia Trailblazer Summit and Awards 2020

- Highly Commended – Excellence in SME Banking Category



## HELPING SMEs NAVIGATE THE EFFECTS OF COVID-19

### #JOMSAPOT – THE POWER OF SOCIAL MEDIA

RHB launched the #JomSapot campaign in September 2020 to allow SMEs to promote their products and services through a free online platform and connect with potential customers using social media. Leveraging digital channels, specifically Facebook and a purpose-built microsite, the #JomSapot campaign encouraged SMEs to sign up with us and called on customers to support the SMEs with purchases. The three-month long campaign saw us giving SMEs free listings on the microsite, enabling them to market their products which ranged from hotel stays, health and wellness and digital appliances to food and beverage and fashion and beauty.

The platform allowed consumers to show their support for local businesses by:

1. Making a pledge on the site to purchase products from a chosen seller by scanning the merchant's QR code
2. Sharing the pledge with family and friends on social media
3. Making purchases from the chosen retailer using RHB DuitNow or RHB credit and debit cards

We invested further by posting advertisements on Facebook to urge customers to support the SMEs listed on the microsite and added promotions such as cashback deals and other rewards to further entice customers.

In short, the campaign was a success and a win-win for all. It was highlighted as a success story in a Global Case Study by Facebook. A total of 150 merchants with more than 5,600 business outlets have signed up with #JomSapot as of February 2021. We have seen significant growth across credit and debit card spending as more and more customers became aware of and supported the campaign. Other metrics such as DuitNow transactions and current account and savings account balances have also recorded growth, adding more evidence that SMEs have benefited from the campaign. In terms of engagement with SMEs, a total of 1,392 SMEs expressed interest in the campaign, which has helped to improve the brand awareness of the Group.

### KEY HIGHLIGHTS OF #JOMSAPOT CAMPAIGN

#### DuitNow transaction volume recorded significant growth during the campaign period

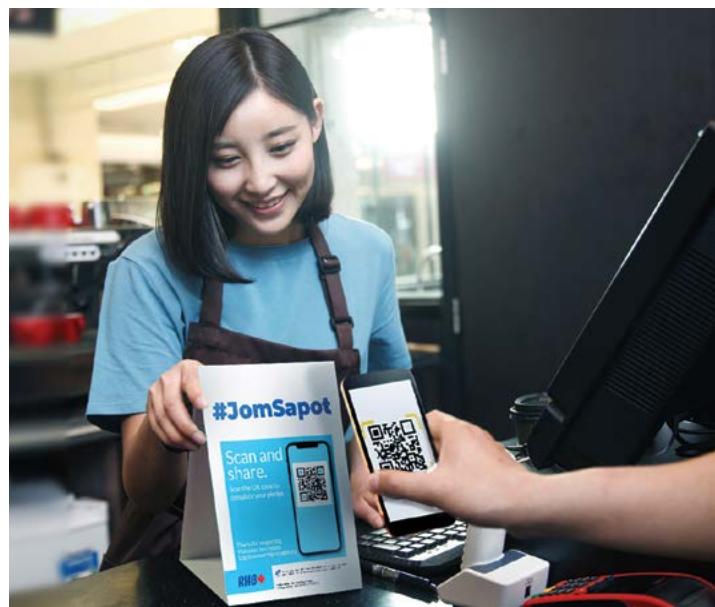
More than **5 million** impressions across Facebook and Instagram, reaching more than **2.2 million** unique Facebook users

#### The success of the #JomSapot campaign was noted by Facebook

which showcased the campaign as a Global Case Study to demonstrate the positive and effective use of social media platforms - <https://www.facebook.com/business/success/2-rhb>

### LOOKING AHEAD

Going forward, we will prioritise improving turnaround time in approvals and disbursements to further improve our competitiveness within the market. This will be achieved through enhancing the credit management process to simplify processes and shorten turnaround times. To gain competitive advantages, we will continue to leverage our digital initiatives in the area of smaller lending amounts and the SME ecosystem. We will continue to engage actively with our customers and offer assistance where needed.



## CHAMPIONING VALUE-BASED INTERMEDIATION (“VBI”)

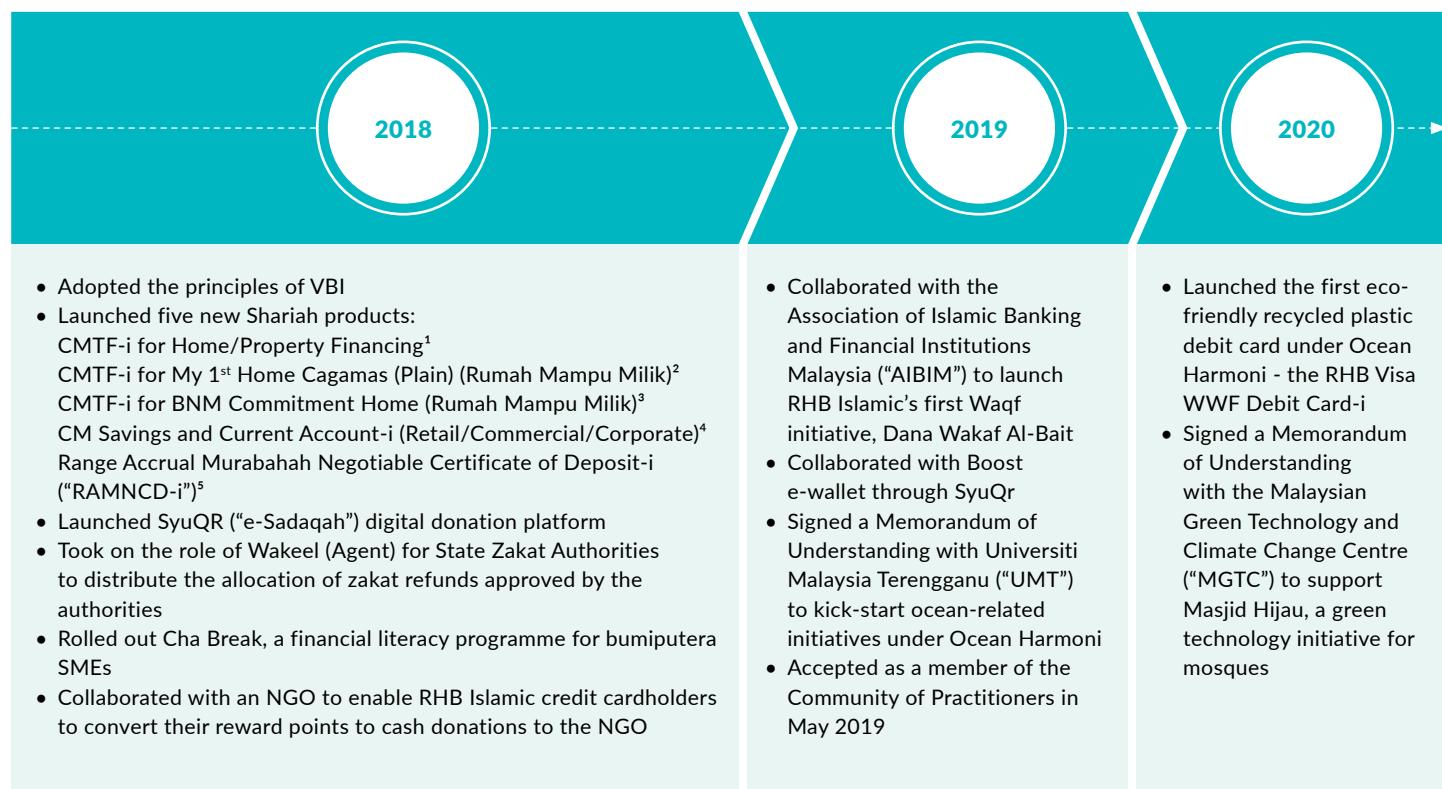
RHB Islamic aligned itself with BNM's call to adopt the principles of Value-based Intermediation ("VBI") in 2018 and has since rolled out various initiatives that contribute to the establishment of a comprehensive Islamic finance ecosystem. The value-based principles require us to go beyond Syariah compliance as we strive for a holistic approach that prioritises the well-being of the Ummah (i.e. people and society).

Integrating VBI principles into our business practices, conduct and product offerings inherently allows us to support a sector that anchors itself to shared values of integrity, inclusivity and sustainability. All of our current products are VBI-compliant and business now measures more VBI tenets in making responsible profits from the current banking services we provide to our customers. Given its role as the building block in the development of wholesome Islamic banking value propositions, the VBI approach will ultimately benefit not only our customers but also the environment, community and economy in the long run.

RHB has been a member of the VBI Community of Practitioners ("CoP") since May 2019. We are also part of BNM's VBI Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guidance Sub-working Group for Energy Efficiency, where we contributed to the development of the VBIAF Sectoral Guide for Energy Efficiency (Consultative Document). Other Sectoral Guides developed were for Palm Oil and Renewable Energy. The VBIAF Sectoral Guide aims to incorporate ESG impacts into Islamic banks' financing and investment decisions. It also aims to promote transparency among customers and investors in relation to Islamic banks' ESG assessment considerations in arriving at their final financing and investment decisions.

Our collaboration-based initiatives which focus on People and Planet are in tandem with SDG 17: Partnerships for the Goals. In FY2020, we teamed up with the Malaysian Green Technology and Climate Change Centre ("MGTC") and continued our joint efforts with Islamic associations to promote a caring and sustainable finance ecosystem.

## RHB Islamic's Value-based Intermediation ("VBI") Journey



1 and 2: To know more about CMTF-I for Home/Property Financing and CMTF-i for My 1<sup>st</sup> Home Cagamas (Plain) (Rumah Mampu Milik), please refer to <https://www.rhbgroup.com/islamic/financing/property-financing/index.html>

3: This product is offered to selected customers only.

4: To know more about CM Savings and Current Account-I (Retail/Commercial/Corporate), please visit <https://www.rhbgroup.com/overview/islamic/index.html>

5: To know more about Range Accrual Murabahah Negotiable Certificate of Deposit-i ("RAMNCD-i"), please visit <https://www.rhbgroup.com/islamic/investment/islamic-treasury/index.html>





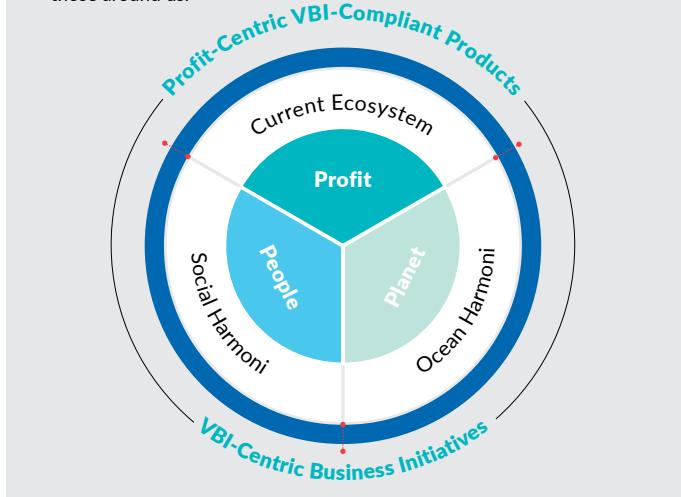
## CHAMPIONING VALUE-BASED INTERMEDIATION (“VBI”)

### OCEAN HARMONI

Ocean Harmoni\* is one of RHB Islamic's flagship initiatives. For the first stage, we collaborated with Universiti Malaysia Terengganu ("UMT") to raise awareness on the conservation and environmental sustainability of the marine ecosystem. The initiative supports SDG 14: Life Below Water and advocates for ocean-related issues and awareness campaigns while supporting UMT's ocean research and development studies.

In July 2020, RHB Islamic became the first bank in the Asia-Pacific region to launch an eco-friendly recycled plastic debit card through a collaboration with UMT and WWF-Malaysia. The initiative was part of Ocean Harmoni and strengthened RHB Islamic's commitment to sustainable practices. Featuring the Green Sea Turtle, the card helps to promote ocean life literacy and creates awareness on the dangers that plastics can cause to marine life. The card allows customers to contribute to UMT's ocean research and development, which strengthens RHB Islamic's position as a digital social capital enabler. The collaboration also contributes towards the development of youth at the university, besides empowering students to become environmental champions.

\* Ocean Harmoni is part of RHB Harmoni, our overarching ecosystem that drives the objectives in our VBI journey. The journey will gradually, but surely, create sustainable value for and positive impact on both people and the planet. We are also exploring ways to play an even bigger role in the area of social finance to create an even larger impact on the lives of those around us.



The RHB Visa WWF Debit Card-i is in line with RHB Group's commitment towards Sustainable and Responsible Banking, besides contributing to **SDG 14: Life Below Water** and **SDG 17: Partnerships for the Goals**.

### RHB Visa WWF Debit Card-i

- Features the Green Sea Turtle, one of the most endangered sea creatures in the world
- Contains:  
State-of-the-art contact and dual interface transaction technology for seamless convenience
- More than 20,500 cards have been issued since its launch and for each RHB WWF Debit Card-i issued, customers have the option to contribute up to 100% of their 'Hibah', i.e. returns from their savings or current accounts opened under the Ocean Harmoni initiative.
- RM3 will be contributed by cardholders to UMT's ocean research and development under its Ocean Hope initiative.
- Enables cardholders to enjoy a 10% discount on WWF-Malaysia merchandise



### Ocean Hope Portal – Raising Hope of Blue Ocean

- Through the partnership, RHB sponsored and assisted in the development of UMT's Ocean Hope portal – an educational portal to enhance national ocean literacy. The portal shares information and knowledge about marine life and includes educational activities such as crossword puzzles and word searches related to environmental conservation efforts.



For more information about the Ocean Hope Portal, please visit <https://oceanhope.umt.edu.my/>

## PARTNERSHIP WITH MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CENTRE (“MGTC”)

RHB Islamic entered into a memorandum of understanding with the Malaysian Green Technology and Climate Change Centre (“MGTC”) to support the government’s Masjid Hijau programme in December 2020. The programme is an initiative of the Ministry of Environment and Water to promote green technology in mosques to reduce their carbon footprint through eco-friendly initiatives such as rainwater harvesting, self-water treatment and the installation of solar photovoltaic systems.

The MoU is aimed at supporting and creating awareness on the implementation of green incentives, advisory and investment undertaken by MGTC, and to support MGTC’s Green Technology Financing Scheme (“GSFS”) and MyHijau Mark & Directory (“MyHijau”). The collaboration will also advocate sustainability awareness and green initiatives among mosques and other Islamic institutions, which is in line with VBI principles, the United Nations Framework Convention on Climate Change (“UNFCCC”) and RHB Group’s commitment to sustainable banking. The joint effort will enhance opportunities for RHB Islamic to:

- promote its SyuQR and Waqaf platforms and cross-sell products
- attract New-to-Bank customers from the green technology industry and promote increased account activities among Existing-to-Bank customers
- further collaborate with other institutions under MGTC for social fundraising initiatives such as zakat\* and Waqf\*\*.

\* Zakat means to grow (in goodness) or ‘increase’, ‘purifying’ or ‘making pure’. Our possessions are purified by setting aside a proportion for those in need, thereby balancing and encouraging new growth.

\*\* Waqf is an endowment made by a Muslim to a religious, educational or charitable cause.

### SYUQR – CASHLESS DONATION PLATFORM

SyuQR (“e-Sadaqah”) is a platform which was launched in 2018 to allow donors to contribute to mosques and Islamic institutions via QR code through internet banking channels such as JomPay, DuitNow, Boost e-wallet and Tap & Derma. In 2020, SyuQR targeted big mosques for better cross-selling opportunities and expanded to 155 institutions from 141 in 2019. We will continue to promote SyuQR and collaborate with mosques/suraus that are ready to implement the ‘digital enabler’ and support RHB Group’s community banking objective. RHB defines community banking as ‘becoming an effective business leader in the community by understanding the needs of the various segments in the community, engaging with them consistently and structurally, as well as successfully penetrating the businesses of the relevant segments.’ As a new means of collecting donations, SyuQR enables:

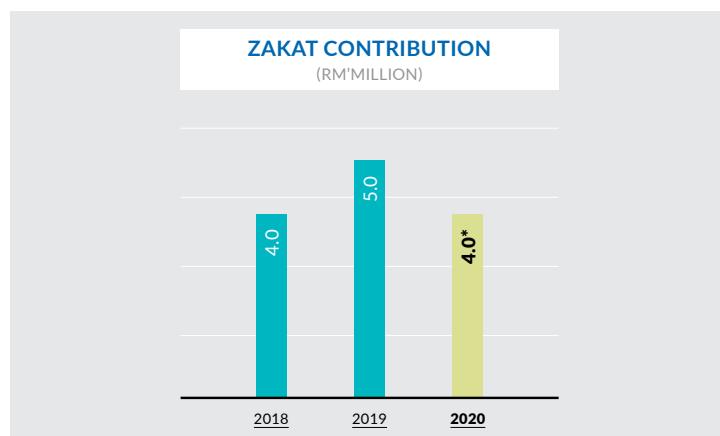
- Cashless transactions
- Safe and guaranteed transactions
- Reduced theft risk
- Easy monitoring of transactions

### DANA WAKAF AL-BAIT

The Dana Wakaf Al-Bait is an initiative to channel endowments to non-profitable organisations that rely on public donations. Launched in February 2019, the initiative is a collaboration with AIBIM and the Sarawak State Islamic Religious Council. The goal is to raise RM500,000 and as of December 2020, over RM170,000 has been collected. The status of the amount raised to date may be viewed live on the MyWakaf website at <http://www.mywakaf.com.my>.

### ZAKAT

Zakat is a religious obligation under Islamic law that requires individuals or corporations to contribute a certain proportion of their wealth to the less fortunate every year. Redistributing wealth to help those in need is said to purify yearly earnings that are over and above what is required to provide the basic essential needs of a person or family. At RHB Islamic, the Shariah Committee approved RM4 million for zakat contribution to be distributed to state zakat authorities in 2020.



\*To read more on our Community Banking initiatives, please refer to page 24.

**RHB INSURANCE**

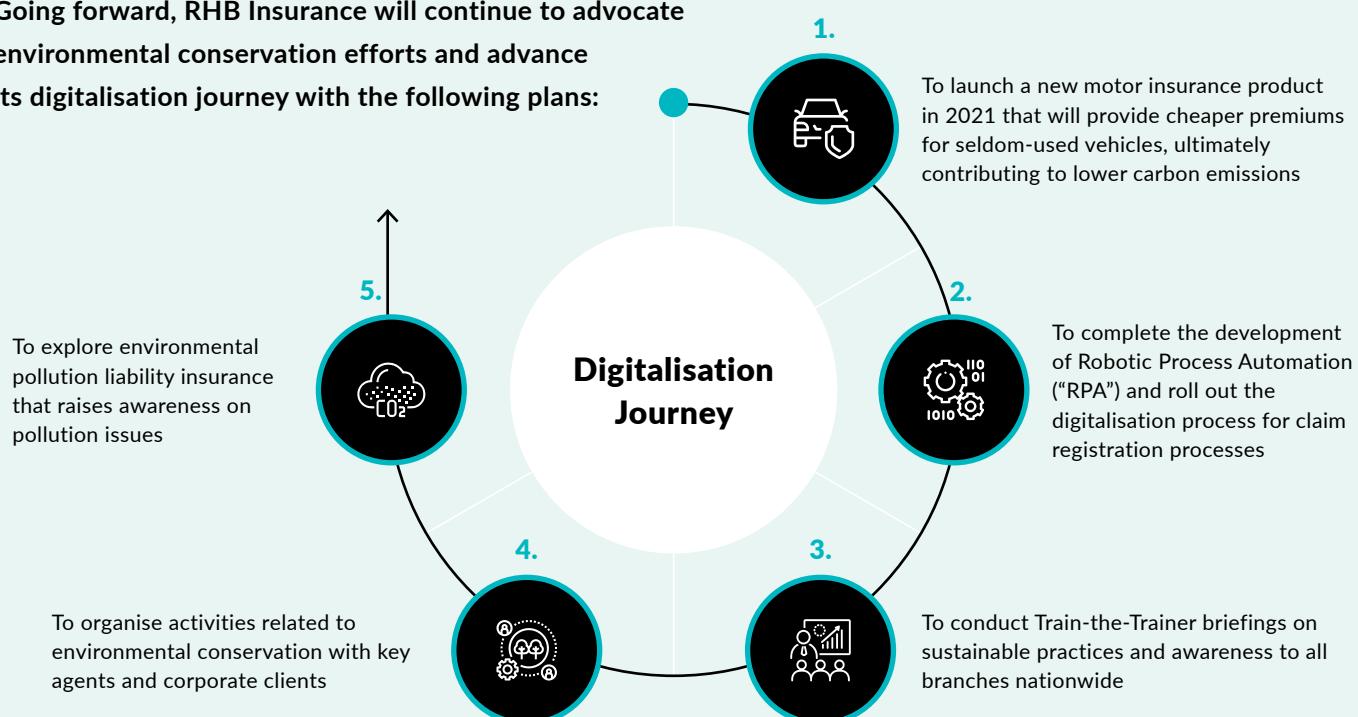
RHB Insurance played a key role in contributing to the Group's sustainable and responsible banking practices in FY2020 through strategic initiatives and planning. Aside from generating awareness on climate change risk through digitalisation and product development such as DIAMOND, our digitalised point of sales system, the Electronic Document Management System ("EDMS") and motor product, the business unit also enabled sustainable workplace practices in reducing operational costs and waste.

In risk management, the business unit continued to conduct a yearly review and analysis of treaty programmes to ensure the adequacy of treaty protection and to mitigate against excessive insurance losses arising from unusual or major events. Its Products and Pricing Committee acts as a forum for all the relevant departments to review and agree on the direction of new products and developments before finalising the product design/underwriting and pricing, and coordinates efforts from all other related functional areas. The business unit is also adopting a risk-based pricing approach with the de-tarification implemented.

Despite a challenging economic environment, RHB Insurance managed to deliver a commendable profit growth of 12.2% compared to the year before as well as enhanced customer experience through relief schemes. The unit also took further steps in its digitalisation journey with improvements to the mobile app, launched travel insurance online and equipped its agents with digital capabilities.

RHB Insurance is committed to good practices in relation to climate change in its business and operations as it strives to inculcate sustainability practices within RHB Insurance in addition to nurturing its business partners on good sustainable practices.

**Going forward, RHB Insurance will continue to advocate environmental conservation efforts and advance its digitalisation journey with the following plans:**



# CUSTOMER CENTRIC BANKING

GRI 417-1

## ALIGNMENT TO OUR PRIORITISED UN SDGS



**SDG 8:**  
Decent Work and  
Economic Growth

### CUSTOMER CENTRIC SOLUTIONS AND EXPERIENCE

**RHB strives to provide an inclusive customer experience by advocating customer rights and ensuring our customers are treated fairly. In 2020, it was more crucial than ever to listen to our customers and focus on meeting their needs as they endured the strain from the slowing economic environment amidst the COVID-19 pandemic.**

We remain guided by RHB Banking Group's FIT22 strategic roadmap, where service and operational excellence is one of the core components. Besides aligning with RHB's Customer Service Charter, our commitment to ensuring service and operational excellence is also premised on the RHB Way, our service culture, which we uphold to deliver superior service excellence to customers.

As we strive to advance together with our customers, we prioritise service excellence and are guided by our Brand Promise 'Together We Progress'. Leveraging innovative solutions, we offer unique customer experiences through digitalisation to provide fast, smooth and seamless banking experiences.

RHB's dedicated team often goes beyond its banking duties to listen to and assist our customers, on top of safeguarding our customers' rights, such as by alerting customers about online scams and assisting them to fulfil their aspirations.



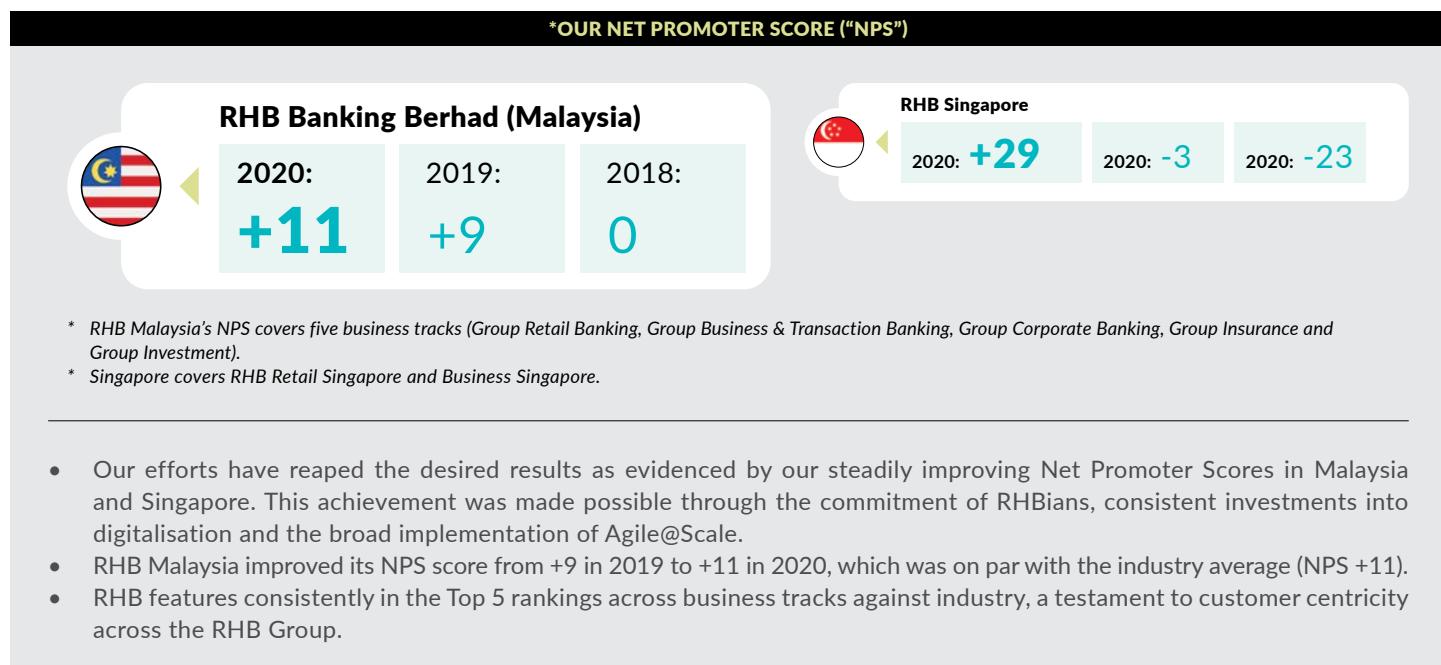
### RESPONDING TO COVID-19

The requirement for social distancing brought about by the COVID-19 pandemic made it even more important for RHB to ensure that customer interactions at the branches remained safe. In November 2020, RHB became the first Malaysian bank to successfully roll out the RHB eQMS Mobile App that allows real-time mobile e-ticketing services and same-day appointments at 208 RHB Bank and RHB Islamic Bank branches in the country. This innovative real-time queue and appointment system on mobile phones significantly reduces time spent by customers waiting within the branches to be served.

## CUSTOMER CENTRIC SOLUTIONS AND EXPERIENCE

### DELIVERING CUSTOMER SATISFACTION

We are pleased to report that our Net Promoter Score ("NPS") has seen steady improvement over the years.



### RHB WAY SERVICE CULTURE

Meeting customers' needs is one of our key priorities, and we pride ourselves on the RHB Way service culture to propel RHB as a leader in customer experience. In this regard, we enhance our service culture into a superior experience that meets customers' needs at all our branches and across all business segments. Launched in 2018, RHB Way was fully implemented across Malaysia and Singapore in 2019 and is anchored on five key building blocks:

• SERVICE BRANDING & TONE OF VOICE	• THE RIGHT PEOPLE	• CO-CREATION	• MAKE IT EASY	• STANDARD OF EXCELLENCE & SIGNATURE CX
Define our service identity that is signature to RHB	Ensure our customer-facing employees and leaders are a cultural fit for the CX role in terms of personality, talent and drive	Listening to and focusing on our employees' and customers' needs to co-create the experience	Make banking easy for our customers and empower our employees to simplify work	Set minimum service quality standards and differentiated experience

**"We are committed to Building Trust, Delivering Convenience and Creating Value for our customers."**

In 2020, we continued to intensify our service culture through RHB Way 2.0 by holding a weekly virtual roadshow beginning in August 2020 to discuss progress and results. We also held workshops for service managers, tellers and customer service officers where we focused on service and operations. CX training continued to be intensified with our core programmes such as Saying It Right, Simple English Writing for Sales Personnel and RHB Way Tone of Voice.

As one of the leading local banks, it is our responsibility to understand our customers' needs by holding regular customer engagement sessions through Chat Over Teh Tarik to co-create service experiences.

## EVERYDAY HEROES FOR ALL TIME

### **Deposit Relationship Officer Ms Kathy visited Pertubuhan Pengurusan Rumah Anak-Anak Yatim Dan Miskin Anning in Ipoh once every two months.**

During her visits, she told the children about the five financial savings plans and bonded with them to learn about their aspirations and ambitions. Ms Kathy, who is from the Menglembu branch, also collected the children's savings from their guardian to deposit them at her branch and returned the deposit slips to the guardian. Although the deposit sums were not large, Ms Kathy's sincerity was impactful in helping the 35 children from the orphanage to strive towards their dreams. Due to her dedication, Ms Kathy was recognised by Dato' Khairussaleh Ramli, Group Managing Director of RHB Bank Berhad, for her first-of-its-kind extra-mile efforts efforts to contribute to her community and promote RHB.

## OUR COMMITMENT TO CUSTOMERS – CUSTOMER SERVICE EXCELLENCE

In delivering customer service excellence, we aim to make every instance of our customer service an excellent and memorable experience. We acknowledge that customer feedback will establish trust and boost customer service excellence. Hence, we strive to seek customer feedback through various channels such as transactional surveys, focus groups and an annual customer survey while using NPS and Customer Satisfaction Score as the key metrics for our customer touchpoints. Other indicators include customer waiting time, serving time, loan/financing applications and over-the-counter turnaround time, which are all benchmarked against internal and industry standards.

We stand guided by our Customer Service Charter, which outlines our key commitments and service standards, as displayed on RHB's corporate website.



Please visit [www.rhbgroup.com/others/customer-service-charter/index.html](http://www.rhbgroup.com/others/customer-service-charter/index.html) to view our Customer Service Charter.

## GOVERNANCE OF SERVICE AND OPERATIONAL EXCELLENCE

RHB's customer service excellence is governed by the Service and Operational Excellence Council ("SOEC") that guides service and operational excellence by providing oversight and strategic directives on key elements and matters that affect the Group's service and operations. Comprising leaders from various Functional and Business Groups, the SOEC reports to the Group Management Committee and focuses on improving end-to-end customer experience throughout our product and delivery channels.

### RHB'S SERVICE AND OPERATIONAL EXCELLENCE COUNCIL STRUCTURE



## CUSTOMER CENTRIC SOLUTIONS AND EXPERIENCE

### IMPROVING CUSTOMER SERVICE AND COMPLAINTS RESOLUTION AND ENSURING QUALITY RESPONSES

We improve customer service and ensure quality responses by running post-resolution surveys on complaints resolved or feedback to identify customer satisfaction levels and feedback to make things right. The surveys also help us to turn negative emotions to positive and to influence a 'detractor' into becoming a 'promoter'.

In 2020, we gathered:

**45,345**

**Feedback Volume**

(2019: 1,988; 2018: 6,287)



**7,072**

**Compliments Volume**

(2019: 3,533; 2018: 3,774)



**Resolved**

**99%**

of complaints or feedback within  
**Service Level Agreement**

(2 working days for Premier and  
3 working days for non-Premier)



The increase in feedback volume for 2020 was due to the availability of multiple platforms and channels for customers to share their feedback. These included e-QMS, SMS surveys, NPS surveys and social media, among others. The Group also ensures customers are treated fairly by strengthening our strategy to deliver on our brand promise of Together We Progress.



Please turn to pages [41](#) to [42](#) to read about our Fair Treatment of Financial Consumers.

## CUSTOMER ADVOCACY TEAM

To facilitate resolution/management between customers and the relevant business and functional units across the Group, RHB has in place an independent Customer Advocacy Team that receives and reviews customers' feedback, besides offering mediation, where necessary. The advocacy team aims to:

- Improve turnaround time for customer resolution
- Improve the quality of our responses and communication with customers
- Change the mindset of complaint handlers to embrace complaints as 'Golden Opportunities for the Bank to Move from "Good to Great"
- Engage with customers after the issue has been resolved to obtain their feedback on satisfaction levels for improvement



For more information on customer advocacy, please refer to the Fair Treatment of Financial Consumers on page [42](#) of this Report.

Going forward, we have started a GCX-AGILE-RHB Academy collaboration to provide training materials for the Future Skills programme by 2021. The programme will focus on the 'Get it Right the First Time' principle in the following five key areas:

**1 Call Centre & Social Media**

**2 Internet Banking & Mobile Banking**

**3 Investment Banking Trading Platform**

**4 Branch Delivery System**

**5 RHB Live@REFLEX**

## FINANCIAL ACCESS AND ENSURING FINANCIAL INCLUSION

**364**

**branches and offices** across nine countries



**1,744**

**self-service terminals** in Malaysia consisting of ATMs, Cash Deposit Machines, Cheque Deposit Machines, EPF Kiosks, Cash Recycler Machines and Coin Deposit Machines



Our online and mobile banking platforms:

**RHB Now Internet Banking**  
**RHB Now Mobile Banking App**  
**RHB MyHome App**  
**RHB Partners App**

**RHB Financing (SME) Mobile App**  
**RHB SME Online Financing**  
**RHB Reflex Online Banking**  
**RHB Reflex Mobile App**

**RHB TradeSmart Online Banking**  
**RHB TradeSmart Mobile App**  
**RHB Insurance Online Banking**  
**RHB Insurance Mobile App**



24-hour Customer Contact Centre with digital capabilities and data analytics to serve

more than **200,000** **customers** every month across Malaysia, Singapore and Brunei



In ensuring no one is left behind, we provided training modules on disability-related service to more than 5,000 frontline staff in 2020 within the Klang Valley region to better understand the special needs of differently-abled customers. Currently, 208 of our branches are equipped with special access for better accessibility, special counters or waiting areas for customers with special needs, such as the elderly or differently-abled customers, and low-level counters or writing surfaces. These branches are installed with ATMs that have an appropriate height for the keypad and card and money dispenser slots and keypads with raised dots on numbers one to five to assist differently-abled customers identify surrounding keys. Among these branches are also 67 branches built with walkway ramps and 16 branches furnished with designated parking lots for special needs customers.

## FAIR TREATMENT OF FINANCIAL CONSUMERS

RHB Banking Group is committed to the Fair Treatment of Financial Consumers (“FTFC”) in conducting our business. We are enhancing our fair treatment practices in line with BNM’s policy document on FTFC to ensure we consistently deliver fair dealing outcomes to our customers.

As part of this transition, the following approach was taken:

- Revision of policies and procedures incorporating the principles of FTFC
- Phased approach for the revision of documents such as Terms & Conditions (“T&C”) and Contracts to ensure transparency and fair treatment of retail and SME customers
- Instilling awareness on FTFC during compliance training, advisory requests and reviews on new/variations in products and services

## FAIR TREATMENT OF FINANCIAL CONSUMERS

### RHB FTFC CHARTER

RHB Banking Group is committed to the fair treatment of financial consumers in conducting our business, and we prioritise the consistent delivery of fair dealing outcomes to our customers at all times. We believe in building long-term and mutually beneficial relationships with our customers.

To protect the interests and financial well-being of our customers:

1. We commit to embed fair dealing into our Group's corporate culture and core values
2. We commit to being fair, responsible and professional when dealing with our customers
3. We commit to ensure that we provide clear and relevant information and strive to be consistent in exercising due care in our business dealings with customers
4. We handle all customers' complaints in an objective, effective and fair manner

Our FTFC Charter (uploaded June 2020) and further details are available online: [www.rhbgroup.com/others/customer-service-charter/index.html](http://www.rhbgroup.com/others/customer-service-charter/index.html)

We continue to embed FTFC principles and RHB Way's Tone of Voice in customer communications by providing guidance and updates on BNM's new statistical reporting, sharing of complaints data and case studies to prevent future recurrence to Service Providers.

In 2020, we continued to review all communications such as T&C and documents to customers to ensure alignment with FTFC standards ensuring clear, relevant and timely information for our customers to understand contracts and any documents related to their banking needs. We have reviewed over 38 documents to date and completed the revision of products covered under Mortgage.

## CUSTOMER ADVOCACY

At Customer Advocacy ("CA"), we give our customers a voice across RHB Banking Group. CA plays a pivotal role to ensure that customer's interests are at the centre of everything that we do, and that every complaint resolution is delivered fairly and objectively. CA is committed to providing an impartial and independent approach to the resolution of complex issues that require fair outcomes in order to make things right for our customers. In doing so, CA embraces the FTFC principles, ensuring timely resolution and putting our customers' interests at the heart of every resolution. This also means working collaboratively with different stakeholders across the Group to align expectations and approaches to be customer centric.

Customer Advocacy plays a governance role in the Bank and in doing so, we continue to progress with the following:

- Putting in place a fair and effective and well-documented Group Complaints Policy and Operational Manual prescribing the complaints-handling process in the dispute resolution and redress mechanism, providing a flexible approach to complaints-handling that is continuously reviewed and improved
- CA governs the Complaints Management process to ensure that complaints are handled in an equitable, objective and timely manner, including establishing timelines, to maintain a high level of customer satisfaction with the Group's products and services. CA also provides internal standards and sets parameters on the derivation of figures for reporting on complaints statistics
- Conducting Root Cause Analysis on top complaints for elimination of recurring issues
- Playing the role of mediator and making alternative channels available to customers for redress and resolution of disputes/ claims to ensure that customers are treated fairly
- Ensuring that we provide easily accessible channels for customers to voice their concerns and grievances, and gathering feedback after each resolution to measure our effectiveness in ensuring that each complaint was resolved

Every complaint is an opportunity to make things right, and Customer Advocacy makes sure that this process takes place in the best interests of our valued customers. The team is guided by the Group's Complaint Management Operations Manual, which contains processes and procedures for dealing with complaints and feedback.

In 2020, we strengthened our position and developed the RHB Group Complaints Management Policy that is in line with BNM's FTFC Policy requirements.

The RHB Group Complaints Management Policy has been developed to formalise the requirements and standards stipulated in all the following policies that the Group is required to comply with:

- The BNM Complaints Handling Policy, which prescribes a fair and efficient complaints-handling process in the consumer dispute resolution and redress mechanism
- The BNM Fair Treatment of Financial Consumers Policy, which focuses on Redress in Principle 6, among the six principles on fair dealing and treatment of consumers
- Reporting Requirements on Statistical Report of Complaints Statistics Policy which prescribe timely and accurate reporting
- The Participating Organisations' Directives & Guidance Directives on Conduct of Business (No. 5-001) issued by Bursa Malaysia Securities



*For more information on customer feedback, please refer to the Customer Centric Solutions and Experience on page 40 of this Report.*

Our Customer Advocacy team receives continuous training and certification through various professional programmes for upskilling. This is to ensure that the 'best-in-class' approach and tools are adopted and executed in its role. Since 2019, training in using simple English, RHB Tone of Voice and the 'Art of Win Back' has been designed to equip our employees with the ability to empathise with customers' emotions when providing feedback or managing complaints. We also have Monthly Service providers' meetings to go over advisory requests and reviews on new/variations in products and services, all to ensure that our principles of fairness are upheld.

# DIGITAL SOLUTIONS AND INCLUSION

**Key Capitals <IR>:**



Digitalisation and technology form one of the core components of our Group strategic initiatives, FIT22. Investing in digitalisation and technology gives us a competitive edge over our peers and enables us to increase operational excellence and meet changing customer demands. It helps us to identify opportunities and mitigate risks as we seek to create value and deliver enhanced customer experience through innovative products and services.

Digitalisation cuts across every aspect of the Bank and is a core enabler of digital finance, inclusion and enhanced customer journeys. In 2020, movement restrictions elevated the importance of digitalisation, making it vital to ensuring business

## ALIGNMENT TO OUR PRIORITISED UN SDGs



**SDG 8:**

Decent Work & Economic Growth

continuity during the pandemic. To navigate the pandemic's challenges, we accelerated the digitalisation of our customer journeys and IT modernisation efforts to meet the COVID-19-driven shift in customer preferences towards digital platforms.

As a result, adoption of digitalisation and online transactions increased significantly compared to pre-pandemic times as customers became more receptive to digital adoption. This gave us the opportunity to introduce new digital initiatives to enhance sales engagement, sales closure and the onboarding experience. Going forward, we plan to transform our financing facility to increase financial access and inclusion as we seek to focus on customer centricity and an IT modernisation approach.



## OUR RESPONSE TO COVID-19

Digitalisation played a key role in enabling the Group to adapt swiftly to the pandemic situation and navigate the challenges. We leveraged our digital capabilities to ensure business continuity while keeping our customers and employees safe by accelerating digitalisation and our IT modernisation efforts. As part of our efforts we:

- Implemented new technology for work-from-home via platforms such as Microsoft Teams and Zoom, increased laptop ratio and Virtual Private Network ("VPN") tokens and set up Virtual Desktop Infrastructure
- Intensified digital customer engagement activities to increase awareness of existing service offerings via webinars, digital & web content and, RHB online and mobile banking platforms/other digital channels
- Increased digital offerings by leveraging on digital channels (i.e. Internet and Mobile Banking, e-wallet etc) and strategic partnerships to address current consumer concerns that include safety and health, and restricted mobility
- Implemented a queue management strategy in branches with digitalised tools such as the Queue Management System ("QMS") that allows customers to obtain queue numbers from our mobile app without having to visit the branch
- Increased operational efficiency by allowing email sign-offs for internal approvals and using virtual conferencing tools for meetings
- Launched the RHB #JomSapot campaign to help promote local SMEs via a free online platform by connecting potential customers using social media
- Rolled out podcasts and webinars to cater to the largely homebound population during lockdowns to continuously provide tips on financial management and market insights, and to attract new customers



For more information about RHB #JomSapot, please refer to *Helping SMEs Navigate the Effects of COVID-19* on page [32](#) of this Report.



For more information about our webinars and podcasts on market insights, please refer to *Reimagining Financial Awareness for Customers* on page [96](#) of this Report.

## DIGITAL AT THE CORE



The implementation of containment measures during the pandemic led to a shift in consumer behaviour, whereby most customers took to digital platforms to fulfil their banking needs. Due to the swift change in customer preference, we reprioritised our FIT22 strategy and accelerated our digital initiatives to enhance customer journeys across our various businesses to provide convenience and easier access to banking services amidst movement restrictions. Our aim was to ensure that customers were able to perform seamless banking experience in a safe and secure environment.

Through FIT22, we were able to:

- Adopt a customer centric approach by offering a host of innovative and first-to-market products
- Prioritise our resources in the near term for digital acceleration, IT modernisation, cost management and investments in our employees
- Accelerate the development of digital payment platform solutions and digital enablement in Malaysia, Singapore and Cambodia

We are pleased to report that our digitalisation initiatives received positive response from our customers, who valued the convenience and speed of our facilities under the new normal. This was reflected in the tremendous increase in digital adoption and transactions from 50.76% in 2018 to 75.53% in 2020.



For more information on FIT22, please refer to Our Strategic Roadmap - FIT22 on page **48** of RHB's Integrated Report 2020.

## OUR DIGITALISATION ACHIEVEMENTS

Achievement by Channels	2018	2019	2020
<b>RHB Internet Banking (RHB Now)</b>			
No. of users (Million)	1.69	1.86	<b>2.16</b>
% of total customers	43.28%	46.90%	<b>54.97%</b>
<b>RHB Mobile Banking App (Old MBK)</b>			
No. of users (Million)	0.53	0.65	<b>0.90</b>
% of total customers	13.5%	16.6%	<b>22.79%</b>
<b>New RHB Mobile Banking App (Launched in April 2019)</b>			
No. of users (Million)	N/A	N/A	<b>0.679</b>
% of total customers	N/A	N/A	<b>17.23%</b>
% active customer rate against base	N/A	N/A	<b>72.80%</b>
<b>RHB Bank Digital Channel Usage</b>			
Total transactional volume via digital channels (Million)	169.61	213.86	<b>363.92</b>
Digital channel share (%)	50.76%	54.03%	<b>75.53%</b>
Digital with ATM CWD (%)	66.73%	67.76%	<b>85.69%</b>
<b>Mortgages Acquired via MyHome App</b>			
% of total loans acquired	16.00%	19.50%	<b>39.47%</b>

The penetration rate of Internet Banking and Mobile Banking grew significantly this year, registering an increase of 54% and 22%, respectively.



Usage of the new RHB Mobile Banking App also increased rapidly, with more than 670,000 customers onboarded since its launch in April 2019.



There was an impressive 75% increase in total transactions conducted via our digital channels compared to 2019.



Mortgage originations acquired via the MyHome App doubled in 2020 to 39.5% of total mortgages, compared to 19.5% in 2019.

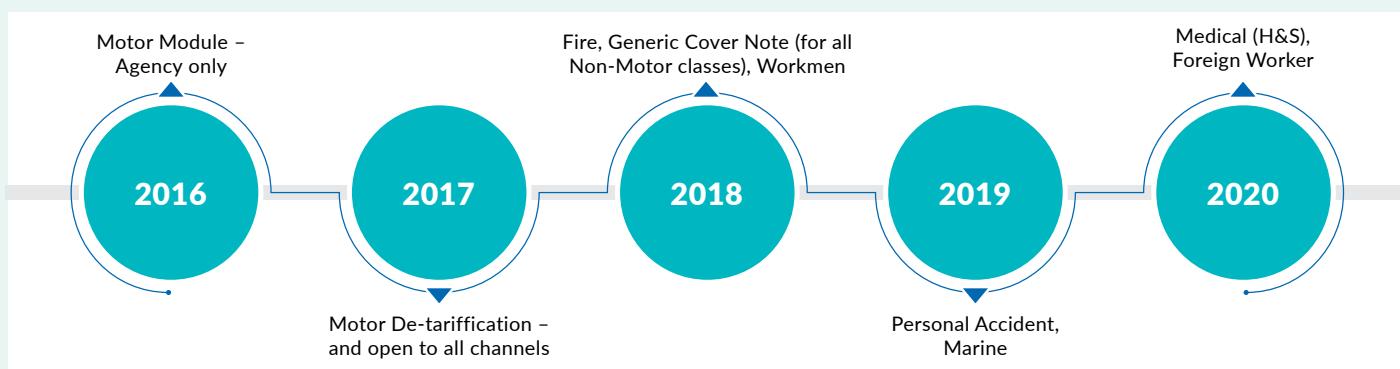


## RHB INSURANCE

RHB Insurance leveraged digitalisation to ensure optimised customer experience through initiatives such as relief schemes, improvements to its mobile app and the launch of motor & travel insurance online. RHB Insurance also developed Robotic Process Automation ("RPA") and rolled out a digitalisation process for claim registration processes. In addition, its DIAMOND and RHB Insurance Mobile App point of sales system for business partners and RHB Insurance customers allowed its operations to go beyond the location of its branches and enabled customers to purchase products without visiting any branches.

### Digitalisation in RHB Insurance

RHB Insurance contributed to reducing energy and paper consumption through DIAMOND, its point of sales system for business partners, and RHB Insurance Mobile App for customers. DIAMOND has enabled our operations to go beyond the location of our branches and allows customers to purchase products without visiting any branches. DIAMOND has been expanded and improved to cover a wider range of customers since it started in 2016:



Going forward, RHB Insurance will roll out the Robotic Process Automation ("RPA") Project for claim registration processes by 2021.



Turn to page 36 to read more about RHB Insurance's plans and new products for 2021 in the Sustainable Financing section under Sustainable and Responsible Banking.

## BUILDING A WINNING OPERATING MODEL AND WORKFORCE OF THE FUTURE

To prepare our employees for the new digital age, we formulated and invested in training and development programmes that focus on digital and Agile learning, in line with the Agile@Scale initiative and Workforce of the Future initiative. The gradual adoption of Agile since 2018 was one of the factors that led the Group to respond quickly to the pandemic.

### We build digital skills and capabilities by:

- Increasing in-house digital skills and capabilities to drive customer journey implementation
- Conducting digital-related foundational and upskilling training for RHBians through the RHB Digital Academy and Digital Bootcamps
- Making five e-learning modules on digital subjects compulsory for all employees. The modules are Digital Megatrends, Intro to Customer Journey and Design Thinking, Intro to Analytics, Intro to Lean and Agile Fundamentals



### About Agile@Scale:

- A way of working with Design Thinking, one of RHB's e-learning modules, to prioritise customer journeys, agility, the use of analytics and digital enablement
- More than 4,000 employees are currently adopting Agile and producing good business results for the Group



## Awards

### Asiamoney Best Bank Awards 2020 (Malaysia)

Category: Best Digital Bank, Malaysia

# ETHICS AND GOVERNANCE

GRI 102-16, 102-17, 102-26, 205-2, 405-1

## STRENGTHENING OUR CORPORATE CULTURE, ETHICS AND GOVERNANCE

RHB is committed to upholding the highest standards of good corporate governance to ensure business sustainability and long-term value creation for our stakeholders. The Board of Directors ("the Board") has oversight on the Group's governance, which includes decision-making on risk management, leadership, diversity and sustainability agenda. To ensure uncompromised accountability and integrity, RHB's governance is supported by robust policies and frameworks that are reviewed and updated from time to time, ensuring we align our business practices with the evolving business environment and protect the interests of our shareholders as well as other stakeholders.

Good corporate governance includes a strong compliance culture, which is crucial to the sustainability of our organisation as we strive to fulfil regulators' expectations amidst evolving laws and regulations. Any non-compliance may expose the Group to various risks such as financial, reputational and regulatory risks. We are guided by the Group's Compliance Management Framework and Policy as we seek to incorporate compliance best practices to drive positive outcomes and deliver on our goals and strategies. This is further augmented by an effective risk management framework that has identified and mitigated against operational, regulatory and Shariah non-compliance risks.

In 2020, RHB achieved a number of milestones in strengthening our internal controls despite challenges from the COVID-19 pandemic. Our policies were reviewed and updated, a new division was established and mandatory e-learning modules were rolled out across the Group to inculcate good business ethics in our people.



## PUTTING THE PEOPLE FIRST

The Board cares for the Group's employees and customers. When the COVID-19 pandemic hit Malaysian shores in 2020, a loan moratorium, and later, targeted payment assistance, was introduced to ease the financial burden of borrowers including individual customers, corporate borrowers and SMEs.\*

As for employees, a Pandemic Working Committee was set up to ensure their well-being. Various initiatives were introduced such as working from home, physical distancing at the workplace, wearing of face masks and providing financial assistance to employees in need through the RHB Humanitarian Fund.\*\*

\* Please refer to page [23](#) to read more about RHB's loan moratorium.

\*\* Please refer to page [54](#) to read about Employee Engagement & Well-being in the People's section.

## THE BOARD

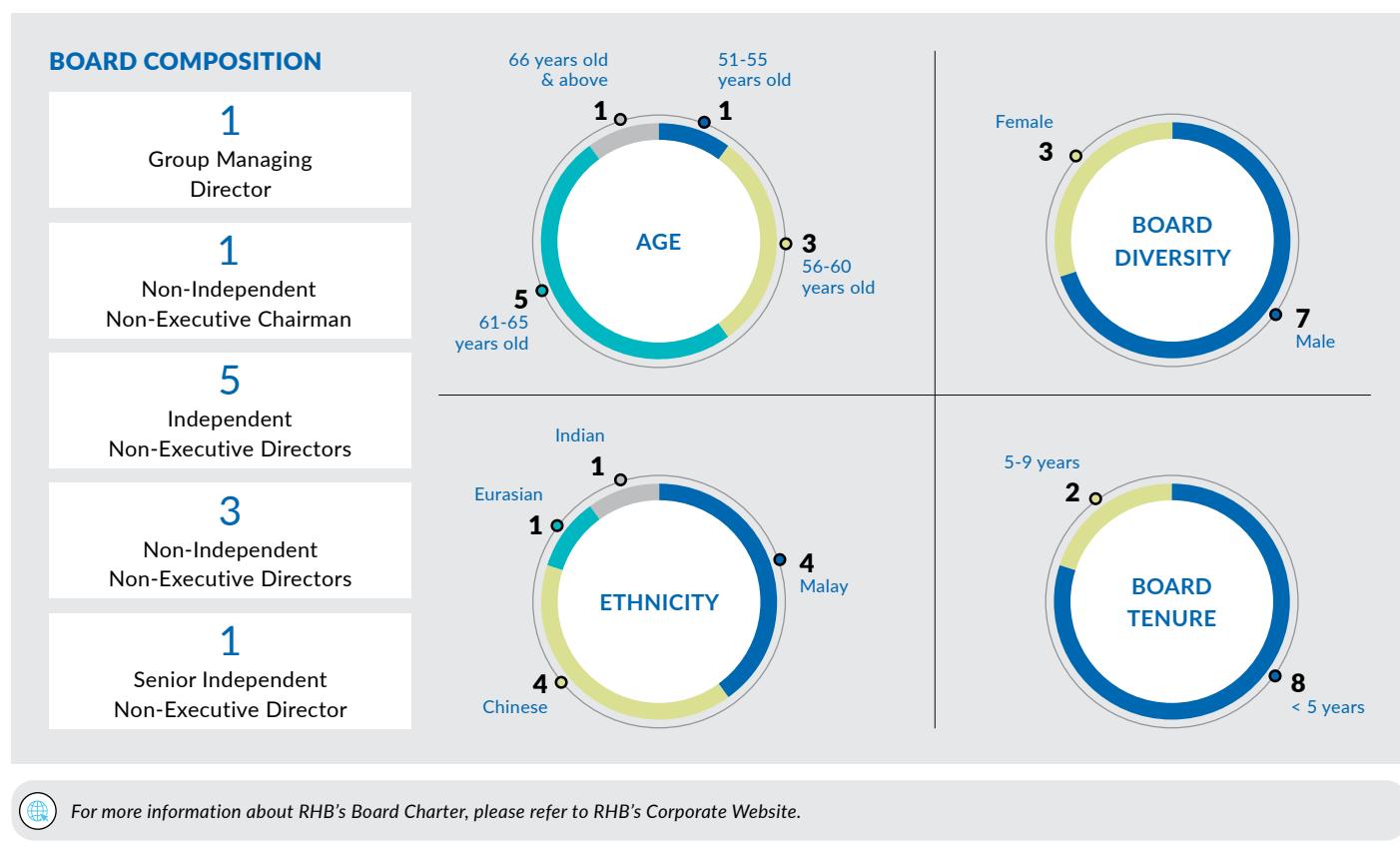
The Board drives the corporate governance management and culture in the Group and ensures professional business ethics are embedded in RHB's daily operations. Comprising 10 experienced and credible members, the Board is committed to integrity and strong governance to ensure long-term business growth. In line with Bursa Malaysia Securities Berhad's Listing Requirements, which calls for 1/3rd of the Board to be Independent Directors, the Board has six Independent Non-Executive Directors ("INED"), three Non-Independent Non-Executive Directors ("NINED") and one Executive Director who is the Group Managing Director/CEO. The Board is guided by the Board Charter, which outlines the roles, duties and responsibilities of the Board while the Board Governance Manual guides the Board in various policies such as ensuring diversity within the Board and procedures for orientation of Directors.

## BOARD COMPOSITION AND DIVERSITY

### Gender

As of 24 March 2021, RHB Bank Berhad has three women directors serving on the board, namely Tan Sri Dr Rebecca Fatima Sta Maria (the Senior Independent Non-Executive Director), Ms Ong Ai Lin and Puan Sharifatu Laila Syed Ali, all Independent Non-Executive Directors, accounting for 30% women's representation in the boardroom.

**This section should be read together with the Group's Corporate Governance Overview Statement in the RHB Integrated Report 2020, on pages 110 to 126, and the Corporate Governance Report 2020 on our corporate website at [www.rhbgroup.com](http://www.rhbgroup.com)**



During FY2020, the composition of women Directors on the Board of RHB Bank Berhad, as a result of the movement of Directors, was as follows:

Period (FY2020)	Percentage
January - March	27%
April - June	33%
July - September	30%
October - December	27%

As of 24 March 2021, the composition of women Directors on the Board of RHB Bank Berhad is at 30% with the retirement of its former Chairman, Tan Sri Azlan Zainol, on 28 February 2021.



All data is as of 24 March 2021. For more information on our Board Composition and Diversity, please refer to the Our Board At A Glance section on pages [94](#) to [100](#) in RHB's Integrated Report 2020.



## STRENGTHENING OUR CORPORATE CULTURE, ETHICS AND GOVERNANCE

### ANTI-BRIBERY & CORRUPTION ("ABC")

We strengthened our measures against bribery and corruption in 2020 by establishing the Group Integrity & Governance ("GIG") Division to oversee Anti-Bribery & Corruption ("ABC") matters. The GIG Division also drives ethical business practices and ensures business integrity in daily operations. The Group's Chief Integrity and Governance Officer ensures that employees across the Group uphold an excellent work culture with strong moral values to prevent corruption, abuse of power and malpractice within the Group. To equip the division with the relevant skills and knowledge, the members attended the Certified Integrity Officer Programme in November 2020 conducted by the Malaysia Anti-Corruption Academy ("MACA"), which provided the necessary tools and knowledge to enable them to establish RHB Group's Organisational Anti-Corruption Plan and ABC Management Operational Manual that are targeted to be completed by the end of 2021.

#### RHB HAS ADEQUATE INTERNAL CONTROLS TO CURB BRIBERY & CORRUPTION

- |   |  |   |
|---|--|---|
|  <b>Anti-Bribery &amp; Corruption stance &amp; commitments</b> |  <b>Group Fraud Risk Management Policy</b>          |  <b>Group Whistleblowing Policy</b>                        |
|  <b>Whistleblowing or "Speak Up" channels and avenues</b>      |  <b>Policy on Related Party Transactions</b>        |  <b>Code of Ethics &amp; Conduct</b>                       |
|  <b>Procurement Integrity Commitment</b>                      |  <b>Group Anti-Bribery &amp; Corruption Policy</b> |  <b>Group Corporate Sponsorship &amp; Donation Policy</b> |
|  <b>Core Shared Values ("P.R.I.D.E.")</b>                    |  <b>Group Gifts &amp; Hospitality Guideline</b>   |  <b>Group Fit &amp; Proper Policy</b>                    |

In May, we rolled out a mandatory e-learning module on ABC for all RHB staff, staff and Senior Management. We are pleased to report that we recorded a 99% completion rate for the module as of 31 December 2020.

In addition, we introduced an ABC Declaration document to be completed and acknowledged by our business partners, agents and any external third party who acts for or on behalf of RHB Banking Group. Other initiatives that we undertook in 2020 included:

- Conducting an annual corruption risk assessment and submitting the results to the respective Board Committees and the Board
- Communicating RHB's ABC policies and procedures to internal and external stakeholders
- Continual development of the GIG division, including successful certification of the staff by MACA

#### RECOGNITION OF OUR GOVERNANCE PRACTICES

**Top 4**  
in CG Disclosure  
in Malaysia

**Top 9**  
in CG Disclosure  
and Performance  
in Malaysia

EXCELLENCE AWARD FOR  
CORPORATE GOVERNANCE (CG)  
DISCLOSURE 2019

FINANCIAL SERVICES INDUSTRY  
EXCELLENCE AWARD 2019

**Top 20**

Public Listed  
Companies (PLCs)  
in Southeast Asia

ASEAN CORPORATE GOVERNANCE  
(CG) AWARD –  
2019 – Top 20 ASEAN PLCs

ASEAN ASSET CLASS 2019  
Award Recipient

**Platinum Award**

(3<sup>rd</sup> time in a row)

THE PINNACLE GROUP  
INTERNATIONAL'S GLOBAL GOOD  
GOVERNANCE AWARD  
2020 – PLATINUM AWARD

- Best Governed & Most  
Transparent Company

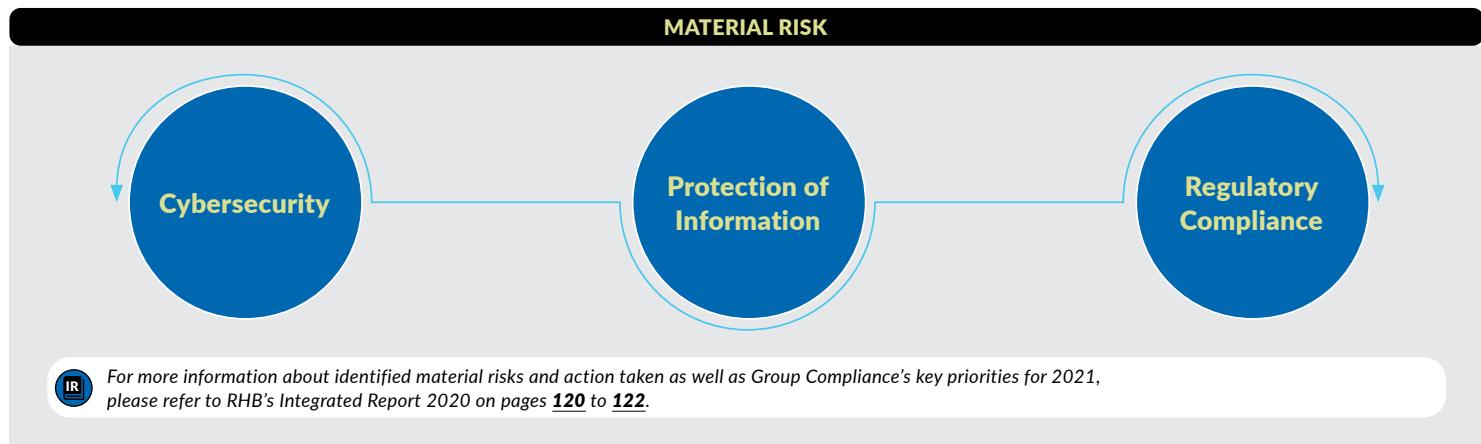
## CULTIVATING A CULTURE OF COMPLIANCE

Embedding a strong and positive culture of compliance is vital to RHB's business operations as regulators' expectations grow amidst the evolving laws and regulations. We take compliance seriously by ensuring every employee is committed to compliance and responsible decision-making. We do so through constant communication as well as influential measures such as imposing a penalty in the yearly review of staff who fail to comply with regulatory requirements.

In addition to our key initiatives such as policy and technology enhancements, one of our key focus continues to be in cultivating a positive and strong culture of compliance.

Cultivating a culture of compliance goes beyond just communicating the importance of adhering to regulatory requirements to employees. It requires continuous vigilance and efforts to influence a widespread change. The Group understands this and is always looking out for new strategies to ensure that compliance is embedded as part of everyone's responsibility in the organisation.

INITIATIVES IN 2020	OUTCOMES
<ul style="list-style-type: none"> <li><b>Development of alternative learning platforms to cater for the new normal where compliance trainings were delivered on virtual instructor-led training platforms.</b></li> <li><b>In addition, short explainer videos on various compliance topics were also explored to provide bite-sized compliance learning, offering a more interesting way to learn.</b></li> <li><b>Issuance of compliance bulletins and regulatory alerts on key compliance issues and development throughout the year.</b></li> </ul>	<ul style="list-style-type: none"> <li>Continual accessibility to learning, particularly for employees under remote work arrangement.</li> <li>Increased learning attentiveness and improved understanding by employees on regulatory requirements and what is expected of them resulting in improved compliant behavior.</li> </ul>
<ul style="list-style-type: none"> <li><b>The "A Branch Compliance Day Programme" was continued in 2020 in line with the Group's effort to build a positive compliance culture. In 2020, a total of 46 branches benefited from the initiative and exchanged various compliance issues and developments.</b></li> <li><b>A virtual compliance culture programme was also rolled out at all ten (10) overseas branches and subsidiaries of the Group.</b></li> </ul>	<ul style="list-style-type: none"> <li>Improved understanding between the compliance team and staff, particularly on the challenges faced by branch and regional representatives in ensuring compliance in undertaking their day-to-day function.</li> <li>Increased awareness amongst staff on compliance activities and the need for an effective compliance culture within the Group.</li> </ul>



## STRENGTHENING OUR CORPORATE CULTURE, ETHICS AND GOVERNANCE

### COMBATING FINANCIAL CRIME – MONEY LAUNDERING AND FINANCING OF TERRORISM

RHB is committed to conducting business professionally and in compliance with all applicable laws and regulations while upholding high ethical standards. Our comprehensive and robust governance framework through our Group-wide policies and guidelines addresses the mitigation of financial crimes, particularly anti-money laundering, financing of terrorism and sanctions.

The Group Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy ("Group AML/CFT Policy") sets out the high level standards towards building a stronger and robust AML/CFT compliance regime within the Group, facilitates consistency in managing the AML/CFT compliance risk across the local and regional entities within the Group and sets out the Group's policy statements in respect of the general principles and key measures to which the Group adheres to.

Pursuant to the Group AML/CFT Policy, the entities and/or employees within the Group are required to adopt Risk Based Approach ("RBA") to customer acceptance and implement the AML/CFT Compliance Programme framework. This includes customer due diligence ("CDD") requirements, monitoring of customer activities/transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information and enforcement actions for non-compliance to the requirements.

The Group AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board of Directors, Senior Management and all employees within the Group.

The Board has an oversight responsibility for establishing the AML/CFT policies/guidelines and minimum standards while the Senior Management is accountable for the implementation and management of AML/CFT compliance programmes in accordance with the policies and guidelines approved by the Board.

The Group takes AML/CFT compliance matters seriously by ensuring efficient and effective AML/CFT controls are in place with the implementation of Group AML/CFT Guidelines. The guidelines lay down the process for compliance with the relevant laws, policies and procedures pertaining to the ML/TF risks that may exist in the Group's business. Adherence to AML/CFT compliance standards does not only strengthen the customers' trust, it is also a key to long-term sustainability for us, the customers, employees and the communities that the Group serves.

The Group Sanction Policy establishes internal restrictions and prohibitions to prevent the risk of sanction breaches and related risks by meeting the minimum standards of screening customers and related parties, as well as transactions, against internal watchlists/sanction lists.

Deficiencies in AML/CFT compliance could lead to various consequences, i.e. direct operational loss (fines), business loss (business revenue, sanction exclusion), indirect loss (reputational risk) and loss of independence (enhanced scrutiny and additional scrutiny by the regulators). A stronger compliance culture among employees across the Group can support the Group in withstanding all internal and external risks, as well as in adhering to relevant regulations.

#### INITIATIVES IN 2020

In 2020, we strengthened the AML/CFT monitoring process through the implementation of robotic process automation to improve workarounds on AML transaction monitoring and risk assessment and enhanced AML policies.



### SAFEGUARDING CONSUMERS' RIGHTS AMIDST THE MORATORIUM (COVID-19)

As a financial services provider that places customers first, we put in every effort to safeguard consumers' rights during the implementation of the six-month moratorium (March to September 2020). Group Compliance ensured effective implementation of RHB's repayment assistance strategy and that there was no repricing, which would negatively impact customers. The team also worked closely with the relevant business units such as Retail Credit and Retail Collection & Recovery to ensure compliance with the moratorium criteria and requirements as stipulated by BNM.

### COMMITMENT TO TAX TRANSPARENCY

As a responsible corporate taxpayer, RHB Banking Group is committed to conducting its tax affairs in accordance with, and in line with the spirit of, the applicable tax laws and regulations and to paying our fair share of taxes across all countries in which we operate. This includes paying direct and indirect taxes that we incur in our business operations, as well as remitting taxes that we collect on behalf of relevant tax administrators across the countries that we operate in, such as withholding taxes.

RHB's commitment to tax transparency is outlined in a statement that is available on the Group's corporate website. The statement also outlines the Group's approach towards various tax matters such as tax governance and tax risk management, tax planning, transfer pricing and its engagement with the tax administrators. The statement was approved by the GMD and CFO of the Group.

To read more about RHB's corporate culture, ethics and governance, please refer to the following sections and pages in the RHB Integrated Report 2020.

Sections	Page No.
Governance for a Sustainable Business	<b>110</b>
Corporate Integrity and Ethical Business Conduct	<b>123</b>
Group Compliance Statement	<b>120</b>
Risks and Opportunities	<b>50</b>
Statement on Risk Management and Internal Control	<b>135</b>



For more information about RHB Banking Group's tax transparency commitment statement, please visit [https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/Tax\\_Transparency\\_Statement.pdf](https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/Tax_Transparency_Statement.pdf)

## DATA PROTECTION & CYBERSECURITY

The protection of data and the identification, management and mitigation of cybersecurity threats is crucial to the smooth and sustainable operations of RHB Banking Group. We take data protection and cybersecurity seriously, ensuring that our IT and Cybersecurity systems and processes are adequate and efficient in safeguarding the Group's information assets and client data. Lack of data protection and cybersecurity could expose RHB to cyber risks such as service disruptions, malware outbreaks, data leakages and fraud resulting from cyber-attacks. Our efforts in the past year have centred on increasing awareness about data protection and cybersecurity across all stakeholders, including employees and third-party service providers.

### How We Are Governed

RHB Banking Group is guided by the following frameworks and policies which govern our approach to banking secrecy, personal data and cybersecurity:

- Risk Management in Technology ("RMIT") Framework
- Group IT Security Policy and Guidelines
- Group Data and Information Management Framework and Policy

Our Board of Directors and Senior Management actively engage in providing oversight on technology and cybersecurity risk strategy and oversee the governance of risk (including technology and cyber risk) across all entities of the Group. To bolster our governance in cybersecurity management, we ensure that the Group's IT Security Operations, Technology and Cyber Risk Management and Information System Audit are separately operated to facilitate a Three Lines of Defence structure. RHB's IT security processes and systems are periodically reviewed and assessed by independent parties within the Group, such as Audit, Compliance and Risk. We have also embarked

on initiatives to enhance the Group's frameworks and policies relating to technology and cyber risk management. There is also an ongoing strengthening of IT security controls taking into consideration the new norm and the constantly evolving technology landscape. The Group has obtained certifications for ISO/IEC27001:2013 – Information Security Management System for RHB Internet Banking, Mobile Banking, Reflex and Payment system as well as ISO/IEC 20000:2011 – Information Technology Service Management.

With the increasing number of cyber threats globally and locally, the Group has established a Cyber Incident Response Plan to ensure that there is a structured process of prompt monitoring and timely response to cyber threats and incidents. The Group has also subscribed to threat intelligence services to have better visibility of the industry-wide cyber landscape.



To learn more about RHB Banking Group's data protection and cybersecurity, please refer to Risks and Opportunities on page [50](#) and Statement on Risk Management and Internal Control on page [135](#) of RHB's Integrated Report 2020.

### STRENGTHENING DEFENCE THROUGH RAISING AWARENESS

We believe that everyone has a role to play in ensuring the integrity of our systems. Thus, we have continued with the mandatory IT Security Awareness e-learning module for employees. To emphasise the importance of awareness e-learning, we have imposed a penalty for non-compliance, whereby failure to complete the module will adversely affect their incentive scheme. The awareness programme also included the Group's Board of Directors, who completed a specially curated e-learning module on IT Security Awareness.

To augment the knowledge they have attained, we send out regular reminders and circulars about different aspects of cybersecurity to all employees. One other important aspect we have focused on is secrecy and privacy from a compliance angle for which we produce the Learn & Lead Bulletin to guide employees.

For our vendors and service providers, the Group has embarked on an IT security awareness programme for third parties. The aim is to educate those who have access to RHB's IT ecosystem on the ways they can protect the confidentiality, integrity and availability of the Bank's information and information assets. In addition, they are informed of their security obligations towards RHB and guided on the best practices and tips that they can incorporate into their work processes.

This year, 82 on-site vendors and critical service providers were part of the IT security awareness programme.

To further mitigate the risks associated with third parties, the Group regularly assesses third parties (depending on the nature of the contractual relationship) as part of the third party due diligence process. The assessment includes requesting for responses from third parties with reference to the Group's enhanced due diligence checklist. We have also subscribed to Third Party IT Security Risk Rating Services to complement our third party due diligence process. The Group has also strengthened the existing contractual terms by adding clauses such as the right-to-audit, maintaining confidentiality and non-disclosure. Additionally, the Group is protected by a Cyber Enterprise Risk Management Insurance Policy.

### EDUCATING CUSTOMERS

We regularly update our Internet Banking channels with information about current and emerging cyber threats as well as the modus operandi of those performing fraudulent activities to keep our customers well-informed. Our branches also serve as an important distribution point where we are working to display posters and share pamphlets about cybersecurity with our customers.



### RESPONDING TO COVID-19

The COVID-19 pandemic presented both a challenge and an opportunity for the Group to step up its efforts in improving the robustness of our security systems. With a majority of our staff working from home during the Movement Control Order and using their own devices, we observed a rise in cyber-criminal attempts at hacking using social engineering attacks via phishing emails. To mitigate this, we issued laptops and Virtual Private Networks ("VPNs") with two-factor-authentication facilities to our staff.

We are also continuously exploring new, secure ways to conduct virtual meetings and to strengthen the security of our remote access infrastructure. We will continue to be vigilant in all aspects of cyber threats and subscribe to services that enable access to timely information about new cyber threats that can be proactively addressed. In addition, we have subscribed to services that will assist us in assessing the risks associated with a third party's IT ecosystem.

# PEOPLE AND WORKPLACE

GRI 102-8, 102-16, 102-17, 401-1, 401-2, 404-1, 404-2, 404-3, 403-5, 403-6, 403-9, 403-10, 405-1

## Key Capitals <IR>:



Our people are our greatest asset and most important stakeholder group. As the backbone of RHB Banking Group, they keep our banking and financial services running every day to meet customers' needs. We acknowledge that if we take care of our more than 14,000 employees, they will take care of the business and deliver world-class results, ultimately leading to sustainable business growth. We are committed to ensuring the safety, health and well-being of our people by developing comprehensive talent management and development programmes to meet their needs, providing a safe workplace and offering competitive benefits, rewards and recognition.

Our Employee Value Proposition ("EVP") is the foundation of our workplace that drives our employees to do their best. Across the five pillars, our approach is clear – we strive to offer a high-performing, inclusive workplace where our employees feel empowered to take charge of their career and inspired to deliver RHB's strategy.

## ALIGNMENT TO OUR PRIORITISED UN SDGs



**SDG 4:**  
Quality Education



**SDG 5:**  
Gender Equality



**SDG 8:**  
Decent Work and Economic Growth



**SDG 12:**  
Responsible Consumption & Production



## A High-Performance Work Culture

Our workforce is led by RHB Culture Components comprising three key components: One RHB, Results-Oriented and Customer First. All employees are expected to uphold and demonstrate the key behaviours of the holistic components that aim to instil the spirit of collaboration and drive a customer centric and performance-driven culture.

### One RHB

Demonstrate willingness to put the organisation's needs over personal achievement by fostering teamwork, empowerment and knowledge sharing

- Value diversity, fairness and inclusion
- Build and maintain a collaborative working environment
- Think and act in the best interest of RHB

### Results-oriented

Demonstrate commitment and drive in delivering quality work output and treat all matters with urgency

- Deliver exceptional results
- Treat everything with urgency
- Be responsible, accountable and reliable

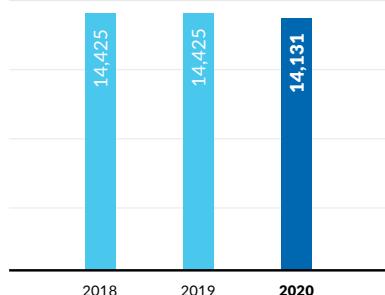
### Customer First

Demonstrate unwavering passion to engage and interact with customers to meet their needs and create great experience

- Create value for customers
- Make our customers feel appreciated
- Focus on solutions from the customers' perspective

## Our Workforce

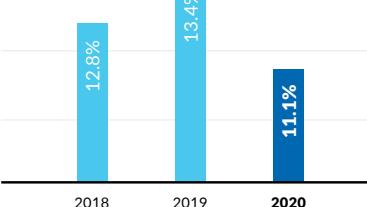
### TOTAL NUMBER OF EMPLOYEES



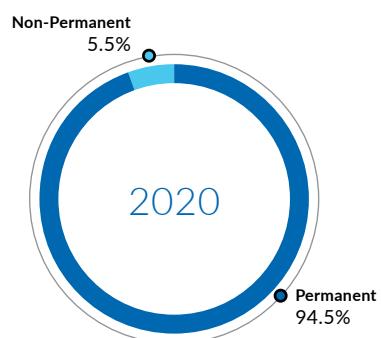
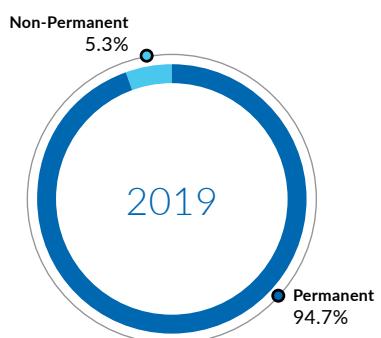
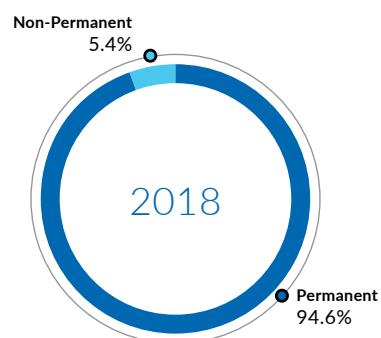
### TOTAL NUMBER OF NEW HIRES



### EMPLOYEE TURNOVER RATE



### WORKFORCE BREAKDOWN BY EMPLOYMENT CONTRACT





## EMPLOYEE ENGAGEMENT & WELL-BEING



### OUR COVID-19 RESPONSE

**At RHB, we are committed in creating and maintaining a highly-engaged and happy workplace. By doing so, we gain a greater commitment to the business and ensure our employees have the ability to perform productively and efficiently. Due to the COVID-19 pandemic, the need for greater engagement has never been higher than in 2020 as we stepped up our efforts to ensure that all our employees feels supported during these challenging times.**

### STAYING AGILE DURING A CRISIS

With RHBians coming together and the progressive adoption of the AGILE way of work since 2018, we were able to respond swiftly and responsibly to the effects of COVID-19 to support the communities while ensuring business growth. Guided by the AGILE value 'Responding to change over following a plan', RHBians leveraged technologies and digital tools to continue to deliver on our goals and strategies amidst the new normal. With Agile, we were able to remain productive throughout the pandemic to meet customers' needs and demands as it empowered our people to be innovative and customer centric.

### RHB Humanitarian Fund

The RHB Humanitarian Fund was activated when Malaysia went into lockdown to provide financial assistance to employees whose spouse or immediate family members had been impacted by the MCO. RHBians were encouraged to donate on a voluntary basis to help those in the RHB 'family' in Malaysia and as of 31 December 2020, RM522,530 has been collected. Out of this, RM382,000 has been disbursed to 530 employees who met the criteria below:

- Employees who are married, earning a monthly basic salary of RM4,000 or below, and their spouse is affected by the MCO, i.e. he or she has lost their job/source of income, received a pay cut or is on unpaid leave; OR
- Employees who are single or a single parent, earning a monthly basic salary of RM3,000 or below, and their immediate family members, i.e. parents and/or children, are affected by the MCO.

### Keeping Our Premises Safe from COVID-19

To ensure our workplaces remained safe, all RHB main buildings were installed with thermal scanners which costed us RM113,390. Temperature checks were required before entering our buildings and all employees and visitors were encouraged to practise social distancing and wear masks.

To date, we have also spent RM1,925,795 on personal protective equipment ("PPE") for employees such as 3-ply surgical face masks, reusable face masks, hand sanitisers, gloves and face shields.

To reduce the risk of contracting COVID-19, we provided meals to our frontline employees and security guards who are based at our branches to minimise their movements.



This year has been an exceptionally challenging year due to the COVID-19 pandemic and has completely changed the way we work as a company. In Malaysia, a nationwide Movement Control Order ("MCO") was put in place since 18 March 2020 to help stem the spread of the virus. As such, more than 9,000 of our employees were required to Work-From-Home ("WFH"). Over the year, we invested in several initiatives to keep our workforce safe while maintaining high engagement levels through live GMD sessions and ongoing communications such as FB Workplace and emails.

As we move into 2021, we will continue to prioritise the safety and well-being of our employees and respond to the changing requirements appropriately.

**9,037 (70.1%)  
employees**

worked from home during the MCO

**RM522,530**

collected by the RHB Humanitarian Fund

**RM1,925,795**

spent on personal protective equipment for employees

## Prioritising mental health

The pandemic has caused wide-ranging impact on people's lives and to assist our employees in managing these issues, we enhanced our RHB Wellness programme. Through this programme, employees are able to instantly seek professional help for mental health issues through the Hotline or organise a Remote Therapy session with a certified counsellor or psychologist at any time of the day.

The Hotline provides employees an avenue to discuss a number of topics such as anxiety surrounding medical issues, stress and work-life balance due to the CMCO/WFH, and especially, relationships with young children, personal and relationship issues.

Through the Remote Therapy sessions, employees can gain further assistance in managing grief & loss, anxiety and/or depression, relationship issues, career counselling, work-related stress and trauma.

As of 31 December 2020, seven calls had been received through the Hotline and 24 Remote Therapy sessions have been booked.



## Financial support

For employees who tested positive for COVID-19, we provide a donation of RM1,000 to ease their financial burden. As of 31 December 2020, RM47,000 has been donated to 47 employees in Malaysia and Indonesia.

For employees who were identified as primary contacts, were pregnant, were to undergo operations or required medical attention and hospitalisation, we extended financial support for screening at private hospitals.

## EMPLOYEE ENGAGEMENT & WELL-BEING

### EMPLOYEE ENGAGEMENT SURVEY

Employee Engagement Survey ("EES") enables us to gauge the satisfaction level of our employees and respond to their needs in our aspiration to become a preferred employer. The EES serves as an important platform to seek feedback from our employees about their concerns and expectations. We conduct EES annually and have achieved scores above the industry average score of 89% since 2019.

During the year under review, we appointed an independent survey consultant to manage the EES and retain the statistical reliability of the results. The consultant also ensured all responses were kept confidential and that the survey complied with all the relevant data privacy and protection laws. The EES was open to selected permanent and contract employees at all levels across the Group.

We are pleased to note that we maintained a high EES score of 92%, which was above the Malaysian financial services industry average of 89% as well as our target score of 89% for 2020. We also maintained a sustainable engagement score of 87% as achieved in the previous year.

### RHB EMPLOYEE ENGAGEMENT 2020

#### Total Respondents

**4,909** respondents out of  
5,659 invited

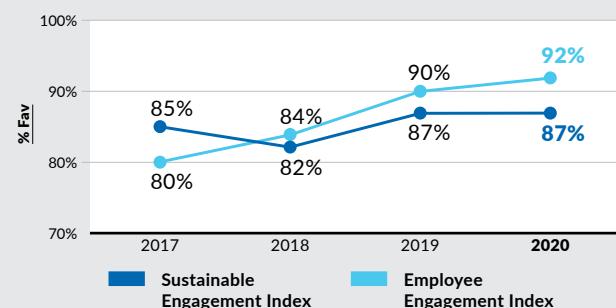


#### Percentage Participation Rate

**87%** total participation rate



#### Employee Engagement Scores



#### Sustainable Engagement Questions

##### Engaged

- 4 I am proud to be a part of RHB.
- 11 I believe strongly in the goal and objectives of RHB.
- 17 I work beyond what is required to help RHB succeed.

##### Total Favourable Score

92%

90%

94%

##### Enabled

- 16 I have the tools and resources I need to achieve excellent performance.
- 21 My team/local work group is able to meet our work challenges effectively.
- 22 There are no substantial obstacles at work to doing my job well.

82%

90%

71%

##### Energised

- 1 The people I work with usually get along well together.
- 8 My work gives me a sense of personal accomplishment.
- 23 I am able to sustain the level of energy I need throughout the work day.

95%

88%

86%

Source: RHB EES 2020

Overall, the results show that our employees are happy and proud to be a part of RHB Banking Group. The results also reflect our employees' positive perception of how RHB responded to the COVID-19 crisis with internal alignment and strategic measures. The positive perception, together with the Group's effective and consistent communication, as well as the team's trust in senior leaders, led to a feeling of pride in and connection to RHB's purpose.

**89%**

agreed that RHB performed well in keeping employees informed about matters affecting them.

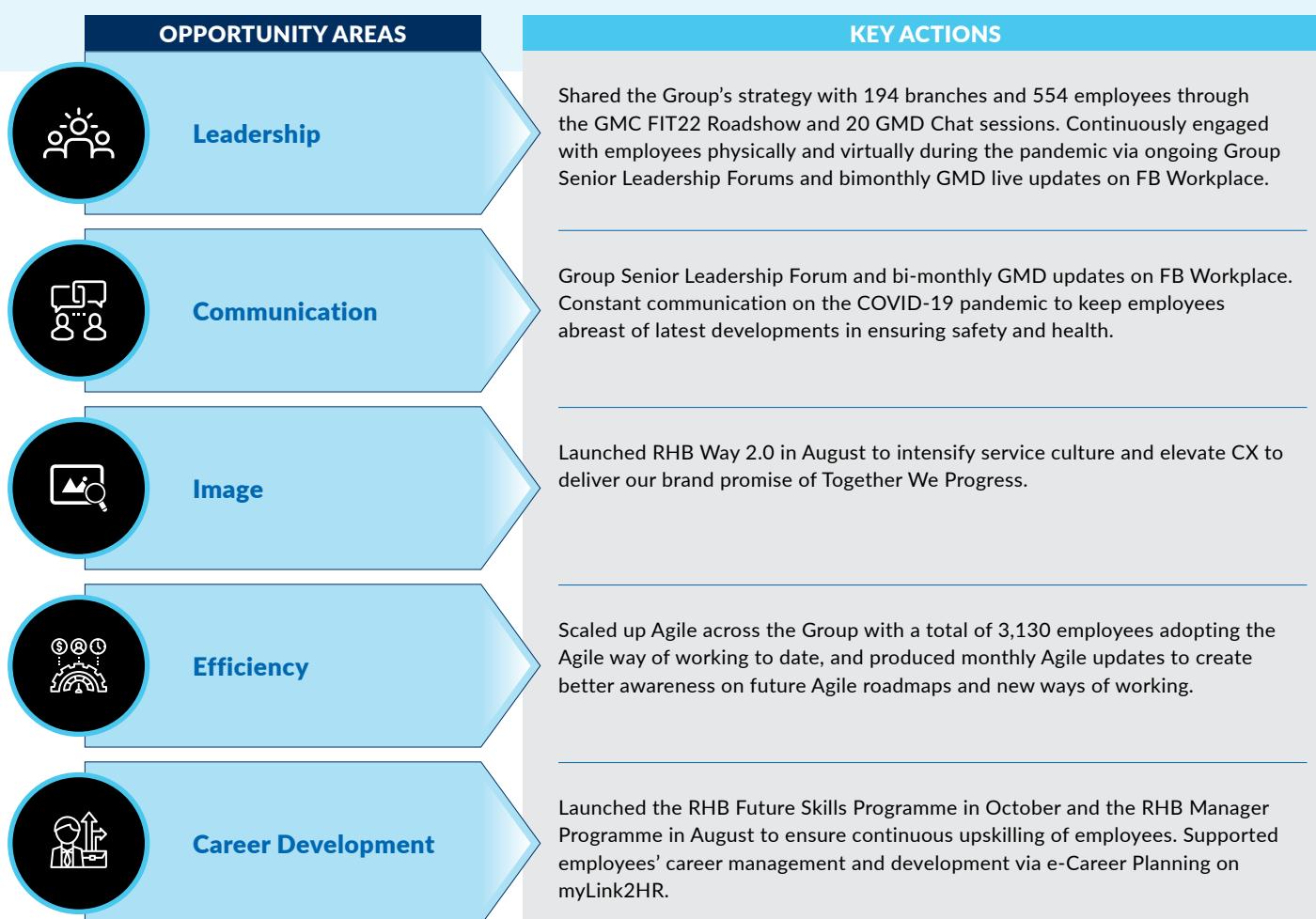
**90%**

trusted the GMD/MD/Head of Strategic Business Group/Strategic Financial Group to respond effectively to business challenges from COVID-19.

**86%**

believed RHB was making sufficient adjustments to adapt to the current pandemic crisis.

Our improved performance in EES 2020 was due to improvements made in five opportunity areas identified based on the 2019 EES survey results. These were Leadership, Communication, Image, Efficiency and Career Development, and the following key actions were taken:



## EMPLOYEE ENGAGEMENT & WELL-BEING

### RHB EMPLOYEE ENGAGEMENT 2020

#### Employee Engagement Activities

We engage our employees through various extensive programmes premised on our EVP to keep our workforce motivated and inspired:

	RHB CARES	RHB LEADS
<b>Ongoing</b>	<ul style="list-style-type: none"> <li>• Flexible Work Arrangements</li> <li>• Indoor/Outdoor Sports &amp; Recreational Activities (by RHBSRC)</li> <li>• Community Health &amp; Safety Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Chat with GMD and GMCs</li> <li>• Group Sr. Leadership Forum ("GSLF")</li> <li>• Formal Mentoring for Talents</li> <li>• Quarterly Town Hall Meetings</li> <li>• Branch Adoption/Visits by GMC and L4 Leaders               <ul style="list-style-type: none"> <li>– RHB Way and Community Banking</li> </ul> </li> </ul>
<b>New/Enhanced in 2020</b>	<ul style="list-style-type: none"> <li>• Community Health &amp; Safety Campaign</li> <li>• Physical and virtual Mental Health Webinar</li> <li>• RHB Wellness – Remote Therapy &amp; Hotline</li> <li>• Distribution of PPE to all employees</li> <li>• Staff Children Academic Excellence Award</li> </ul>	<ul style="list-style-type: none"> <li>• FIT22 Roadshow</li> <li>• GMD Bimonthly updates via Workplace</li> <li>• RHB Manager Programme</li> <li>• Right Start Programme</li> </ul>

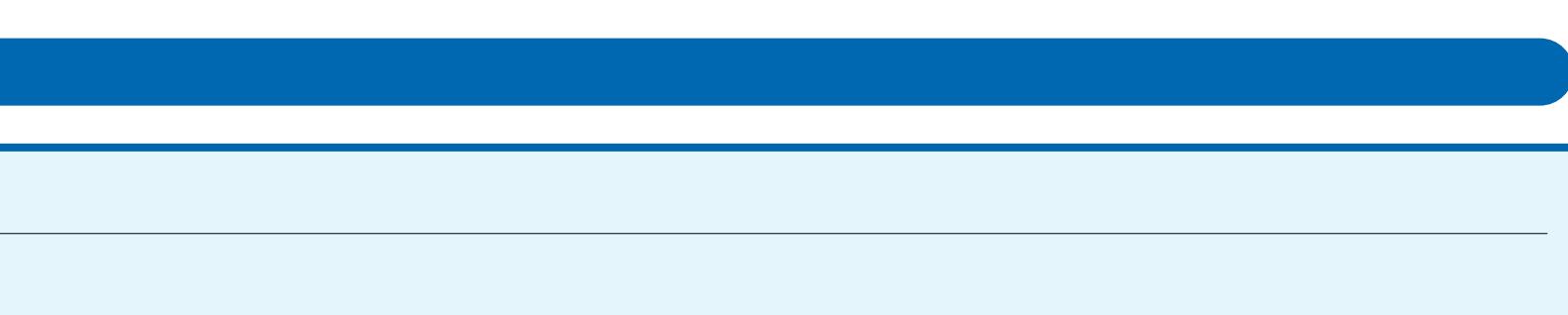
#### Building a Culture of Employee Recognition

To show our appreciation towards our employees, we have in place several initiatives to recognise employees for their outstanding contributions.

Throughout 2020, employees were recognised under the RHB Recognition Programme 1.0, which was set up to enable our GMD or Senior Management to reward and recognise employees who has demonstrated behaviours consistent with the RHB Culture Components. The programme, which allows employees to recognise and thank fellow colleagues, is aimed at building a culture of recognition beyond the monthly salary and annual bonus. Those who were selected received a 'thank you' letter and a token of recognition while employees who were recognised across all levels of the Group were acknowledged via the ThanksBot.

An Employee Awards 2020 ceremony was held at RHB Centre in August. The event, which was also streamed live through RHB Workplace, saw up to 29 individual employees and business units awarded. Centralising on 'Celebrating Excellence', outstanding employees were recognised under Individual and Business Unit categories, Innovation Awards or RHB Touch Hearts 2019.





RHB INSPIRES	RHB PROGRESSES	RHB REWARDS
<ul style="list-style-type: none"> <li>• Leadership Talk Series</li> <li>• Employee Engagement Survey ("EES")</li> <li>• Internal Customer Effectiveness Survey ("ICES")</li> <li>• Leaders/Talents/High Performers Sharing Session</li> <li>• Workplace by Facebook</li> <li>• Everyday Heroes for All Time</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership &amp; Technical/Functional Learning Series</li> <li>• Harvard ManageMentor®</li> <li>• Talent Mobility/Job Rotation - incl. regional rotations</li> <li>• Learning Week</li> <li>• Signature Leadership Programme Series</li> <li>• Toastmasters Club</li> <li>• FORWARD Programme</li> </ul>	<ul style="list-style-type: none"> <li>• RHB Employee Awards</li> <li>• RHB Way Awards</li> <li>• RHB Annual Dinner</li> <li>• RHB Movie Night</li> <li>• Differentiated Rewards - Performance Bonus and Increment</li> <li>• Benefits Review</li> <li>• RHB Recognition 1.0</li> <li>• New/Enhanced Benefits</li> </ul>
<ul style="list-style-type: none"> <li>• RHB Youth Council ("YC") Initiatives</li> <li>• Workplace – Collaborate, Connect &amp; Automate</li> <li>• Virtual Town Hall</li> </ul>	<ul style="list-style-type: none"> <li>• FORWARD - Future Skills Programme</li> <li>• Career Management Framework</li> </ul>	<ul style="list-style-type: none"> <li>• New/Enhanced Benefits - Flexibility</li> <li>• GMD Recognition (Hi-tea with Dato' Khairussaleh)</li> </ul>

### Awareness Campaigns

RHB organised several campaigns throughout the year to create awareness on global observances and encourage employees' participation.

<b>• Mother's Day</b> <p>The campaign launched a virtual editable Mother's Day card on 8 May and encouraged RHBIans to use the card on 10 May 2020.</p>	<b>• Father's Day</b> <p>The campaign launched an emotional video by RHBIans for Father's Day on 19 June 2020.</p>	<b>• Breast Cancer Awareness Month – Know Your Lemons</b> <p>Encouraged staff to share photos of themselves or with their team wearing pink on FB Workplace with the hashtag #WearPinkLikeaBoss from 26 to 28 October 2020.</p>	<b>• Blood Donation Drive</b> <p>In conjunction with the national Blood Donor Day, we held a blood donation drive at RHB Centre on 15 and 16 June 2020. A total of 79 RHBIans registered and 61 successfully donated blood.</p>	<b>• Movember Awareness Month</b> <p>In support of men's health, we raised awareness on the importance of maintaining physical and mental health on 17 November 2020.</p>
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### EMPLOYEE WELFARE FUND

Established in 2000, the Employee Welfare Fund serves as a safety net for employees who have experienced an unfortunate incident such as a natural disaster, a medical emergency or death of family members. RHB employees contribute to the fund through a monthly salary deduction of as little as RM1. During the reporting year, more than RM200,000 was disbursed to benefit 127 employees:

**RM33,000**

for natural disasters

**RM69,459**

for medical assistance

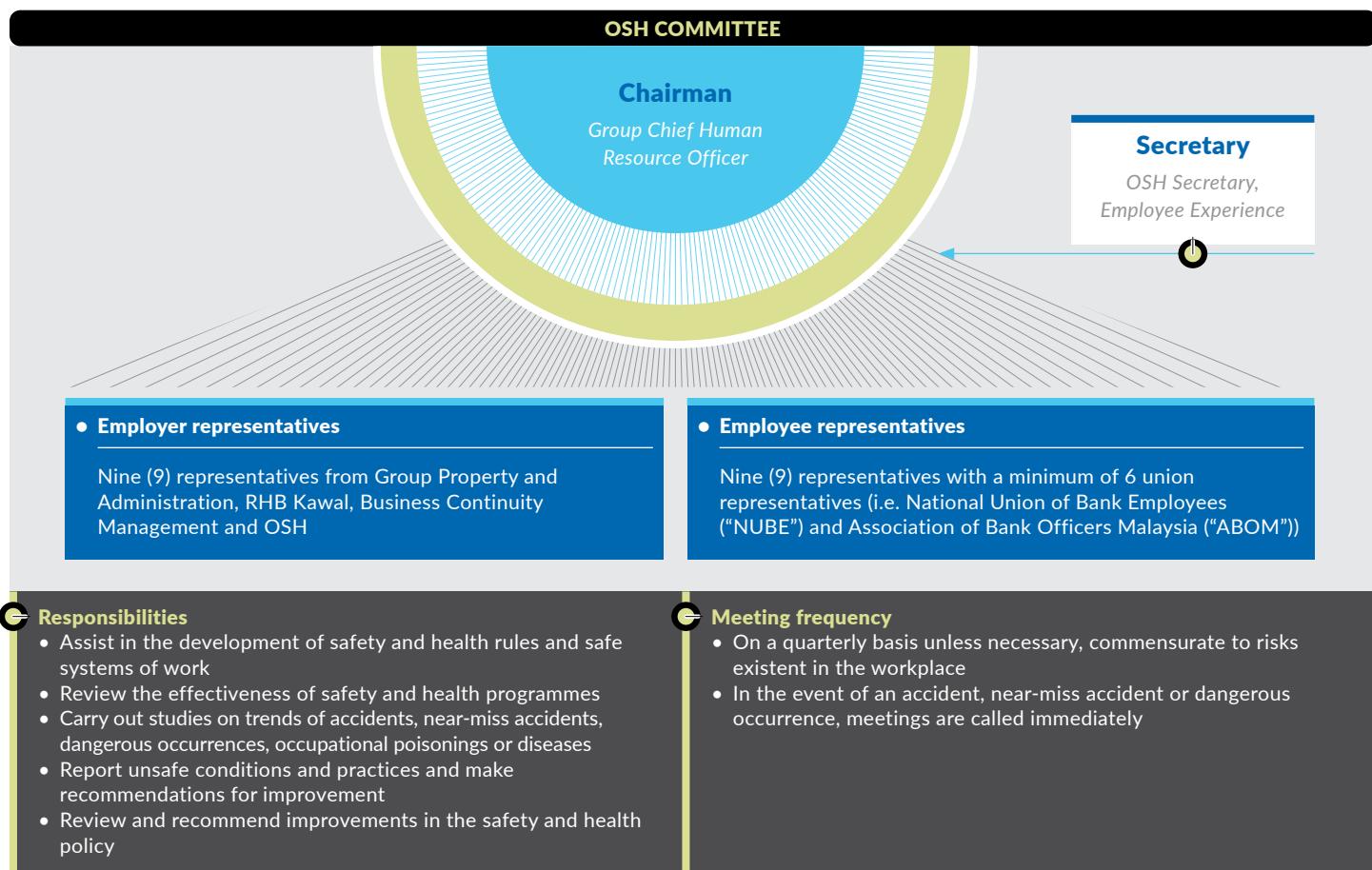
**RM108,000**

for demise of immediate family members

## EMPLOYEE HEALTH AND SAFETY (GRI 403-5,403-6,403-9,403-10)

**At RHB, the health and safety of our employees remain a top priority. We are committed in ensuring a safe and healthy work environment to foster a high-performing workforce, boost employee morale and improve productivity to contribute to the Group's FIT22 business strategy.**

We are guided by the Group's Occupational Safety and Health ("OSH") Policy, which underscores the Group's commitment to complying with the Occupational Safety and Health Act 1994 and other applicable laws and regulations of Malaysia. Our health and safety practices for the Group's operations in Malaysia are managed by the OSH Committee, whose structure is illustrated in the chart below:



## OSH AND WELLNESS TRAINING AND PROGRAMMES

We strive to inculcate a culture of Occupational Safety and Health ("OSH") at the workplace by implementing safety and health training and programmes as well as awareness campaigns. To strengthen health and safety practices, each of our branches has a Branch Safety Committee whose members are trained and certified by the Department of Occupational Safety and Health ("DOSH") under our OSH Committee Training programme.

Beyond that, we roll out various OSH awareness initiatives and training programmes to ensure our employees take safety and health at the workplace seriously.

One of our programmes is Floor Warden Training, which aims to help floor wardens understand their duties and responsibilities in the event of an emergency or fire. The training includes fire prevention and awareness, and the role of floor wardens in maintaining a high standard of fire safety. A total of 85 RHBIans attended the training.

In keeping safe from the COVID-19 virus, we held an awareness briefing on influenza and coronavirus and distributed personal protective equipment ("PPE"). The event was attended by 85 employees.

**In 2020, more than 7,000 employees took part in 19 OSH and wellness training and programmes.**

**> 200 employees**  
attended physical safety and health training

**> 6,800 employees**  
joined safety, health and wellness awareness programme virtually

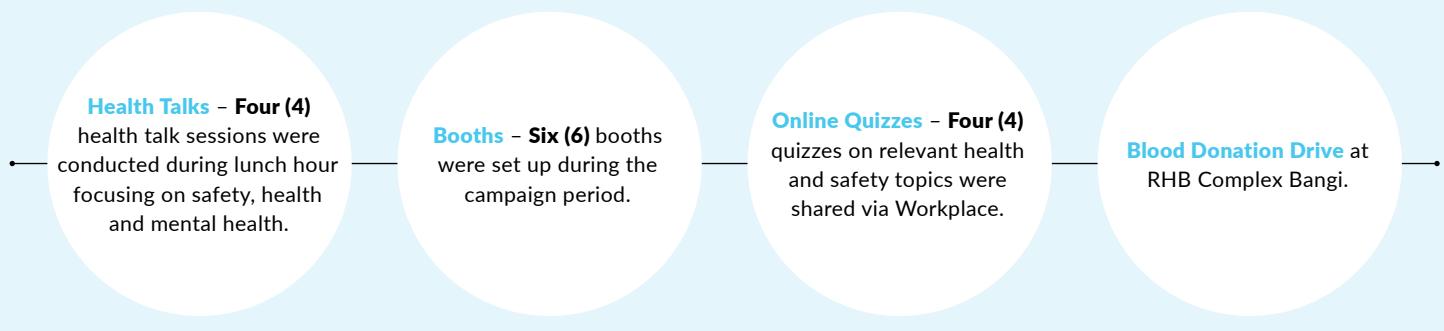
## RHB Safety and Health Week 2020

The RHB Safety and Health Week was held from 10 to 15 September to increase occupational safety and health awareness and engagement among employees. Aimed at promoting the prevention of occupational accidents and diseases at work, the campaign comprised talks on COVID-19 awareness, cancer, ergonomics and mental health, besides quizzes and booths from medical and rehabilitation centres.

As part of the RHB Cares pillar under the Employee Value Proposition ("EVP"), the event was in line with OSH Act 1994, Section 15 and Section 24 (1), which cover an employer's responsibility in ensuring the safety, health and welfare of all its employees.

The campaign has positively impact employees by increasing knowledge on the Safety and Health Act 1994 and mental health. It has also enable participants to demonstrate safety and health practices in the workplace, ultimately leading to a reduction of work-related illnesses and an improvement in productivity.

### What Happened During the Week:



## HEALTH AND SAFETY PERFORMANCE

At RHB, we continuously monitor our accident/incident reporting to ensure a safe working environment for employees. We have in place an e-OSH reporting system for employees to report on-site or off-site accidents/incidents, occupational diseases, near-miss accidents and dangerous occurrences. Other than that, we conduct branch and workplace inspections, broadcast OSH communications

via @RHB Workplace, investigate accidents/incidents occurring at the workplace, provide training and raise awareness, especially on COVID-19. The main cause of accidents (slips, trips, and falls) was carelessness and lack of focus by employees who commute to work by car or train and must walk from the nearest car park or train station to RHB Centre while passing by a construction site.

### SAFETY PERFORMANCE DATA 2020

#### Work-related Injuries:

##### Total Lost Workdays:

**1,595**

(down by **184 cases** from 2019) ▼



##### Total Number of Accidents:

**66**

(up by **10 cases** from 2019) ▲



##### Accidents with Lost Workdays:

**63**

(up by **8 cases** from 2019) ▲



##### Work Commuting Accidents:

**50**

(up by **4 cases** from 2019) ▲



For more information on our OSH performance across the years, please refer to page **122** of this Report.

## TALENT MANAGEMENT AND DEVELOPMENT (GRI 401-2, 404-2, 404-3)

RHB aims to create a high-performance and motivated workforce by nurturing our talent and investing in their personal and professional growth. We add value to our employees by offering them training, nurturing their potential and recognising achievements. Attracting and retaining the right people and developing their skills and experience is one of the most critical challenges and opportunities we face. By creating an environment that supports our employees' performance, we ultimately improve ours as a bank, enabling us to embrace transformation in a rapidly evolving industry.

## WORKFORCE OF THE FUTURE (“WOTF”)

**Upskilling. Efficiency. Competitiveness. As a critical component of our FIT22 Strategy, RHB will embark on an end-to-end workforce transformation programme to prepare our workforce for the future.**

As digitalisation, technology and customer preferences continue to evolve, demand for new critical roles is emerging, while others are becoming less relevant. As such, it is essential to create a workforce that has the right balance of skills and capabilities to meet the changing demand towards more digital and customer centric roles.

We aim to fill new roles in-house as much as possible; therefore, the WOTF programme was created to support our employees in upskilling and reskilling in targeted areas so that they can transition to new roles within RHB within three to five years. A Mobility and Upskilling Centre will help to conduct capability assessments and identify areas of recruitment need.

Over the next year, we will be conducting deep dives to develop a detailed workforce plan and will roll out the initiatives once they are ready.

### RHB Workforce of the Future Programme



## PERFORMANCE MANAGEMENT

RHB has a robust performance management process to ensure that our employees are evaluated and rewarded fairly. Our Group Management Committee ("GMC") meets twice a year for the Group Talent Review ("GTR") to discuss succession planning for key roles and we carry out post-GTR calibration to keep track of our talents' progress and readiness for new leadership roles.

All (100%) RHB employees, except temporary employees, undergo an annual performance review using our HR System. Our staff are evaluated by their manager and evaluator via 360° feedback.

To attract and retain our employees, we offer a comprehensive benefits scheme in addition to their salaries. The following are some of the benefits enjoyed by our full-time employees in Malaysia:



### FLEXI-HOURS ARRANGEMENT

Employees are given the flexibility to choose their preferred timing to fulfil the required eight hours of work



### HEALTHCARE

Available on an unlimited basis for outpatient treatment and hospitalisation



### WORK-FROM-HOME ARRANGEMENT

- Employees are provided the flexibility to work remotely beyond their designated workplace in the office
- Employees must also be flexible and be available to return to the office when required
- Working hours for all employees on WFH must adhere to the company's policies and procedures



### DISABILITY AND INVALIDITY COVERAGE

Group personal accident - RM150,000 to RM600,000



### PARENTAL LEAVE\*

Maternity—90 days  
Paternity—3 days



### LIFE INSURANCE

Group term life insurance - RM150,000 to RM600,000



### RETIREMENT PROVISION

Contribution of an additional 4% (above statutory requirement) of staff's basic salary to Employees Provident Fund ("EPF")

\* Paid maternity leave in excess of legally required duration and paid paternity leave in excess of legally required duration.

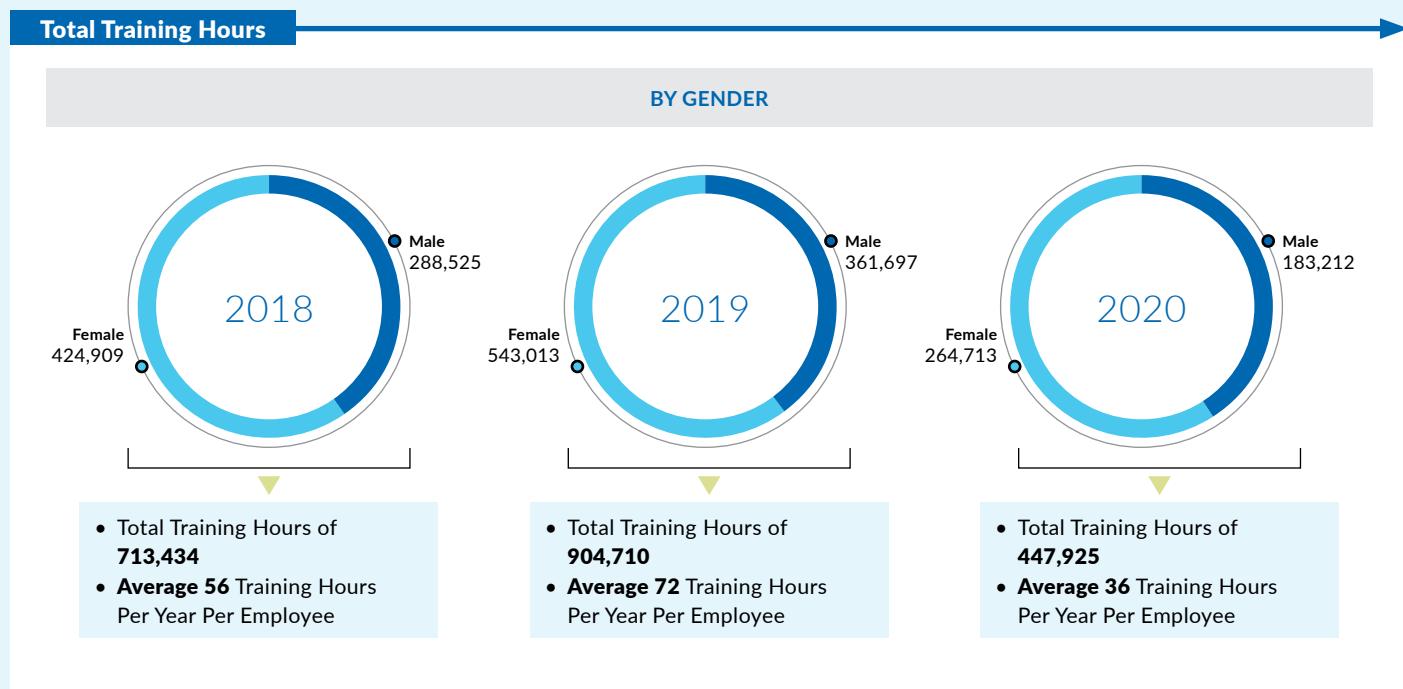
## TALENT MANAGEMENT AND DEVELOPMENT

### EMPLOYEE LEARNING AND DEVELOPMENT (GRI 404-1, 404-2)

As we embark on our WOTF transformation programme, it is more important than ever that we focus on providing our employees with the right skills to progress and future-proof their career. RHB is committed to the personal and professional development of our employees to build a diverse, skilled and engaged workforce. We approach this by providing a comprehensive range of learning programmes that are conducted online, in-house or externally by professional training institutes. Moving forward, key capability requirements will be highlighted through our new Mobility and Upskilling Centre. This will be key to informing our Learning Needs Analysis and the delivery of new training programmes to meet demand.

Periods of lockdown and capacity limits for indoor settings amidst the COVID-19 pandemic meant it was challenging to hold in-person classroom or workshop training sessions. Despite this, we continued providing training and development programmes to our people by converting classroom activities to virtual sessions and holding online training programmes. As such, 82% of our training programmes were conducted virtually through live-streamed instructor-led videos or e-learning. Our workforce received a total of 447,925 hours of training in 2020, which was less than half of last year's hours.

Moving forward, in addition to classroom learning, we will continue to use a mix of micro-learning, virtual sessions and leverage technologies to meet learning needs.



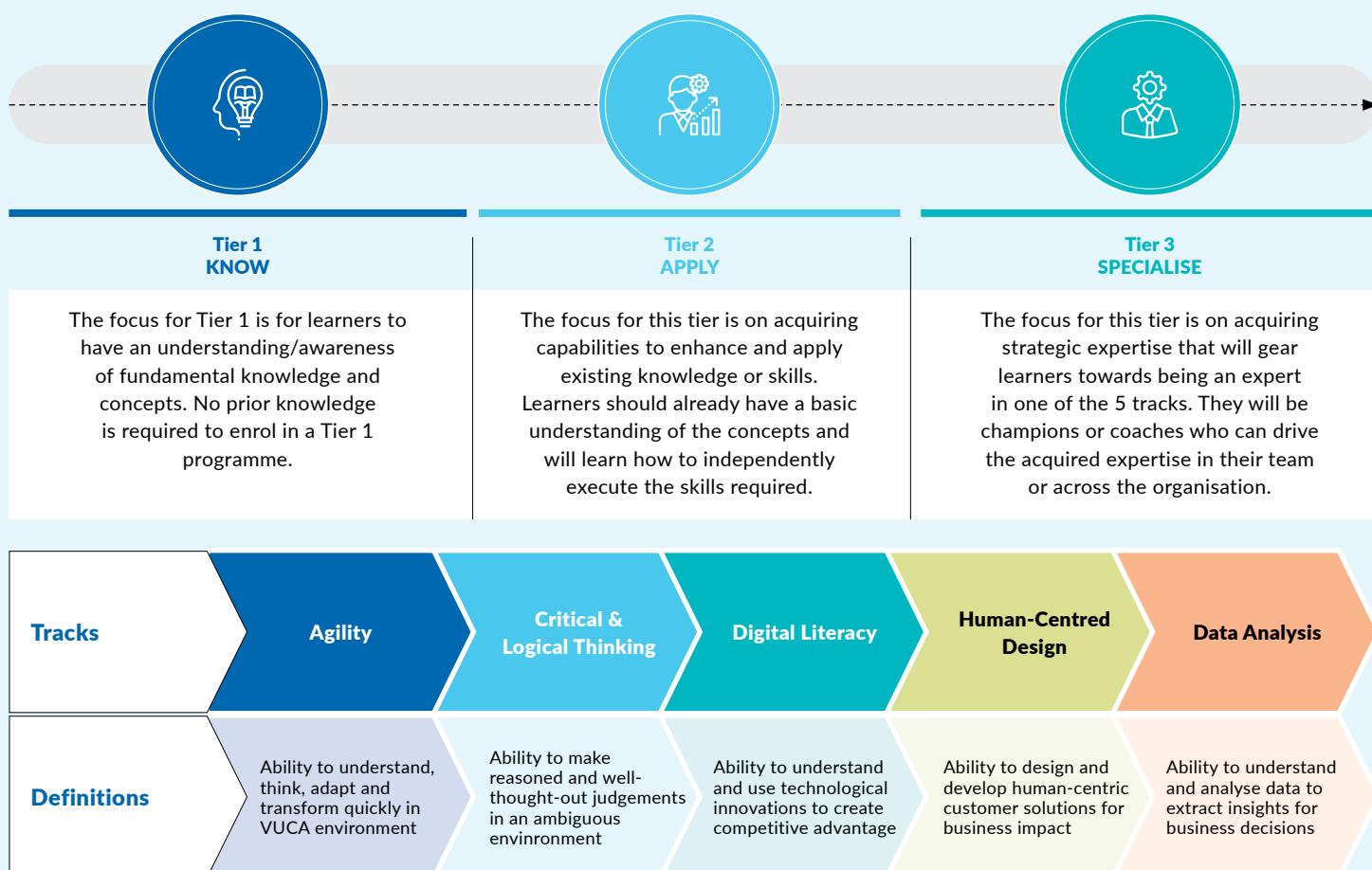
#### RHB Future Skills Programme

In 2020, the Future Oriented and Ready Workforce - Advancing, Reskilling and Developing ("FORWARD") Programme was rebranded to the RHB Future Skills Programme.

The FORWARD Programme helped 8,300 participants gain key skills in 2018 and 2019. However, after taking into consideration the needs of the business, it was decided that a more structured and holistic programme was required to ensure that we continued investing in building the right capabilities.

The new RHB Future Skills Programme aims to do just that. The training programme will play a key role in our WOTF programme by ensuring our employees are equipped with future-ready skills and remain relevant in the evolving workforce landscape. Under our FIT22 Strategy, a skilled workforce will provide us the internal agility required to transform our organisation and build a winning operating model for business continuity.

The new programme covers five core tracks across three tiers and offers our employees a more structured and holistic learning pathway to upskill themselves and ensures our talent pipeline will be future-ready.



The Future Skills Programme is a new learning and development initiative aimed at upskilling RHBIans to prepare them for the evolving landscape of work. The pilot phase of the RHB Future Skills Programme was launched on 1 October 2020 with 70 participants from multiple divisions across the Bank undertaking a 10-week programme in essential digital skills and people capabilities related to the five core tracks. The programme, which was conducted online and self-paced via LinkedIn Learning, has gained positive feedback from participants so far and the level of interest among other employees is high. In 2021, we plan to ramp up the programme and increase the number of cohorts to enable us to upskill more employees in essential digital and people capabilities.



\* includes FORWARD and RHB Future Skills Programme participants

## TALENT MANAGEMENT AND DEVELOPMENT

### EMPLOYEE LEARNING AND DEVELOPMENT (GRI 404-2)

#### Mentoring

RHB's Mentoring programme facilitates one-to-one mentoring relationships by connecting Mentees with leaders in RHB so that both parties can learn and develop further. It is one of the many initiatives put in place to enhance RHB's leadership bench strength through the mentoring of talents at various levels in the organisation.

The Mentoring programme pairs talents with mentors through a mentorship journey which includes periodic assessments and progress tracking. Its objectives are:

- To ensure significant improvement in RHB leadership competencies
- To enable talents to achieve their personal and professional goals
- To boost RHB's capability of developing internal talent

We conducted two types of mentoring programmes in 2020:

#### Senior talents mentoring junior talents

The first batch of **37 mentors** and mentees completed this mentoring programme in June 2020 and provided feedback. Based on the feedback provided, several new enhancements will be made to the programme in 2021.

#### GMC members mentoring senior talents

This programme was designed to further strengthen the leadership skills of our senior talents and build talent internally by bridging the gap between our senior talents and the GMC. By creating a personal link, it is hoped that GMC members will be able to build confidence and capability among our senior talents in a more informal and engaging way. The mentoring programme is still ongoing and the first round is expected to be completed in Q1 2021.

#### Mentors

**2019-2020: 46**

2018-2019: 109



#### Mentees

**2019-2020: 65**

2018-2019: 147



**The Net Promoter Score ("NPS")** for the mentorship programme was **60%** in 2020.

2019: 60%

2018: 59%

Note: This programme is a year-long programme that cuts across two financial years. In 2020, the programme was paused from June until the end of the year.

#### Leadership and Management Programmes

Nurturing leaders and building leadership is a key priority in RHB to ensure succession planning for sustainable long-term growth. We strive to nurture talent and develop a pool of capable leaders through structured leadership and management programmes that are holistic.

We collaborate with Melbourne Business School for our Leadership Signature Programme ("LSP") to enhance leadership skills and equip the selected employees with the right tools to succeed. The programme, which started in 2016, was further enhanced in 2020 by having smaller cohorts compared to previous years, targeted action learning projects and increased involvement of participants' line managers. During the year under review, 58 key talents across two cohorts from executive to middle management were selected for the programme.

We introduced the RHB Managers Programme ("RMP") in 2020, a new three-month pilot programme for Managers, Senior Managers, Assistant Vice Presidents and Vice Presidents within RHB. Over the course of three months, participants took part in individual assessments, classroom activities (and later virtual sessions due to COVID-19), online learning with the aim of enhancing their leadership capabilities. The programme has received positive feedback with the initial 38 participants seeing improvements in their leadership abilities and RHB will continue to offer this programme in 2021 for all people managers.

## Certification Programmes

### 1. Acceleration Towards Professionalising the Banking Industry

RHB continues to support Bank Negara Malaysia's initiative to strengthen the technical competencies and professional standards in the Malaysian banking sector by providing our employees the opportunity to undertake professional development courses offered by the Asian Institute of Chartered Bankers ("AICB"). In 2020, 48 employees attained various certification courses across the five areas and we have another 175 employees who are in various stages of completion.

No.	Core Banking Area	Certification required	Employees who have received certification
1	Credit	Professional Credit Certification ("PCC") Business Credit Professional and Retail Credit Professional	14
2	Anti Money Laundering & Counter-Financing Terrorism ("AML/CFT")	Certification in AML/CFT	11
3	Audit	Certification for Bank Auditors	2
4	Compliance	Certification in Regulatory Compliance	10
5	Risk	Bank Risk Management	11
<b>Total as at December 2020</b>			<b>48</b>

### 2. Chartered Banker Programme

Level	Number of Qualified Chartered Bankers		
	2018	2019	2020
Chartered Banker ("CB")	6	13	<b>14</b>
Professional Banker ("PB")	35	62	<b>6</b>
Executive Banker ("EB")	11	11	<b>Nil</b>
<b>Total</b>	<b>52</b>	<b>86</b>	<b>20</b>

### 3. Development Framework for Shariah Business

	2018	2019	2020
Associate Qualification in Islamic Finance ("AQIF")	38	74	<b>11</b>
Intermediate Qualification in Islamic Finance ("IQIF")	13	16	<b>Nil</b>
Certified Qualification in Islamic Finance ("CQIF")	-	13	<b>Nil</b>

### Technical and Functional Programmes

Our technical and functional programmes are designed to enhance employees' skills and strengthen the Group's sustainability and competitiveness. In 2020, we implemented 26 new technical and functional programmes.

### Community Banking Programme

RHB's Community Banking programme is aimed at enhancing our Branch Managers' capabilities to better understand the needs of the local businesses and communities. We engage with SME business owners and leaders, government agencies, universities, schools and other points of interest through activities and financial deliverables to be achieved.



Please turn to page 24 to read more about Community Banking under Sustainable Solutions for Customers.

### Branch Programmes

RHB rolled out a new Wealth Management Associate Programme ("WMAP") in July 2020 for graduate trainees. The WMAP offers a concise and compact six-month training programme to equip graduates with technical, functional and personal skills to become a Personal Wealth Banker. If they perform well in the role for six months, they will then have the opportunity to be fast-tracked as a Premier Relationship Manager.





## DIVERSITY, EQUALITY AND INCLUSION (GRI 102-17, 405-1)

We work to create a workforce that reflects our customers and the communities in which we operate. Diversity and inclusion in the workplace ensures a variety of perspectives that can lead to increased innovation, better problem-solving and higher engagement. We have a diverse workforce that spans ethnicities, cultures, religions, generations and genders. We value the skills, knowledge and cultural diversity that local people bring to our organisation and actively seek to build a workforce that is safe and inclusive.

The Diversity & Inclusivity Statement is available in Our Approach to Sustainability document on our corporate website.

During the year under review, we enhanced One RHB, the first key component of our RHB Culture Components, to include fairness as part of diversity and inclusion. Thus, it is a core behaviour that needs to be embodied by every employee. The enhancement reflects the significance of diversity in RHB as we aim to shape an inclusive workforce.

To provide a channel for complaints on unethical work behaviour, the Group Whistleblowing Policy serves as a guide to employees facing concerns over unlawful conduct, unethical occurrences or questionable practices that may affect the financial position or reputation of the Group. The policy, which is available on RHB Banking Group's corporate website, ensures no reprisals against whistleblowers, in line with the spirit of transparency.



Please refer to pages [59](#) and [142](#) to read more about our Group Whistleblowing Policy in RHB's Integrated Report 2020.

## Key Data among Employees:

- No recorded incidents of discrimination or risks to freedom of association and collective bargaining
- No incidents or risks reported of child, forced or compulsory labour
- No recorded violations of human rights involving indigenous people

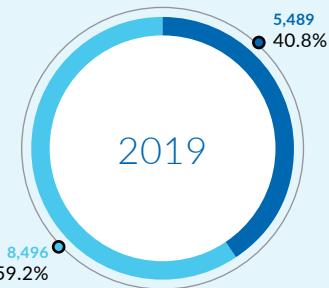
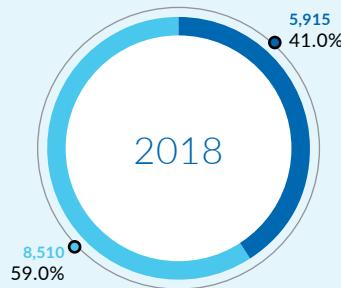
## Diversity Performance Data



For Board diversity performance data, please refer to our Corporate Governance Overview Statement in RHB's Integrated Report 2020 from page [94](#).

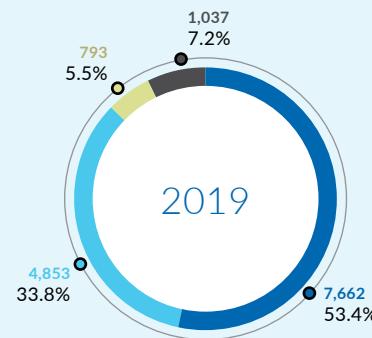
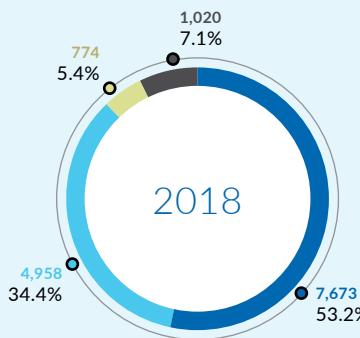
EMPLOYEE BREAKDOWN BY GENDER

■ Male ■ Female



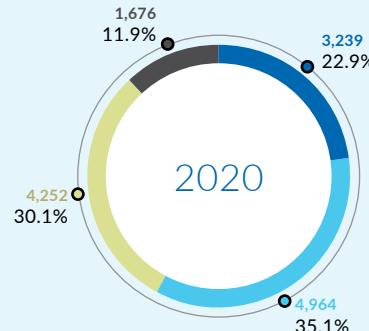
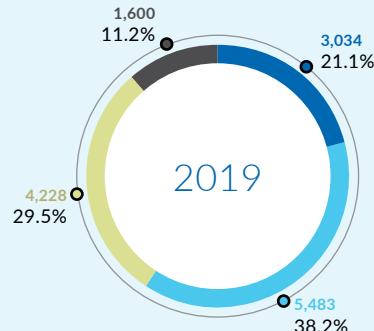
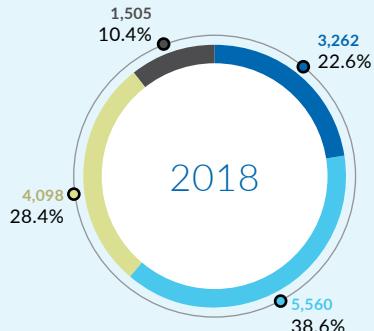
EMPLOYEE BREAKDOWN BY ETHNICITY

■ Bumiputera ■ Chinese ■ Indian ■ Others



**Diversity Performance Data****EMPLOYEE BREAKDOWN BY AGE**

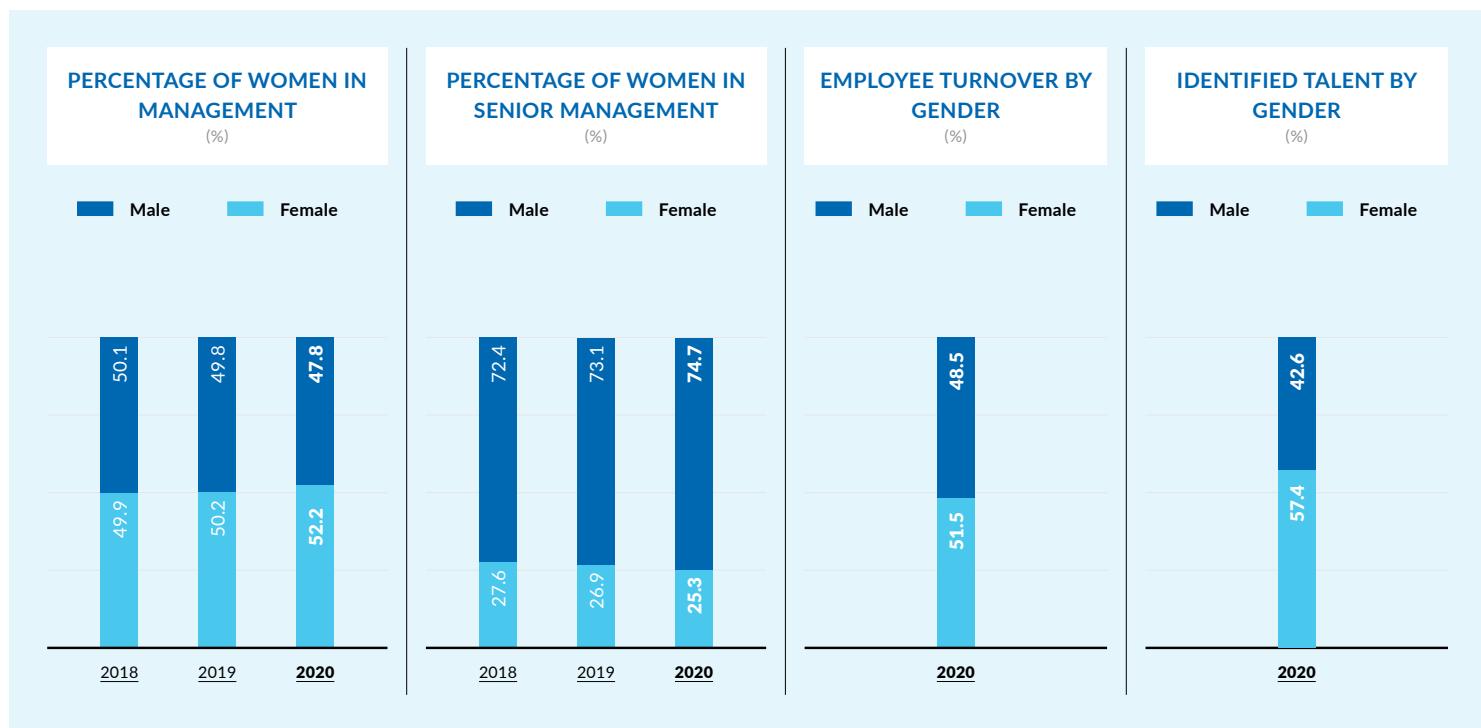
■ <30 ■ 31-40 ■ 41-50 ■ >50

**Recruitment practices**

As a Malaysian-based company, we prioritise the employment of Malaysians irrespective of race, gender, age or disability. We focus on merit-based and free-from-bias hiring practices where the applicant's qualifications and individual merit is assessed against identifiable selection criteria.

**Women's empowerment**

At RHB, we take a proactive role in promoting gender diversity and embedding this within our practices. We track women's representation in Senior Management, junior management as well as in revenue-generating functions and use these key metrics as feedback for our hiring practices. We strive to balance the ratio of men to women in these key areas as well as generally across our organisation and ensure women are indeed receiving equal opportunities with regards to career advancement and training. We support women in their family life by providing a family-friendly workplace with nursing rooms, three-month maternity leave and flexi-hour work arrangements.





#### RHB Gen-Y Youth Council

RHB's Youth Council serves as a platform for our young RHB leaders to have their voices heard and spur innovation and creativity to build their confidence to become the next generation of leaders.

Each year, they organise a series of activities including the RHB International Youth Week which focuses on a different theme each time. In 2020, the focus for Youth Week was on Sustainability and highlighted key topics such as Waste, Energy, Food, Transport and Water. The event was aimed at raising awareness on the importance of the environment and the role of each individual in conserving the environment. The event encouraged RHBians to make a sustainability pledge and fasten it onto an eight-foot recycled wood tree placed in the RHB lobby, with the majority of pledges received focusing on waste. A total of 151 pledges were received. This was critical because it shows that RHBians value managing environmental waste and that teamwork enables RHBians to create a huge impact in saving the environment. It also reflects that future sustainability efforts involving Waste will have the largest interest and impact among RHBians.

In conjunction with Youth Week, a Malaysian-based NGO, Zero Waste Malaysia, was invited to share with RHBians the significance of 'Journey to Zero Waste', the meaning of zero waste and the approaches to transition to a zero waste lifestyle.

Moving forward, the RHB Youth Council plans to collaborate further with respective teams and support their events by providing a youth perspective on how to engage with the younger RHBians through sharing, participating and learning. These actions will also help RHB's youth to develop into the next generation of leaders in RHB and the workplace.



For more information on the RHB Youth Council, please refer to 2019's Sustainability Report on page **61**.

## HR Awards

1

### **Asia Recruitment Grand Winner**

**2020:**

- Best Employer Branding
- Most Innovative and Sustainable Office Design
- Best Campus Recruitment Strategy
- Best Candidate Experience – in-house
- Best Graduate Recruitment

2

### **HR Asia Best Companies to Work For In Asia 2020 for the 8<sup>th</sup> consecutive year**

3

### **HR Excellence Awards 2020 by Human Resource Online:**

- Excellence in HR Team Collaboration
- Excellence in Talent Acquisition
- Excellence in Employer Branding

# ENVIRONMENTAL STEWARDSHIP

GRI 102-12, 102-48, 302-1, 302-4, 303-1, 305-1, 305-2, 305-3

## Key Capitals <IR>:



At RHB, we are committed to minimising our impact on the environment. While we are not a resource-intensive business, our daily activities continue to consume precious resources such as energy, water and paper. As such, our efforts are focused on these three key areas and we continuously look for new ways to operate more efficiently and reduce our consumption as well as nurture a culture of environmentally responsible behaviour.

## ALIGNMENT TO OUR PRIORITISED UN SDGs



### SDG 12:

Responsible Consumption and Production



### SDG 13:

Climate Action

## ELECTRICITY CONSUMPTION

As a financial institution, our core activities are undertaken in office environments. Our energy consumption covers electricity usage from all the buildings and branches we operate from. In buildings that we own, we identify areas where we can upgrade major electrical systems or appliances that can provide energy savings.

We are pleased to report that all RHB Bank branches (Conventional & Islamic) in Malaysia have completed the installation of LED lighting for internal branch areas. In other commercial buildings with RHB offices and where we do not have operational control of the building management, we focus on encouraging behavioural change among our employees.

Since 2017, RHB has implemented a number of energy-saving initiatives such as timers for lighting and replacing fittings and appliances with energy-efficient ones. In 2019, we upgraded RHB Complex's water heater system to a solar heating system, which reduced heating power consumption by about 70%. As of December 2020, these initiatives have led to a total reduction of 8,560 MWh in energy consumption. This year, energy consumption was also greatly reduced as up to 50% of our total workforce was working from home due to the Movement Control Order.

As part of our continuous improvements in monitoring, measuring and disclosure, we have expanded our scope of reporting from RHB Centre and RHB Complex to all our major buildings as well as our branches in West Malaysia. We are in the midst of developing a strategic long-term plan for enhancing our energy performance and the robustness of our data.

### Electricity Consumption

Location	2018	2019	2020
West Malaysia (MWh)	46,793.40	43,230.05	<b>40,147.04</b>

#### Notes:

In 2020, the scope of reporting for energy was expanded to include all main buildings (seven) and branches (215) in West Malaysia. Therefore, figures will differ from the 2019 RHB Sustainability Report. Subsidiary branches include Investment Bank, Asset Management & Insurance.



## ELECTRICITY CONSUMPTION

### Electricity Intensity

	2018	2019	2020
Electricity consumption (MWh)	46,793.40	43,230.05	<b>40,147.04</b>
No of employees (West Malaysia) **	13,443	13,627	<b>12,865</b>
Electricity intensity (MWh per employee in West Malaysia)	3.48	3.17	<b>3.12</b>

Note:

\*\* The number of employees refers to the total number of RHB staff in West Malaysia. However, for RHB Centre and Complex, the number of employees includes staff, vendors, consultants and remisiers as they occupy the office for a significant time throughout the year.

### RHB's Green Data Centre

Our Green Data Centre has been a central part of our eco-efficiency programme. In 2019, we expanded our data centre floor space to accommodate the Group's growing business data and product expansion efforts. We look to continually upgrade our servers and network devices every five years to ensure they continue to function at their optimum level while reducing power consumption.

## WATER CONSUMPTION

Water is a key resource that is used for our cooling systems, washrooms and cafeteria. We focus on preventing water leakage by conducting regular inspections and reducing consumption by installing water-saving systems.

In July 2020, we completed the installation of a rainwater harvesting system on the rooftop of RHB Complex which has the capacity to store 1,750 litres of water. The system has a water filter and pump to supply the rainwater for watering plants and washing common areas. From July to December 2020, the rainwater tank collected 202m<sup>3</sup> of water.

Overall, our water consumption in 2020 was about 19% less than 2019 as many of our employees were working from home.

Since 2018, we have saved **37,027 m<sup>3</sup>** of water



Location	2018	2019	2020
RHB Centre (m <sup>3</sup> )	205,235	88,372	<b>62,177</b>
RHB Complex (m <sup>3</sup> )	71,716	59,719	<b>58,175</b>
Total consumption	276,951	148,091	<b>120,352</b>

### Water intensity

Location (RHB Centre & RHB Complex)	2018	2019	2020
Total consumption	276,951	148,091	<b>120,352</b>
Total employees**	6,100	6,500	<b>6,078</b>
Water intensity (m <sup>3</sup> per employee)	45.40	22.78	<b>19.80</b>

Note:

\*\* The number of employees refers to the total number of staff at RHB Centre and RHB Complex, which comprises staff, vendors, consultants and remisiers as they occupy the office for a significant time throughout the year.

## PAPER CONSUMPTION

In this digital age, we strive to reduce our paper consumption wherever possible and encourage digital processes in our business and operations. In 2020, we saw a 59% increase in demand for e-Statements as compared to 2019. Internally, we promote the use of document-sharing platforms to reduce the need to print documents and continue to procure Programme for the Endorsement of Forest Certification and Mix-Forest Stewardship Council-certified paper to ensure our paper comes from responsibly managed areas. This year we saw a significant drop in the number of reams purchased as less people were printing from the office.

Description	2018	2019	2020
A3 and A4-sized paper ream procurement (reams)	171,373	170,292	<b>149,579</b>

### Conversion of hardcopy statements to e-Statements for 2018 – 2020

Description	2018	2019	2020
e-Statements delivered * (reduction in hardcopies) (number)	7.3 mil	11.8 mil	<b>29.1 mil</b>

\* for Bank & Islamic products

## ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

In 2020, RHB Insurance rolled out an Electronic Document Management System ("EDMS") to branch offices nationwide to optimise office space utilisation and minimise the movement of humans, machinery or equipment, besides reducing storage and retrieval cost as well as paper consumption and printing costs.

Going forward, RHB Insurance will adopt a hot desk strategy to optimise office space utilisation under its ICON Office Space Optimisation Plan.

## Plastic Reduction Initiatives

### RHB Eco-Friendly Cafeteria

In line with RHB Banking Group's pillar of Embedding Good Practices, as well as the Malaysian Government's Roadmap towards Zero Single-Use Plastics, we launched the RHB Eco-Friendly Cafeteria initiative in February 2020 aimed at reducing the use of single-use plastics. Both cafeterias in RHB Centre and RHB Complex were supported by the management to no longer provide single-use plastics such as straws, food containers and plastic bags. Employees were encouraged to bring their own containers and reusable cutlery or pay for more environmentally friendly options such as biodegradable containers.

Since its implementation, there has been a marked reduction in the request for bags and disposable cutlery and we have observed more employees adopting greener practices. We have encouraged our employees outside of RHB Centre and RHB Academy Complex to similarly adopt such green practices as well. We will adopt a phased approach in the future including data collection to improve the efficiency of this initiative.

### Eco-Friendly Debit Card

As part of our Ocean Harmoni initiative spearheaded by Group Shariah Banking, we launched an eco-friendly recycled plastic debit card to promote ocean life literacy and to raise awareness on the dangers of plastics to marine life.

Featuring the Green Sea Turtle, the RHB WWF Debit Card-I is made from eco-friendly recycled plastic, hence reducing plastic. Since its launch in July 2020, more than 20,500 cards have been issued. The initiative is a joint effort between RHB Islamic, University Malaysia Terengganu and WWF-Malaysia.



Please refer to Championing Value-based Intermediation ("VBI") on page [34](#) to read more about the recycled plastic debit card.



## CLIMATE CHANGE

As the world tackles global issues such as population growth, pollution and currently, the COVID-19 pandemic, the need to transition to a low-carbon economy to ensure emissions reduction and resilience towards climate change is stronger than ever. For the first time, the World Economic Forum's Global Risk Report 2020 was dominated by the environment with issues related to global warming – such as extreme weather and biodiversity loss – ranking among the top five risks in terms of likelihood over the coming decade.

**" As a financial services provider, we play a vital role in promoting sustainable practices and we are in a unique position to strategically address climate change and promote the transition to a low-carbon economy."**

### Our Approach to Climate-related Disclosure

RHB is in the early stages of addressing climate change. Our climate-related disclosure takes a soft approach based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

#### Governance



Climate-related matters are viewed as part of sustainability and they are governed as part of RHB's sustainability governance. The Board of Directors has oversight on the Group's sustainability journey, which includes climate-related matters, and ensures the integration of sustainability risks, which include climate-related risks, into our business and operations.

As part of risk management, sustainability risks and progressively, climate-related risks, are discussed and deliberated at the Board Risk Committee and other relevant Management Committees at portfolio level.

In 2020, there were increased discussions on climate change at the Board Risk Committee and Group Management Committee, focusing on the adoption of guidelines based on local developments and regulatory guidance.



Please turn to page **99** for more information on Sustainability Governance.

#### Strategy



The identification and assessment of potential impacts of climate-related risks and opportunities will be progressively and systematically evaluated against our operations, products and services and our business strategy.

In line with UN SDG 13: Climate Action and our sustainability vision, we have established RHB's Green Financing Commitment to support the growth of our customers in the transition to a low-carbon economy. Under this Commitment, we have set a target of securing RM5 billion by 2025 to support green activities through lending, capital markets advisory and fundraising, together with investment.

RHB also offers other products and services that have direct or indirect impact on addressing climate mitigation, such as our special financing scheme for hybrid, plug-in hybrid and electric cars for retail customers and the existing Renewable Energy Programme Lending Scheme for SMEs.



Please turn to pages **16** to **19** and **26** for more information on the above.

## INDUSTRY INVOLVEMENT IN DRIVING CLIMATE ACTION

RHB is a member of the Joint Committee on Climate Change ("JC3") and of the Working JC3 Sub-Committee 3 ("SC3") for Product Innovation. JC3 was set up by Bank Negara Malaysia ("BNM") and Securities Commission Malaysia ("SC") to pursue collaborative actions with industry representation to build climate resilience in the Malaysian financial sector. The key mandates of the JC3 are:



RHB Banking Group views climate-related matters as part of sustainability. We adapt to climate change by managing our own carbon footprint, facilitating our customers in transitioning to a low-carbon economy and seizing the opportunities presented by the impacts of climate change. Internally, we continue to build capability and raise awareness on climate change among employees through training and webinars as well as encouraging eco-friendly practices within the workplace. We are committed to adapting to and mitigating climate change risks as we strive to align our climate change approach with local and regional developments as well as the Group's sustainability journey.

Moving forward, we will progressively adopt and align our climate-related disclosures with the recommendations of the TCFD while also taking into account local developments and regulatory guidance.

## Risk Management



ESG considerations including climate-related risks are progressively integrated into our risk management processes.

Environmental risk has been expanded to sustainability risk and incorporated into the Group's Material Risk Assessment.

We have identified ESG risk-related activities and have enhanced our Group Credit Policy to include these activities under Prohibited Credits.

Our Industry-specific ESG Risk Assessment Tool has been expanded to cover five ESG Sensitive Sectors, taking into account criteria such as environmental practices and climate change mitigation measures. The five sectors covered to date are Palm Oil, Oil & Gas, Manufacturing of Iron, Steel & Other Metals, Power Producers and Manufacturing of Cement.

The Group will continue to increase awareness on sustainability and climate-related risks and opportunities across the Group's business and operations as well as portfolios. This will also take into account the changing regulatory landscape that is emerging with regards to sustainability and climate change.

 Please turn to page **11** for more on ESG Risk Management and page **50** in RHB's Integrated Report 2020 - Risks & Opportunities section.

## Metrics and Targets



### Business Opportunities

Under the Green Financing Commitment, we have **set a target of securing RM5 billion by 2025** to support green activities through lending, capital markets advisory and fundraising, together with investment. As at 31 December 2020, RM3.1 billion has been extended to support green activities, out of which 16.8% or RM521.6 million was for renewable energy projects.

 Please turn to page **16** for more information on our Green Financing Commitment.

### Own Operations Metrics

For the disclosure of Scope 1, Scope 2 and Scope 3 GHG emissions, we strive to expand our reporting scopes and boundaries and to establish baseline data and targets where applicable. Our methodology for calculation is based on the GHG Protocol: A Corporate Accounting and Reporting Standard.

In our second year of disclosure, RHB's operational GHG emissions reporting was expanded from only two main buildings to include all of RHB's main buildings and branches in West Malaysia. We have established our baseline data year as 2016 and will work towards the identification of suitable reduction targets for GHG emissions.

Other environmental-related metrics that we monitor and measure include our energy, water and paper consumption.

 Please turn to the following page for Operational GHG Emissions Disclosure.

Building capacity through the sharing of knowledge, expertise and best practices in assessing and managing climate-related risk.

Identifying issues, challenges and priorities facing the financial sector in managing the transition towards a low-carbon economy.

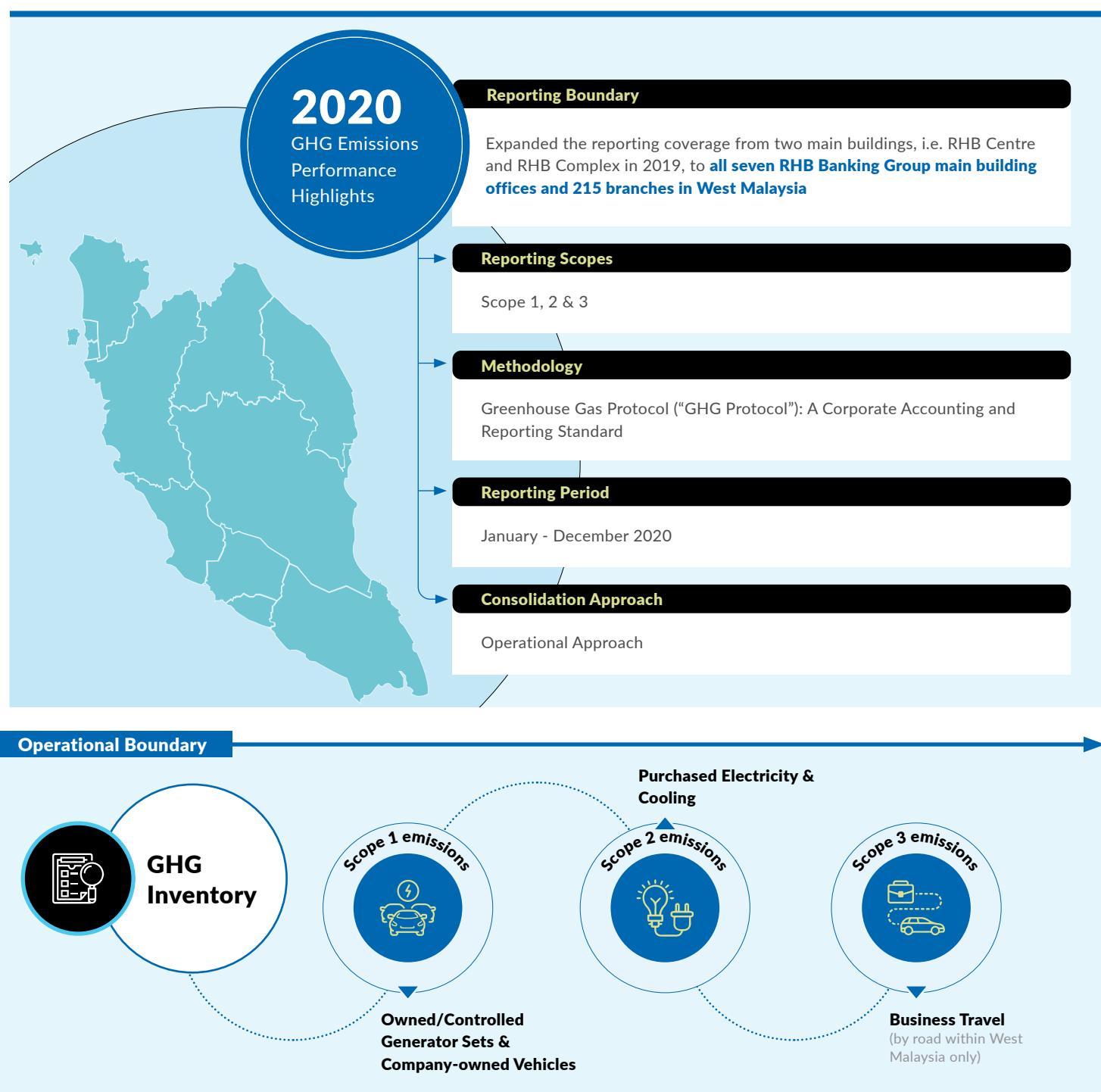
Facilitating collaboration among stakeholders in advancing coordinated solutions to address arising challenges and issues.

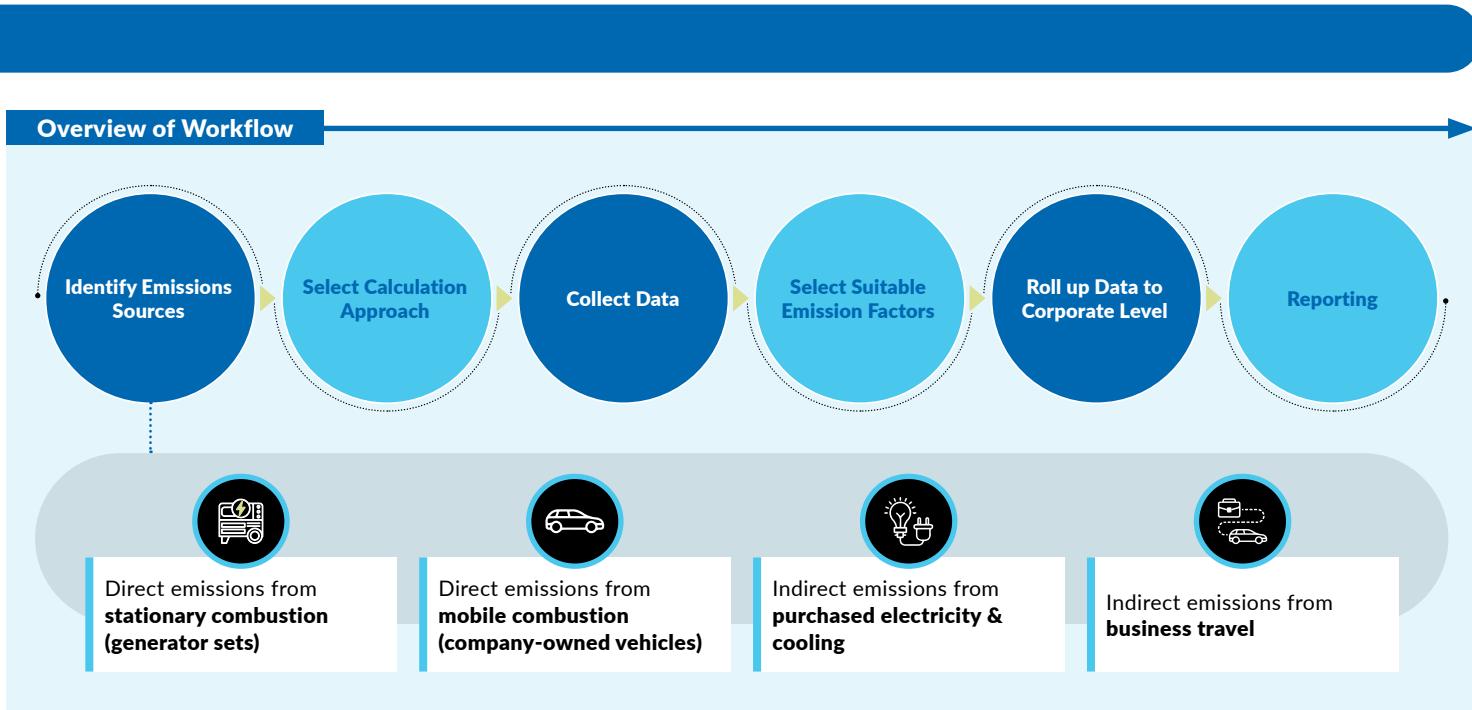
## OPERATIONAL GHG EMISSIONS DISCLOSURE



**TCFD-recommended disclosures:** Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

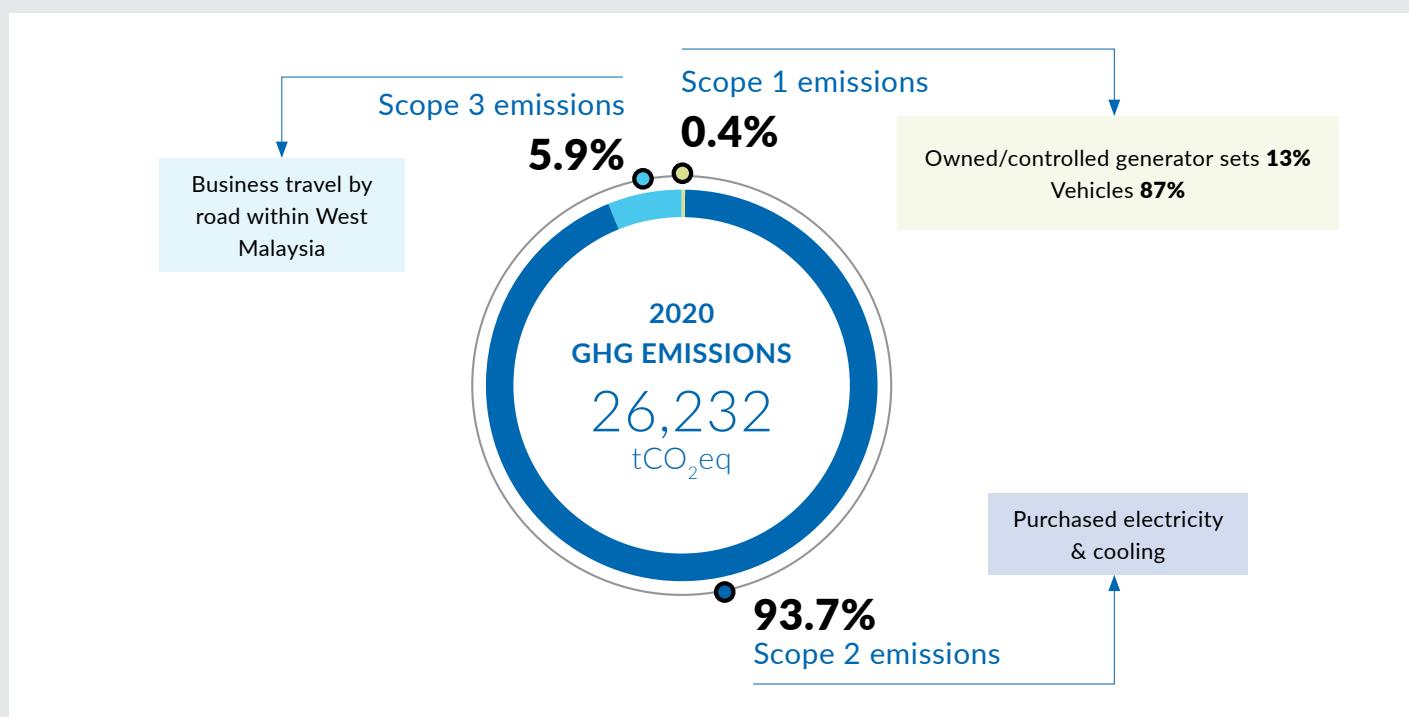
This marks RHB's second year of measuring and publishing its operational GHG emissions. In line with our commitment to improving our operational eco-efficiency and non-financial reporting practices, we expanded our GHG emissions inventory and reporting coverage in 2020 to all main buildings and branches in West Malaysia. In undertaking this work, a third-party firm with environmental consultancy experience was appointed to assist with quality control and quality assurance activities to improve relevance, completeness, consistency, transparency and accuracy in the inventory.





## RESULTS

In 2020, the Group's GHG emissions amounted to 26,232 tCO<sub>2</sub>eq, representing a 9.5% year-on-year decrease. Based on the expanded reporting scope, our total GHG emissions have been on a declining trend from the set baseline in 2016\*. When looking into the distribution of GHG emissions in 2020 by office types, 54% of the total emissions were from the main buildings and 46% from the branches.



\* The baseline (2016) GHG emissions, a reference point in the past with which current emissions can be compared to, has been recalculated accordingly in line with the expanded reporting boundary.

## OPERATIONAL GHG EMISSIONS DISCLOSURE

### GHG EMISSIONS TRENDS FOR THE YEARS 2016 – 2020

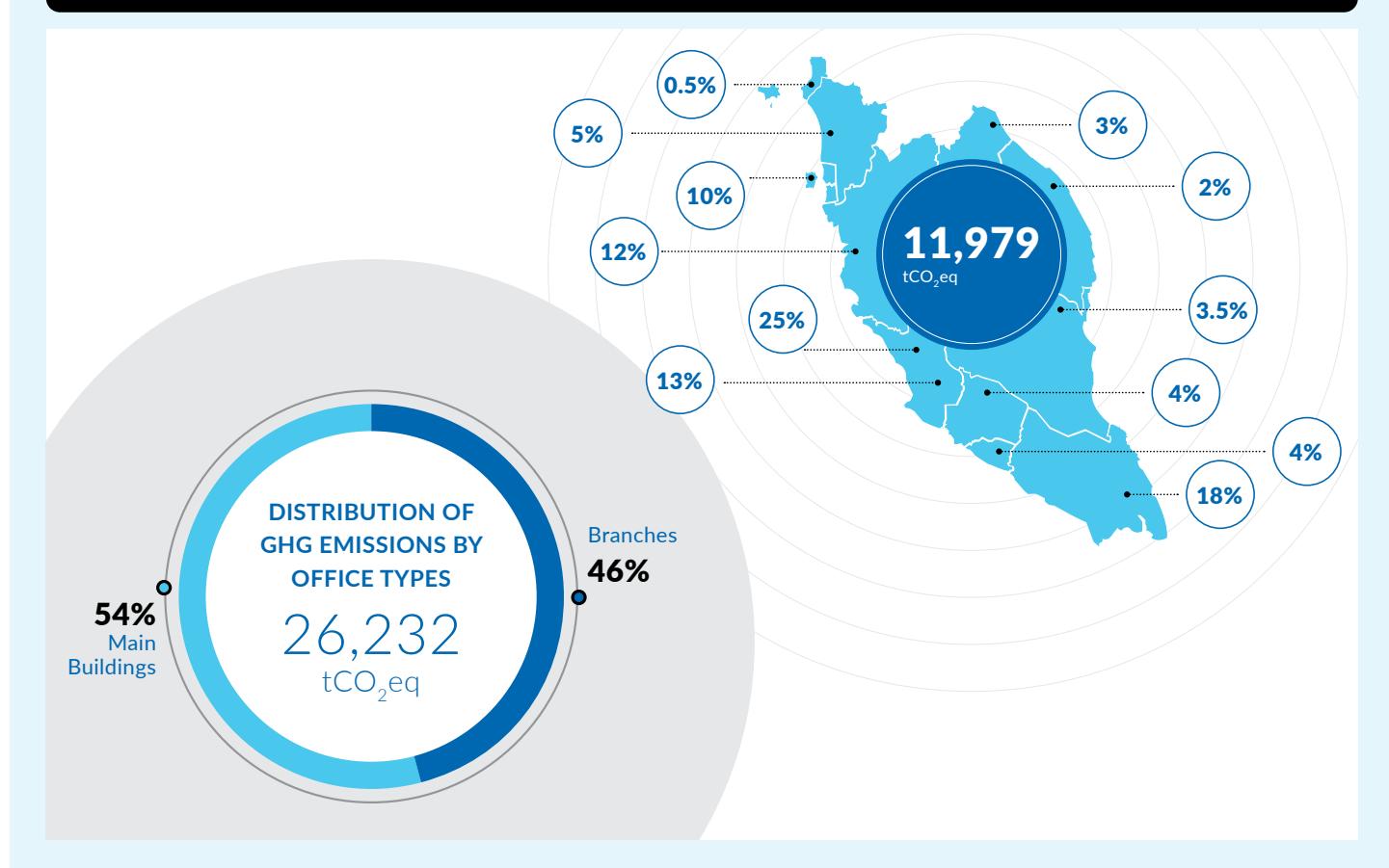
Emissions source	Emissions in Year (tCO <sub>2</sub> eq)				
	2016	2017	2018	2019	2020
<b>Scope 1 - Direct emissions</b>	<b>108</b>	<b>116</b>	<b>181</b>	<b>191</b>	<b>113</b>
Stationary combustion (generator sets)	108	27	29	30	18
Mobile combustion (company-owned vehicles)	0	90	153	161	95
<b>Scope 2 - Indirect emissions</b>	<b>36,603</b>	<b>30,639</b>	<b>28,652</b>	<b>26,447</b>	<b>24,567</b>
Purchased electricity	36,836	28,495	27,374	25,290	23,486
Purchased cooling	2,768	2,143	1,278	1,158	1,081
<b>Scope 3 - Other indirect emissions</b>	<b>2,173</b>	<b>2,418</b>	<b>2,329</b>	<b>2,351</b>	<b>1,551</b>
Business travel (car)	2,173	2,418	2,329	2,351	1,551
<b>TOTAL</b>	<b>41,884</b>	<b>33,173</b>	<b>31,162</b>	<b>28,990</b>	<b>26,232</b>

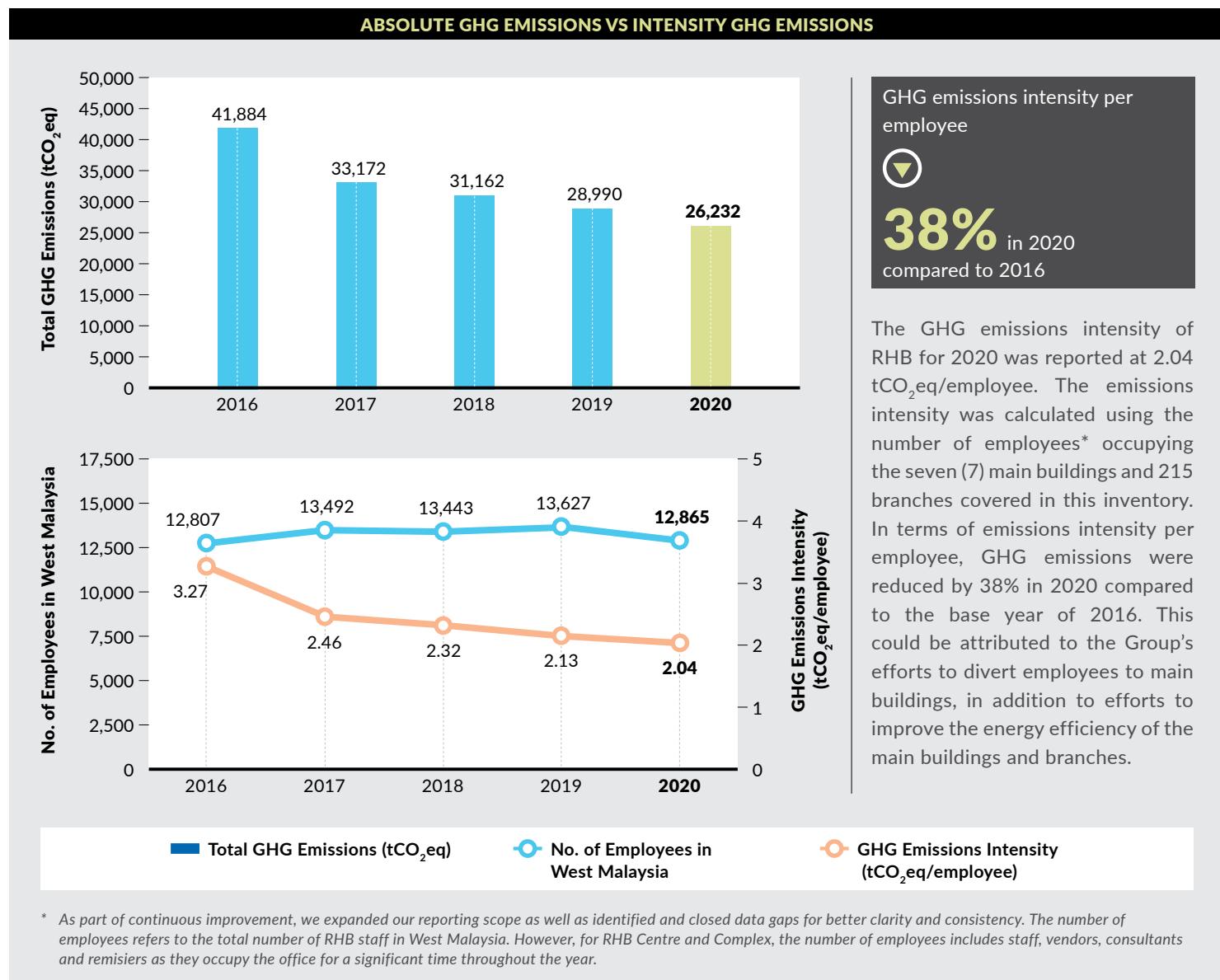
**Note:**

Due to rounding up, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

### GHG EMISSIONS BY MAIN BUILDINGS AND BRANCHES BY STATES IN 2020

#### 2020 GHG EMISSIONS BY BRANCHES BY STATES IN WEST MALAYSIA





## OPERATIONAL ECO-EFFICIENCY INITIATIVES

We continually seek new ways to improve our operational eco-efficiency. Our results showed a significant decrease in GHG emissions in the year 2020 as compared to the base year of 2016. Since 2016, RHB has rolled out various energy-saving initiatives. For instance, over the years, we have actively replaced conventional appliances with more energy-efficient equipment such as light-emitting diode ("LED") lighting in all RHB branches across Malaysia to ensure lower energy consumption and lower maintenance costs.

We optimised office space design to improve space utilisation and made many efforts to improve the energy efficiency of the main buildings and branches.

Notwithstanding this, the GHG emissions reduction in 2020 also indicated the effect of the COVID-19 pandemic, which restricted office operations and also employees' business travel. Most RHB employees worked from home during the critical period of the pandemic, which consequently reduced electricity usage in the offices in year 2020. Digital platforms for virtual meetings were encouraged and promoted to replace regular physical meetups and discussions.

# SUSTAINABLE PROCUREMENT

GRI 102-9, GRI 204-1

Key Capitals &lt;IR&gt;:

**F** **S**
**ALIGNMENT TO OUR PRIORITISED UN SDGs**
**SDG 12:**

Responsible Consumption and Production

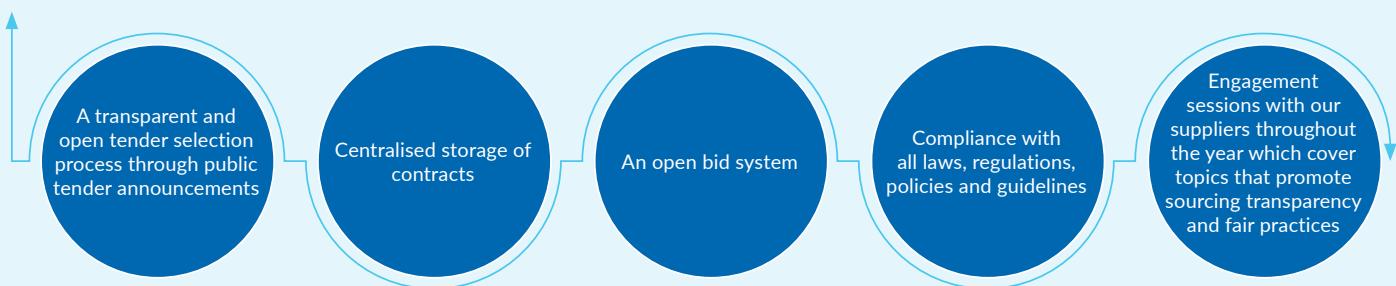
Sustainable procurement is an integral part of our sustainability journey as we rely on partnerships with our suppliers to provide the best banking and financial solutions to our customers. The Group has put in place robust procedures and protocols to ensure our procurement decisions encourage local business growth and productivity in a fair, transparent and responsible manner. Our systems are designed to safeguard the Group against the potential business, reputational and financial risks that may arise from engaging with vendors while also incorporating the best governance and integrity practices. As such, suppliers' performance is evaluated from time to time to ensure that they comply with all the necessary policies to uphold integrity and good governance.

**OUR RESPONSE TO COVID-19**

We understand that the pandemic has impacted local businesses and we strive to reduce the negative effects on SMEs. In 2020, the Group suspended its standard payment terms of 30 days and granted immediate payment to vendors categorised as SMEs upon completion of work to support their cash flow in view of the difficulties caused by the pandemic. The suspension of the standard payment terms was in effect for a period of four months, from March to July 2020.

**OUR COMPREHENSIVE PROCUREMENT SYSTEM**

The Group Tender Committee oversees the procurement process according to the Group Procurement Guidelines and ensures responsible sourcing, comprehensive evaluation of vendor performance and vendor compliance with various governance and integrity codes. In the context of responsible sourcing, the Group practises:



Throughout the year, Group Procurement has also worked on improving the procurement process via process simplification and turnaround time improvement. Multiple engagement sessions have been held with stakeholders to review current processes. As a result, with the collaboration of Group Technology, we have merged the IT Committee into a single Committee called the Group Information Technology Committee ("GITC"), which serves as a one-stop committee for spending, project concept, tender process and vendor award approval for all IT purchases above RM1 million.

One of the key components of responsible sourcing is upholding the principles of open and ethical trade by ensuring a rigorous supplier selection process through an objective performance evaluation of the vendor's:

- Quality of Products & Services
- Delivery Performance
- Service/Support Responsiveness
- Total Cost of Ownership (Pricing)

The evaluation includes requiring all tendering suppliers to declare any related party connections they may have with RHB. For new suppliers, the Group considers other requirements such as environmental awareness and compliance with legal and regulatory requirements. Following the selection process, the Group conducts thorough compliance checks on appointed suppliers which include AMLA and politically exposed person ("PEP") checks and a 100% compliance check on the company, shareholders and directors. All suppliers' performances are also reviewed periodically against the set criteria.

## UPHOLDING INTEGRITY AND ETHICS

To uphold good integrity practices, potential suppliers must acknowledge and sign the Procurement Code of Integrity and the No Gift Policy/Corruption prior to tendering. The code and policy provide guidelines to address any misconduct and also justifications for the disqualification of suppliers from the tender process.

This also commits both the Group and vendors to taking all measures necessary to prevent corruption in their dealings with each other, and to informing the Malaysian Anti-Corruption Commission in the event any party obtains knowledge of or has substantive suspicion of such misconduct by an employee, agent, representative or an associate of the other party. The Group also provides a grievance channel on its website for internal and external stakeholders to report cases of misconduct.

To further support efforts in this area, the Group recently rolled out additional initiatives to support the implementation of the Group's Anti-Bribery & Corruption policy across suppliers and agents. This includes the circulation of the Anti-Bribery & Corruption ("ABC") Declaration form to suppliers through the i-Procurement system where suppliers can download the ABC Declaration Form and upload the signed version.

## SUPPORTING LOCAL INDUSTRIES

The Group supports small, independent suppliers by adopting a decentralised model for sourcing suppliers that allows branches to locally source their own suppliers. Local suppliers are defined as local entities that have registered their business in Malaysia. In 2020, 93% of the Group's suppliers in Malaysia were local, garnering a total procurement spend of RM573 million. This is part of the Group's efforts to support and foster the growth of local networks, including independent, micro, small and medium-sized companies and trading companies. Supporting local industries will promote local businesses and strengthen our local communities, in line with the Group's brand promise of Together We Progress.

**93%**

Total percentage of local suppliers in Malaysia

**RM572.9 million**

Payment to local suppliers in Malaysia

	2018				2019				2020			
	# of Suppliers	%	Total Spend (RM'Mil)	%	# of Suppliers	%	Total Spend (RM'Mil)	%	# of Suppliers	%	Total Spend (RM'Mil)	%
<b>BREAKDOWN OF SUPPLIERS</b>												
Foreign	36	6%	41.9	10%	37	6%	51.6	10%	39	7%	49.4	8%
Local	541	94%	378.1	90%	542	94%	460.6	90%	500	93%	572.9	92%
<b>Total</b>	<b>577</b>	<b>100%</b>	<b>420.1</b>	<b>100%</b>	<b>579</b>	<b>100%</b>	<b>512.2</b>	<b>100%</b>	<b>539</b>	<b>100%</b>	<b>622.3</b>	<b>100%</b>
<b>BREAKDOWN OF LOCAL SUPPLIERS</b>												
Private Limited	495	90%	374.7	99%	490	90%	456.7	99%	461	92%	569.8	99%
Sole Proprietor	56	10%	3.4	1%	52	10%	3.9	1%	39	8%	3.1	1%
<b>Total</b>	<b>541</b>	<b>100%</b>	<b>379.1</b>	<b>100%</b>	<b>542</b>	<b>100%</b>	<b>460.6</b>	<b>100%</b>	<b>500</b>	<b>100%</b>	<b>572.9</b>	<b>100%</b>

**Note:**

The above is based on Malaysian operations with information extracted from the i-Procurement system.

## LOOKING AHEAD

Moving forward, Group Procurement is looking into adopting a more sustainable method for the onboarding of vendors. This will create a higher-quality pool of vendors that focus and target on 'Sustainability Procurement Activities' for the benefit of the organisation and community as a whole. We will also be incrementally integrating ESG matters into existing procurement guidelines and will further engage with our suppliers to promote good sustainable practices within their own businesses, in line with the guidelines.

## COMMUNITY ENRICHMENT

GRI 203-2, GRI 413-1

## Key Capitals &lt;IR&gt;:



RHB is committed to giving back to the communities within which we operate. Guided by our community engagement philosophy and pillars, we seek to enrich the surrounding communities with a focus on children and youth. Our initiatives are focused on positively impacting our beneficiaries and creating sustainable value for the long term.

ALIGNMENT TO OUR  
PRIORITISED UN SDGs
**SDG 4:**  
Quality Education

**SDG 8:**  
Decent Work and  
Economic Growth


Engaging with the communities enables us to better understand their needs, ultimately allowing us to create long-term positive social impact. Our contributions enrich and empower vulnerable groups and charitable organisations, and two of our programmes, RHB Touch Hearts and Touch Hearts 360, enable our employees to volunteer in corporate social responsibility activities.

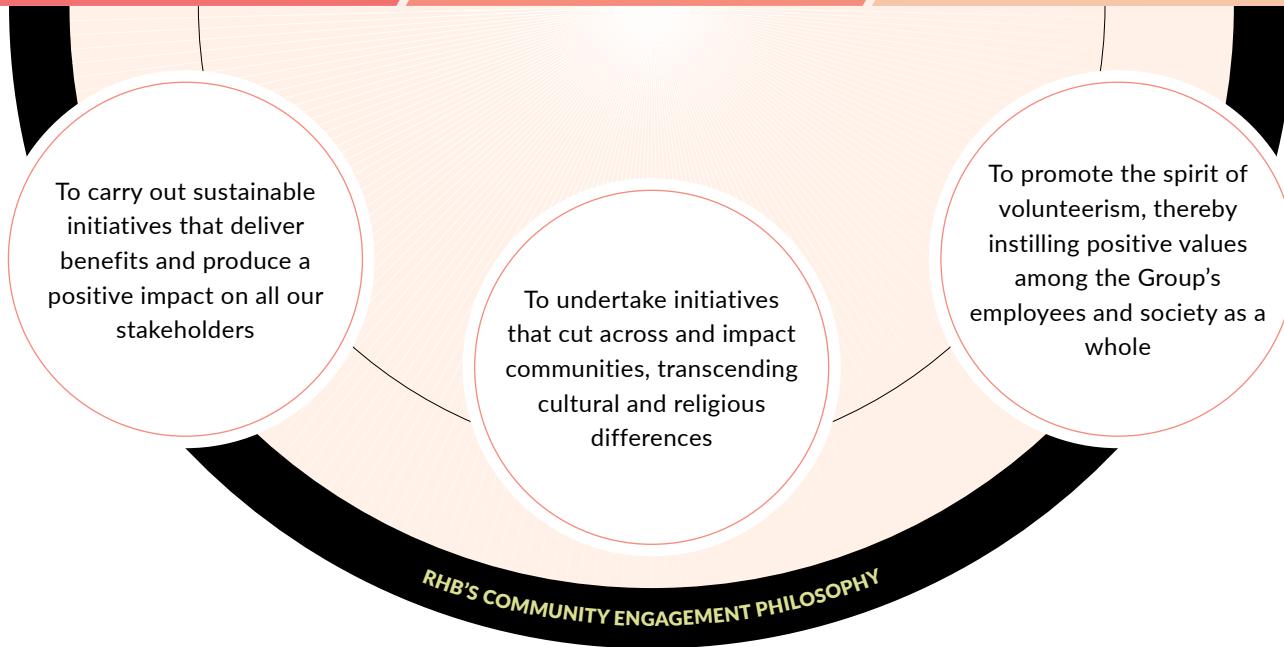
The year 2020 was a challenging period for every segment of the community due to the COVID-19 pandemic. Business operations were disrupted, livelihoods were affected and education took to the new norm of going online.

The imposition of restricted movement controls to help curb the spread of the virus affected the income of the less privileged which included charitable organisations that rely solely on public donations. To ease the burden of those impacted by the pandemic, we reached out to the underprivileged segments of the communities as well as the medical frontliners through cash contributions, provision of food and donations of household items.

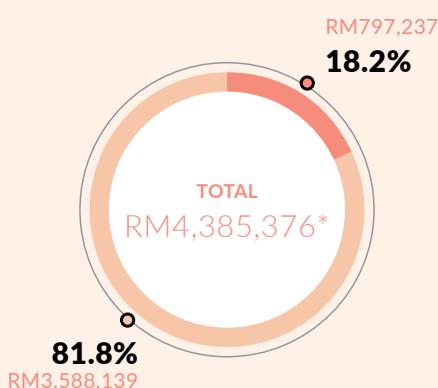
We remained committed to delivering educational excellence through the RHB X-Cel and RHB X-Cel Star Scholarship programmes in line with our mission to nurture future generations. Due to restrictions on public events and to ensure the health and safety of our employees, we postponed our yearly RHB Touch Hearts programme, Art with Heart exhibition and our cycling events, the RHB Langkawi Ride and RHB LEKAS Highway Ride to 2021 or until further notice. Amidst the challenges and uncertainties post-pandemic, we will strive to reach out to the communities to enable them to progress together with RHB as we seek to realise the Group's sustainability vision of 'Building a Sustainable Future'.

#### RHB'S COMMUNITY ENGAGEMENT PILLARS

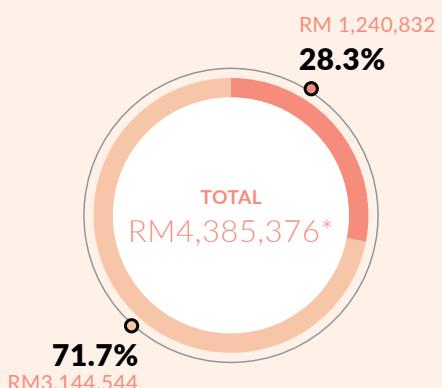
Our initiatives/programmes are anchored on three pillars – Nurturing Future Generations, Health & Wellness and Community Well-Being – as we strive to positively impact the communities in which we operate.



## RHB'S CONTRIBUTION TO THE COMMUNITY IN 2020 BY IMPACT AREA/PILLAR



## BY ENTITY SOURCE



\* Excludes Group Sponsorship and Donations worth RM188,276 in line with the Group's Corporate Sponsorship and Donation Policy (available on our corporate website).

\*\* Non-RHB Foundation consists of community spend under RHB Bank Berhad, regional offices and subsidiaries, as well as donations.



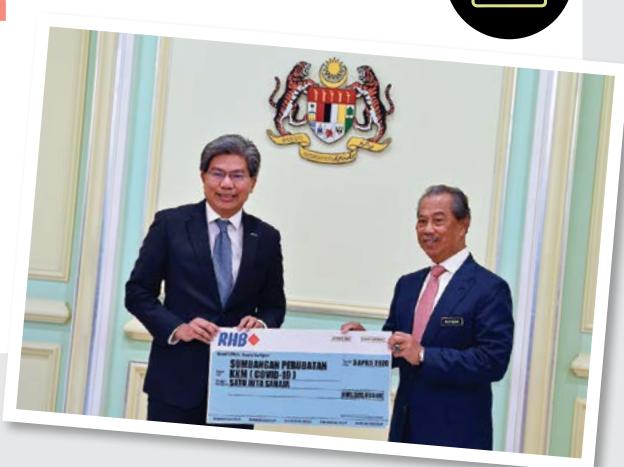
## RHB'S COVID-19 RELIEF FUND

In the spirit of togetherness, the Group pledged **RM3.5 million** to mitigate the effects of COVID-19, of which close to **RM3.0 million** was spent in 2020 and positively impacted frontliners and the communities in need.



### RM1 million

to the Ministry of Health for the purchase of **medical supplies, medical equipment and essentials** needed by hospitals and healthcare professionals and workers.



### RM1 million

to MERCY Malaysia through the Association of Banks in Malaysia ("ABM") for various humanitarian programmes under **MERCY's COVID-19 Strategic Preparedness and Response Plan**.

Provided  
**RM200,000**

worth of over **20,000 packed meals** and **dried food** to **8 public hospitals**. Benefited about **2,000 healthcare professionals** and **workers**.



**RHB Brunei** contributed

**BND1,168.76**

to frontliners in Hospital RIPAS, Hospital Tutong and Berakas Health Centre.

**RHB Insurance** donated about

**RM77,000**

to Persatuan Insurans Am Malaysia ("PIAM") for navigation of **COVID-19 impacts**.

**RHB Securities (Thailand) PCL** donated

**THB100,000**

to Ramathibodi Foundation, a foundation established by a government hospital, through the Association of Thai Securities Companies for the **procurement of medical equipment**.

**RM340,000**

for **439** families and **20** homes in Malaysia, Cambodia and Laos.



## EDUCATIONAL PROGRAMMES

"RHB empowers the younger generation through education to shape a knowledge society and create long-term sustainable value."

RHB's structured educational programmes, RHB X-Cel Academic Excellence and RHB X-Cel Star Scholarship, provide equal opportunities to students who are less privileged and those from the B40 community to enable them to further their education and lift their socio-economic status. The programmes, which started in 2018, are endorsed and approved by Malaysia's Ministry of Education.

RHB's educational programmes are aimed at developing students into holistic individuals through various educational and capacity-building programmes, in addition to academic excellence programmes. Under RHB X-Cel Academic Excellence, we focus on providing tuition classes on core subjects and help students prepare for the SPM. Supplementing this are other activities such as motivational sessions, workshops and seminars to boost their academic performance and motivate them to strive towards their goals. High-performing students will be shortlisted for an opportunity to be granted full/partial scholarships under RHB X-Cel Star. These scholars will also be offered career opportunities by RHB Banking Group.

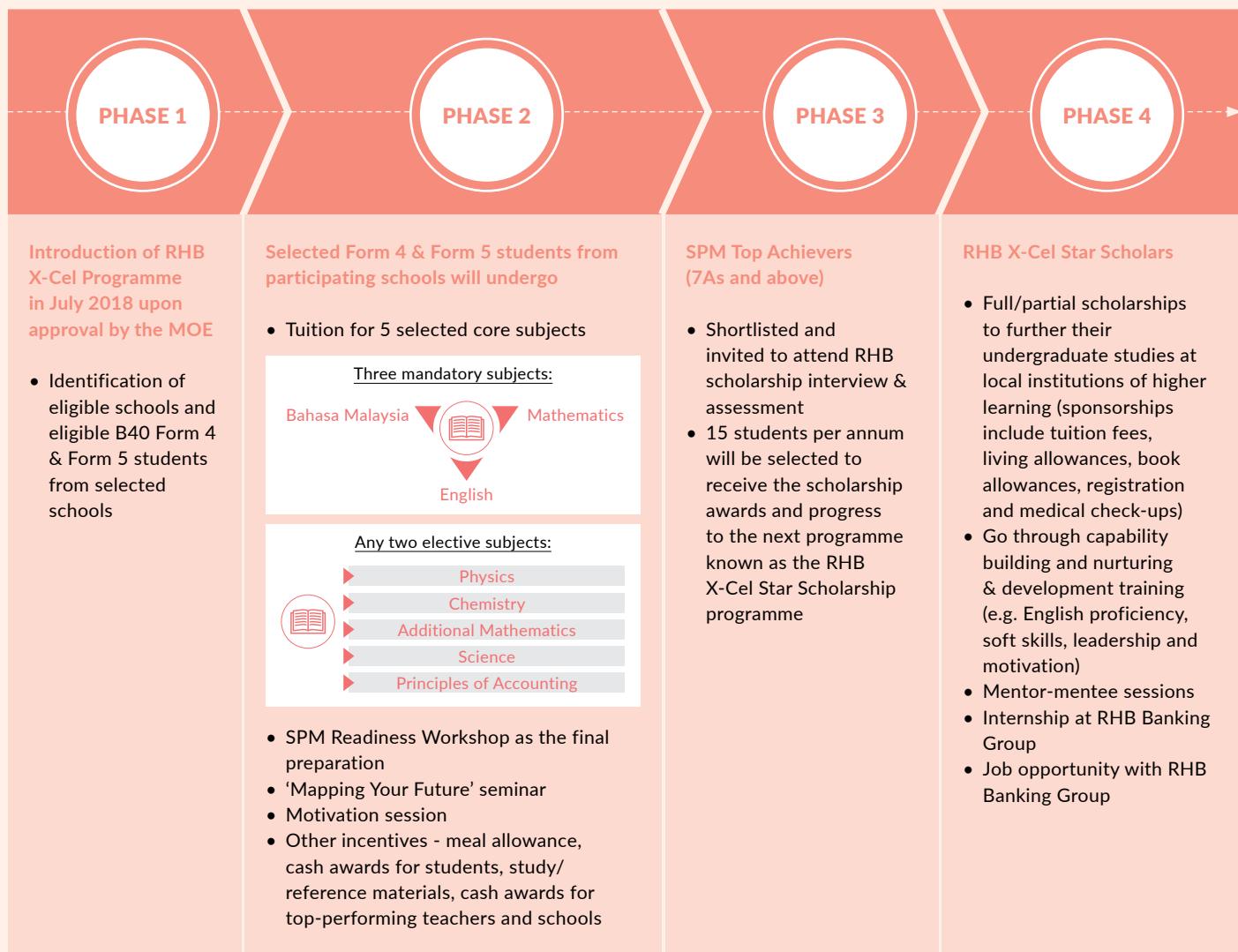
RHB is currently the only corporate body with an all-inclusive educational programme that supports B40 segment students from secondary to tertiary level. In 2020, we continued the programmes through both physical and online platforms as well as video conferencing due to the COVID-19 pandemic. Despite challenges such as poor or unstable internet connections, and affordability of data plans, we managed to navigate the obstacles and impact the lives of more than 1,000 students.

## EDUCATIONAL PROGRAMMES

### RHB X-CEL ACADEMIC EXCELLENCE PROGRAMME

The RHB X-Cel Academic Excellence Programme is an educational programme to develop Form 4 and Form 5 students from the B40 (underprivileged) segment who have the potential to excel in their studies and possess exemplary attitudes as well as leadership qualities.

### The Journey of RHB X-Cel Students



In 2020, the SPM Readiness Workshop, 'Mapping Your Future' seminar and motivation session were held online, while tuition classes were held in both physical and virtual classrooms by teachers from each individual school. A total of 11 online sessions of the Mapping Your Future seminar and six interactive live online motivational sessions were held.

To enable as many students as possible to attend the online sessions and benefit from the classes, RHB provided small data plan allowances and recorded sessions of Mapping Your Future as well as motivational talks for those from rural areas with poor internet connections. All allowances were channelled to the respective schools' accounts with RHB for redistribution to students.



## Achievements in 2020

### RM3.2 million

has been allocated to the RHB X-Cel Academic Excellence programme from 2018 to 2020. Going forward, at least RM1 million will be allocated for the programme to impact a minimum of 1,000 students each year. In 2020, the programme benefited:



#### 26 schools

(2018: 18 schools, 2019: 21 schools)



#### 10 states

(2018: 6 states, 2019: 8 states)



#### 957 students

(2018: 805 students, 2019: 826 students)

RHB X-Cel has benefited more than 1,700 students to date since its inception in 2018. We target to support 1,000 to 1,400 children from 30 to 35 schools nationwide in 2021.



#### Students' Evaluation of RHB X-Cel

### 95.5%

agreed/strongly agreed that the programme was very effective.



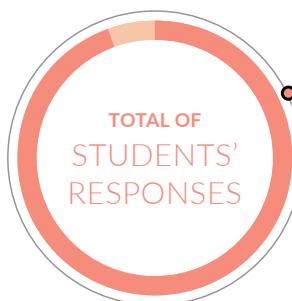
#### Teachers' Evaluation of RHB X-Cel

### 92.5%

of the teachers felt that the RHB X-Cel programme would definitely help their students perform better in the SPM exams and was a worthwhile programme for their students.

Note:

*SPM 2020 results were unavailable within the reporting period as the examination was postponed to February 2021 due to COVID-19.*



### 94.5%

of the students agreed or strongly agreed that the activities organised under the RHB X-Cel programme (tuition in five SPM core subjects and the SPM Readiness Workshop consisting of Mapping Your Future sessions, motivational talks and subject revision and exam tips classes) helped them to be better prepared for their exams.

**EDUCATIONAL PROGRAMMES****RHB X-CEL ACADEMIC EXCELLENCE PROGRAMME****What They Said About the RHB X-Cel Academic Excellence Programme****Nor Azura binti Mat Isa***Ex-Teacher at SMK Teluk Bayu, Kedah. Currently with the District Education Office in Kuala Muda Yan, Kedah*

“ I have been involved in the RHB X-Cel Academic Excellence Programme since it was launched in 2018. This programme has helped many Form 5 students from B40 families to get good SPM results. It gives them hope to continue to strive for excellence. The allowance provided helps students to buy food and reference materials during extra classes. ”

**Nor Azian binti Muhammad***Teacher at SMK Padang Tembak, Kuala Lumpur*

“ The RHB X-Cel Programme has given my students an opportunity to enhance their learning via classes and motivational and career talks that can eventually change their lives. I am grateful to RHB Foundation for not only helping the students in their academic pursuits but also for giving aid to the less fortunate. ”

**Safnah Shahbuddin***Teacher at SMK Majakir Papar, Sabah*

“ Thank you to RHB Foundation for its commitment to sponsoring Form 4 and Form 5 students from B40 families through its RHB X-Cel Academic Excellence Programme. The X-Cel Star Scholarship will realise the dreams and potential of high-performing students and make them leaders of the future. ”

**Siti Aida Nabila binti Mohd Anwer***Student at SMK Seri Perak, Parit Buntar, Perak*

“ During the COVID-19 challenges, RHB X-Cel played a significant role in motivating and helping me to stay focused while I was preparing for my SPM exam. Previous successful students of RHB X-Cel inspired me to strive toward my goals and ambitions. Thank you, RHB Foundation. ”

**Aina Syahirah bt Jamaludin***Student at SMK Panglima Bukit Gantang, Perak*

“ This programme enabled me to receive additional guidance from my teachers, which helped me to be more confident during exams. The programme motivated me to continue learning despite being forced to homeschooled during the MCO, and provided me with reference materials and exercise books which helped me to stay on track. I am very fortunate to have been able to participate in the programme and I hope I will succeed in the future. ”

**Ho Zhan Yi***Student at SMK Chung Ching, Raub, Pahang*

“ The RHB X-Cel programme has given me the golden opportunity to attend tuition classes for free to prepare for the SPM. I am grateful to have been a part of the programme, which included many online activities during the MCO that helped me improve in my exams. I wish to thank RHB for helping me achieve my goal. ”





## RHB X-CEL STAR

RHB X-Cel Star is a scholarship programme for the top performers of RHB X-Cel to advance their education in local institutions of higher learning. Students who scored a minimum of 7As in the SPM are shortlisted and invited to attend interview and assessment sessions.

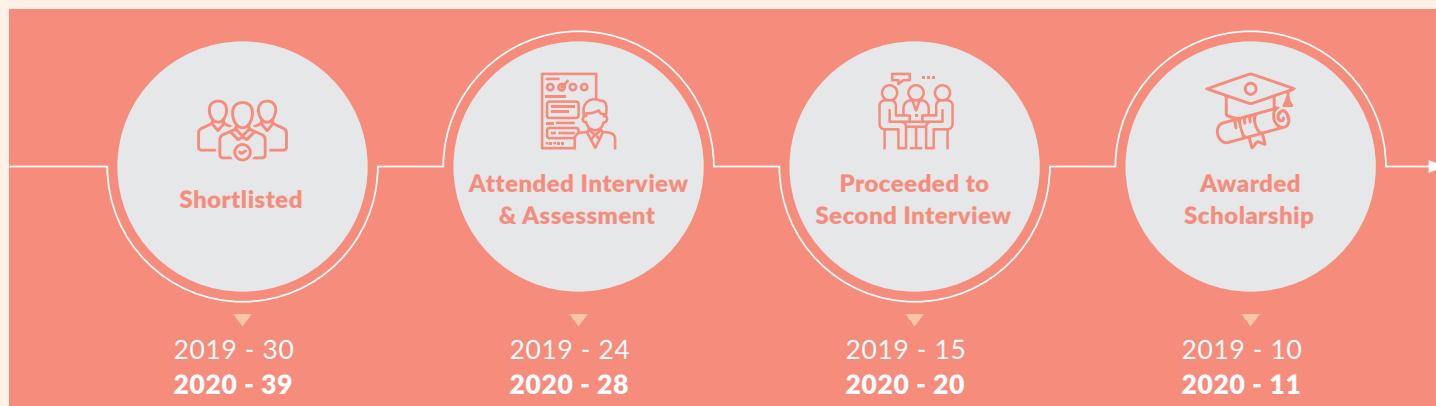
RHB has allocated a total of RM4.2 million to support 60 students from B40 families over five years (2019 – 2023) to ensure they complete their tertiary education. They will also be equipped with the necessary skills such as English proficiency, soft skills and communication and leadership skills. In addition, the scholars will be guided through a mentor-mentee programme to develop them into all-rounded individuals and future leaders. Currently, we have a total of 21 students sponsored under the

scholarship – 10 of them were awarded the scholarship in 2019 (Cohort 1) and another 11 (Cohort 2) in 2020.

Cohort 1 students are currently pursuing their undergraduate degrees in local public universities while Cohort 2 students are still completing their foundation courses in local public universities and matriculation colleges. An online awards ceremony was held on 1 December 2020 to celebrate and recognise the achievements of these students. The virtual event was attended by the students, parents, teachers, RHB Senior Management and members of the media.

We target to award the scholarship to another 15 to 19 students in 2021.

## The Journey of RHB X-Cel Star Students



## RHB X-Cel Star Scholarship Recipients

### COHORT 1



**Tai Ji Zhang**

**Foundation:**  
Foundation in Science, UTM  
- CGPA 3.93

**Undergraduate Pathway:**  
Bachelor of Chemical  
Engineering (Hons),  
University Technology  
Malaysia Johor Bahru

“ The RHB X-Cel Star Scholarship Programme assisted me in developing not only my academic skills but also my soft skills. From free tuition classes during secondary school to continuous support throughout my foundation and now undergraduate studies, I consider this programme as the bedrock of my future success. Thank you RHB. ”



**Roslyana Binti Ruslie**

**Foundation:**  
Foundation in Science, UMS  
- CGPA 3.53

**Undergraduate Pathway:**  
Bachelor of Chemical  
Engineering (Hons),  
University Malaysia Sabah

“ Receiving the RHB X-Cel Star Scholarship enabled me to spread my wings and pursue my passion fearlessly. It was a privilege to be handpicked for the scholarship and it motivated me to sharpen my abilities in my studies with renewed confidence while still enjoying my university life. ”



**Sharwen A/L Siwabalan**

**Foundation:**  
Foundation in Science,  
Matriculation College, Negeri  
Sembilan - CGPA 3.42

**Undergraduate Pathway:**  
Bachelor of Mechanical  
Engineering (Hons),  
University Kebangsaan  
Malaysia

“ I have been lucky enough to be a part of the RHB X-Cel Programme. This scholarship has not only eased the worries of my father but has also acted as a constant motivator for me to give my best at school and university. The capability training provided to us has also helped me a lot in my personal skills. ”

Note:

For the profiles of our Cohort 1 scholars, please refer to RHB Sustainability Report 2019 on page [87](#).

## EDUCATIONAL PROGRAMMES

### RHB X-CEL STAR

#### RHB X-CEL Star Scholarship Recipients

##### COHORT 2



**Toh Li Mei**  
SPM Result: 7As 3Bs  
**Course:**  
Foundation in Arts, Tunku Abdul Rahman University College ("TARUC")  
**Undergraduate Pathway:**  
Degree in Digital Marketing

" RHB X-Cel has prepared me academically and given me the right foundation and soft skills to complete my degree in creative marketing and digital marketing, towards ensuring a better future for my family. "



**M Ruban A/L Murugan**  
SPM Result: 9As  
**Course:**  
Foundation in Science, College Matriculation Kedah, Changlun  
**Undergraduate Pathway:**  
Degree in Computer Science/Physics



**Nur Syafiqah Binti Elias**  
SPM Result: 7As 3Bs  
**Course:**  
Foundation in Science, University Malaysia Sabah  
**Undergraduate Pathway:**  
Degree in Psychology/Computer Science

" In the past, I hardly had the time to study at home and we could not afford any extra tuition. The RHB X-Cel Academic Excellence Programme has helped me improve my grades tremendously. "



**Muhammad Wafiuuddin Bin Jemain**  
SPM Result: 8As 1B  
**Course:**  
Foundation in Science College Matriculation Perak, Gopeng  
**Undergraduate Pathway:**  
BSc (Hons) Actuarial Science/BEng (Hons) in Chemical Engineering



**Nur Adila Binti Mohd Adi**  
SPM Result: 8As 1B  
**Course:**  
Foundation in Engineering UiTM Dengkil  
**Undergraduate Pathway:**  
BSc (Hons) Mechanical Engineering



**Muhammad Talha Bin Sarudin**  
SPM Result: 10As  
**Course:**  
Foundation in Engineering UiTM Dengkil  
**Undergraduate Pathway:**  
BSc (Hons) in Computer Science/BSc (Hons) Mechanical Engineering



**Puteri Zubaidah Binti Sharudin**  
SPM Result: 9As  
**Course:**  
Foundation in Engineering UiTM Dengkil  
**Undergraduate Pathway:**  
BSc (Hons) in Computer Science



**Chelsea Rezyka Binti Md Sazali**  
SPM Result: 8As 2Bs 2Cs  
**Course:**  
Foundation in Science Kolej Matrikulasi Perlis  
**Undergraduate Pathway:**  
BSc (Hons) in Computer Science



**Fazlin Nasuha Binti Mohd Adnan**  
SPM Result: 8As 1B  
**Course:**  
Foundation in Islamic Studies University Malaya  
**Undergraduate Pathway:**  
BSc of Laws (Shariah)



**Mohamad Faiz Aiman Bin Abdul Hamid**  
SPM Result: 9As  
**Course:**  
Asasi PINTAR University Kebangsaan Malaysia  
**Undergraduate Pathway:**  
BSc (Hons) Actuarial Science



**Nor Izna Binti Mohd Isa**  
SPM Result: 11As  
**Course:**  
Foundation in Science UiTM Dengkil  
**Undergraduate Pathway:**  
BSc (Hons) in Computer Science

## COMMUNITY WELL-BEING INITIATIVES

### RHB TOUCH HEARTS

Every year, over 14,000 RHBians from Malaysia, Singapore, Indonesia, Thailand, Cambodia, Laos and Brunei take part in the Group-wide community enrichment programme, RHB Touch Hearts. The programme is aimed at promoting the spirit of volunteerism and allows RHB employees to reach out and give back to the communities where we operate.

RHB Touch Hearts, which involves months of planning, preparation and fundraising activities before culminating on a weekend, focuses on four areas: Environment, Education, Health & Wellness and Community Well-being. With the purpose of benefiting the underserved, underprivileged and low-income groups, as well as children and young adults, the programme has touched the hearts and enriched the lives of thousands of beneficiaries.

Since its inception in 2016, the programme has:

Implemented

**158 initiatives**

Benefited more than

**100,000 people**

Raised more than

**RM1.7 million**

We were unable to implement the programme in 2020 due to the pandemic. Going forward, we plan to roll out initiatives under the theme 'Building a Digitally Enabled Community' to help the community and local businesses rise against the post-pandemic background.

### #TouchHearts360

RHB's Touch Hearts 360 programme helps to intensify and catalyse our philanthropic activities aimed at benefiting the underserved and the underprivileged members of the community through employee volunteerism. The programme acts as a platform for RHBians to contribute cash or items and take part in community activities throughout the year regardless of celebrations or occasions. Touch Hearts 360 completes our aspiration of giving back to society holistically by improving the living conditions and socio-economic status of our targeted groups. Through Touch Hearts 360, we have impacted close to 39,000 underprivileged members of the community.

We have impacted close to

**39,000  
underprivileged  
members of the  
community**

In 2020, we touched the hearts of 20 families and gave out close to RM47,000 in cash contributions, apart from ang pows and hampers, during Chinese New Year. On Deepavali and Christmas, we donated to 40 deserving families and 10 homes. During the Raya celebration, we contributed humanitarian financial aid to B40 and poor families affected by the COVID-19 pandemic.



#### Cambodia

RHB Cambodia donated USD1,000 to SMILE Cambodia to provide free surgical care to 18 underprivileged children born with cleft lip, cleft palate and other facial deformities to give the children a sense of normalcy. SMILE Cambodia is an NGO that has benefited thousands of children through 82 missions in 15 provinces in Cambodia. The NGO hopes to help the children develop self-confidence and reach for their dreams.



#### Brunei

RHB Brunei reached out to its local communities and contributed BND2,000 for a 'korban' event and distributed meat to 60 families from the low-income segment in Brunei Muara district. The regional branch also assisted Masjid Suri Seri Begawan, Madang by supporting its local community activities covering free weekly Quran recitation classes for up to 200 children from one of the biggest National Housing Scheme areas.

**COMMUNITY WELL-BEING INITIATIVES****RHB Emergency/Disaster Relief**

RHB provides financial aid and other forms of relief such as volunteerism during natural disasters, disease outbreaks, extreme weather conditions and other calamities. In 2020, our overseas operations donated USD17,000 to flood victims, benefiting 1,800 people from 360 families. RHB Cambodia donated USD10,000 to Cambodia's National Disaster Management Committee while RHB Laos contributed USD7,000 to help flood victims in Savannakhet Province. More than 10,000 villagers lost their homes in the floods, which destroyed eight districts and 52 villages. The support from RHB Laos helped to provide the people with basic needs such as clean water, sanitation and education, among others.

Our overseas operations benefited

**1,800 people**  
from 360 families

**ART WITH HEART**

The journey to building a sustainable future takes more than just serving the marginalised and underprivileged. It also includes developing the arts and culture of society. In this spirit, RHB supports young local emerging artists through its Art with Heart programme which promotes the artists' creativity and artwork through exhibitions. The programme provides the participating young emerging artists with a platform to showcase their art pieces and engage with potential buyers and collectors while raising awareness on local artwork among the public.

The programme has sold 122 artworks valued at RM603,000 from 2016 to 2019, benefiting 66 local artists. In 2020, we were unable to hold an exhibition and instead featured the participating artists and their artworks on RHBF's Instagram account, whereby we successfully sold an additional nine pieces of artworks amounting to RM20,170 from this initiative. Overall, we have raised

RM623,763, out of which RM90,535.95 has been channelled to charity and the balance given back to the participating artists.

For 2021, we hope to introduce a new method of Art Exhibition amidst the pandemic in order to continue helping local talent and to promote inclusivity by providing an opportunity for special youth/children to also showcase their artworks.

**RHB CYCLING**

As part of RHB's Health and Wellness Ecosystem, RHB organises two major cycling events every year. The RHB Langkawi Ride offers amateur and professional cycling enthusiasts a scenic riding experience around the beautiful island of Langkawi while the RHB LEKAS Highway Ride enables cyclists to enjoy a night ride on the Lekas Highway in Selangor. Both events, which were expected to attract thousands of participants, were postponed to 2021.



**Andy**



**Alicia**



**Dayang Maszianah**

**Awards**

**1**

Best Community Programme by  
Pinnacle Global – **Silver**

**2**

Company of the Year Award for  
Nurturing Young Talents and  
Health & Wellness Initiatives by  
Sustainability & CSR Malaysia

**3**

Excellence in CSR Strategy by  
Humanresource.net - **Gold Award**

# FINANCIAL EDUCATION

GRI 203-2

Key Capitals &lt;IR&gt;:



## ALIGNMENT TO OUR PRIORITISED UN SDGs



**SDG 8:**  
Decent Work and Economic Growth

### PROMOTING FINANCIAL EDUCATION & AWARENESS

RHB truly believes education is vital for a sustainable future. As financial literacy is an enabler of financial well-being, we have invested in financial literacy for children, youth and customers to enable them to better manage their finances and have control of their financial destiny. According to the Malaysian National Strategy for Financial Literacy 2019 – 2023, lower-income households tend to have lower financial knowledge and one in three Malaysians rate themselves as having low financial knowledge. Our aim to create awareness about financial literacy among secondary students, teachers and the community at large is aligned with the national strategy.

### MONEY MA\$TER PROGRAMME - FINANCIAL LITERACY FOR STUDENTS



The Money Ma\$ter Programme ("MMP") is one of our core programmes to impart financial literacy to students aged 13 to 17 years old. Its objective is to instil the importance of saving from young among secondary students while equipping them with the proper knowledge and skills to manage their finances. Launched in 2018, the MMP is endorsed and approved by the Ministry of Education. The MMP is a 90-minute interactive session which covers key financial literacy topics that include tips on saving, opening of saving accounts, usage of debit cards and awareness of financial scams. It has benefited more than 22,000 students since 2018 and we aim to extend the programme to college/university students.

Although participation was lower than usual due to the closure of schools in 2020, we engaged with close to



**2,200** students

online through video conferencing and RHBF's Instagram account

## MONEY MA\$TER PROGRAMME – FINANCIAL LITERACY FOR STUDENTS



An effectiveness survey on the MMP was also conducted on 2,815 students from 19 schools across Selangor, Penang, Kedah, Perak and Johor about six to 12 months after they attended the programme in 2019. The survey showed that:

**87.21%**

found the MMP to be good or excellent

**88.53%**

started saving

**83.44%**

saved between **5%** and **20%** of their pocket money

“We will continue to enhance the MMP programme in 2021, utilising digital platforms such as online classrooms and social media to share educational messages. We will also be producing a short video series for the Money Ma\$ter Programme to increase our reach and engagement level. At the same time, we will work together with the RHB Investors’ Advisory team to conduct financial literacy programmes for university and college students.”

## Awards

1

Excellence in Provision of Literacy & Education by Pinnacle Global  
– Gold Award



## FINANCIAL LITERACY IN SINGAPORE



Despite the pandemic, RHB Singapore continued with its RHB Financial Literacy Programme to benefit children from ages 10 to 17 from the low-income segment. The classroom-style programme, which started in 2017, aims to empower underprivileged children and youths with a sustainable and holistic approach to good financial literacy foundation. Building on the success of the 2017, 2018 and 2019 editions, the RHB internal communications team grew the programme from an annual event to a biannual one in 2019 and further developed it by going digital with the onset of the pandemic in 2020, taking Phase 3 of the programme online.

The objective of the RHB Financial Literacy Programme is to empower children and youths by:

Improving their knowledge and understanding of the functions of money	Enabling them to apply basic financial skills in a variety of relevant contexts applicable to them as they mature into adulthood	Using and developing broader personal and social skills in relation to money	Developing their confidence to make financial decisions in a responsible manner
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**“In 2020, the programme was conducted online to enable the facilitators to engage with participants, follow up and deliver the continuation of Phase 3 of the programme. Due to the unique challenges brought about by the pandemic, the programme’s annual donation drive among RHB Singapore’s employees had to be put on hold.”**

As such, instead of receiving cash in their RHB bank accounts, the participants were presented with a ‘back-to-school’ care pack after the programme. To date, the programme has garnered SGD36,360 in donations, benefiting 171 children and youths. A total of 108 accounts have been opened and each participant has received SGD248.50 in their bank account.

In addition to the financial literacy programme, RHB Singapore has also been sharing information on financial education and knowledge through its Facebook account, with the hashtags #RHBFinancialFitness and #RHBJuniorFinLit. From financial planning to spending and saving tips, RHB Singapore regularly posts online to encourage a healthy financial management mindset.

## Accolades & Rankings

1

2

**Global Banking & Finance Awards 2020**

- Best CSR Bank Singapore 2020

**Loyalty & Engagement Awards 2020**

- Best Use of CSR (Silver)



# ENRICHING AND EMPOWERING COMMUNITIES

- Financial Education



## REIMAGINING FINANCIAL AWARENESS FOR CUSTOMERS

**RHB capitalised on the new normal of working from home in 2020 by reaching out to the large homebound population to promote financial literacy online.**

We rolled out podcasts and webinars to keep customers and investors informed on the latest trends and developments amidst the volatile financial market due to the pandemic. Our strategic online programmes positioned RHB as a credible leader in financial literacy and investments, which was supported by industry experts, to help Malaysians at large weather the difficult economic climate.

### **RHB Money Chat**

RHB Money Chat is a series of webinars which provides insights and tips for customers to better manage their finances. It also serves as a platform for experts to share their insights on smart investment strategies during the current challenging period. We developed a series of online videos, which was well-received because a large portion of the population was housebound, giving us a captive audience. As many were affected by the pandemic, most customers welcomed alternative sources of income and financial guidance, which led to the success of the webinars. The series has maintained a consistent following among customers, attracting approximately 7.5 million views as of 31 March 2021, and is on a positive trajectory. We intend to continue Money Chat as an ongoing webinar to cement our position as a leader in championing financial stability and well-being while fulfilling our duty as a responsible corporate citizen and homegrown financial institution in assisting Malaysians in these trying times, as we have done in the past.

### **RHB'S MONEY CHAT WEBINARS**

- 1. Fear of missing out? Swimming through market volatility**
- 2. Persediaan Pengurusan Kewangan Pasca Moratorium**
- 3. Investment is for everyone**
- 4. Unlocking cash for your business during crisis**
- 5. Explore insight on Budget 2021**



- 6. Navigating your business through COVID-19**



Scan the QR Code to view all of our videos.

### **RHB'S ONLINE FINANCIAL LITERACY IN 2020:**

#### **RHB Merge:**

**36** podcasts

for customers to make informed decisions on their next investments

#### **Webinars:**

**32** webinars

across all regions in Malaysia

#### **RHB Money Chat:**

**6** videos

to provide financial guidance to customers

# SUSTAINABILITY FRAMEWORK

**"2020 was a year of acceleration for RHB, as we strengthened our foothold on sustainability."**

Our approach to sustainability is guided by the Group's Sustainability Framework, which is anchored by our vision of Building a Sustainable Future. We believe that as a financial institution, and through our sustainability journey, we can create value for our stakeholders and progressively make an impact.

The Framework comprises three key pillars with identified focus areas and leveraged on our material matters. Through each pillar and its focus areas, we strive to further integrate sustainability or ESG considerations across the Group's business and operations as well as identify opportunities to support the country's transition to a low-carbon economy and mitigate related risks.

We recognise that there is a need to always respond to changing stakeholder concerns, consider wider market conditions and strive for continuous improvement. Each focus area is led by Sustainability Sponsors comprising members of the Group Senior Management and Sustainability Champions to steer progress, drive innovation and promote collaboration, with oversight from the Group Board of Directors, Group Managing Director and Group Management Committee.

Our efforts in embedding sustainable practices in our business and operations have made good progress.

Going forward, we aspire to strengthen our approach to sustainability, identify climate-related risks and opportunities and continue to embed it as part of our daily operations in order to create value for our stakeholders and protect the planet.

## Continuous Review and Improvement

As part of our approach to improve on sustainability reporting, RHB's Sustainability Management Team constantly monitors and assesses globally recognised ESG ratings and assessments such as the S&P Global ESG Rating, FTSE Russell's ESG Ratings and MSCI ESG Ratings. These ratings enable us to assess our performance from time to time, strategise areas of improvement and enhance disclosures against the leading industry practices in ESG. Throughout the year, the Group also considers and monitors other internationally recognised metrics and guidelines such as the WWF Sustainable Banking Assessment ("SUSBA"), Sustainalytics and recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD recommendations").

## SUSTAINABILITY PILLARS AND FOCUS AREAS

There are three key pillars in our Sustainability Framework – Sustainable and Responsible Banking, Embedding Good Practices and Enriching and Empowering Communities. Within each pillar, we have identified key focus areas that are important to our business and operations as well as to our stakeholders.



### ALIGNMENT & CONTRIBUTION

#### Key Capitals <IR>:



#### Value to Stakeholder(s):

- Shareholders & Investors
- Customers
- Business Partners
- Regulators & Policymakers

#### Primary SDGs:



### The parameters:

- Become a responsible financial services provider
- Identify opportunities and product & services that contribute to sustainable development
- Integrate ESG factors into our business activities, strategies and decision-making processes

### Focus Areas

#### Sustainable Financing

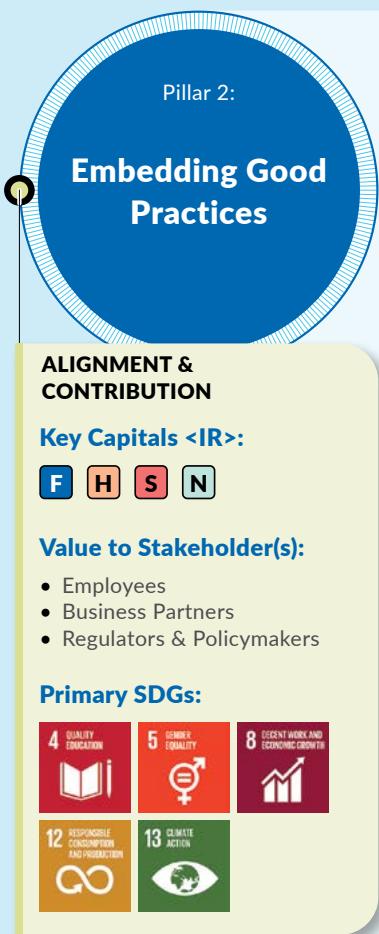
Integrating ESG considerations into RHB's core business activities (lending, capital markets advisory and fundraising, together with investment) and decision-making to manage ESG risks associated with products and services, as well as contributing positively towards sustainable development.

#### Customer Centric Banking

Focusing on customer centricity through better customer experience and the fair treatment of customers.

#### Digitalisation

Comprising a robust digital adoption and innovation plan, which will enhance our services and promote operational excellence, strengthen our presence, deepen relationships with customers and expand our reach to the underserved.

**The parameters:**

- Foster and integrate sustainable practices and responsible behaviour across the Group
- Nurture a sustainable culture through awareness-building, learning and on-ground initiatives

**Focus Areas****Ethics & Governance**

Developing new policies, guidelines or statements and enhancing existing ones that incorporate ESG values. Engagement with various stakeholders and improved disclosure on RHB's journey and efforts to integrate sustainability into our business and operations.

**People & Workplace**

Instilling responsible behaviour through improving awareness and capability building on sustainability matters and issues.

**Environmental Stewardship**

Establishing RHB's environmental footprint to improve monitoring and reporting while promoting resource management and green practices.

**Sustainable Procurement**

Promoting responsible and good sustainable procurement practices for suppliers and vendors.

**The parameters:**

- Enrich the lives of the underserved & underprivileged, focusing on children and youth
- Promote volunteerism
- Elevate levels of financial literacy and promote responsible financial behaviour

**Focus Areas****Community Enrichment**

Spearheaded by RHB Foundation and driven by its core policies – Nurturing Future Generations, Community Well-Being and Health & Well-Being.

**Financial Education**

Supporting the community through financial education programmes curated for RHB's retail and SME customers and the Money Ma\$ter Programme for children and youth.

# SUSTAINABILITY GOVERNANCE

RHB Group's Board of Directors ("the Board") has oversight on sustainability, including climate change, and ensures ESG components are integrated into the Group's business strategies. The Board oversees the progress of the Group's sustainability journey and execution, ensuring accountability and transparency of its ethical and social responsibility footprints.

 For more information on the roles and responsibilities of the Board including on sustainability and ESG integration, please refer to RHB Bank Berhad's Board Charter on our corporate website

The Board is supported by the Group Management Committee ("GMC"), which is chaired by the Group Managing Director ("GMD") and has delegated authority from the Board on decision-making and implementation of ESG considerations in the Group's business and operations. Among the GMC members, there are Sustainability Sponsors for the respective Focus Areas.

The Sustainability Management ("SM") Team, reports to the Group Chief Communications Officer, who is also the Head of Sustainability Management. The SM Team provides strategic support in the development and execution of the Group's Sustainability Framework and sustainability material matters together with Sustainability Champions and other SBGs/SFGs. The SM Team also monitors emerging sustainability trends and acts as the 'go to' team on sustainability matters, besides formulating, coordinating and communicating on sustainability initiatives to promote the Group's sustainability efforts and raise awareness of initiatives internally and externally.

RHB Banking Group further strengthened its sustainability governance in 2020 by establishing Sustainability Working Groups ("SWG") as a common platform to discuss, cross-collaborate, update and oversee the implementation of sustainability initiatives. The SWGs comprise Sustainability Champions, who are responsible for monitoring, managing and driving the implementation of sustainability initiatives, underlining the Group's commitment to ensuring sustainable practices for the Bank, its people, customers and the environment. The SWGs are chaired by the Group Chief Communications Officer/Head of Sustainability Management.

The SWGs are supported by Strategic Business Groups ("SBGs")/Strategic Functional Groups ("SFGs"), which are responsible for the sustainability initiatives. Besides ensuring that the initiatives are implemented on the ground, they also set and monitor performance metrics and targets, as well as review the efficiency of relevant policies related to their materiality and initiatives undertaken.

## RHB'S SUSTAINABILITY GOVERNANCE

### Board of Directors

- Ensures alignment and integration of sustainability/ESG components into the Group's strategy
- Oversight on the progress of the Group's sustainability journey and execution

### Group Management Committee led by Group Managing Director

- The GMC possesses delegated authority on decision-making and implementation from the Board
- The GMD chairs the GMC as it supplements the Board's efforts by providing direct initiatives to promote sustainability and incorporate ESG considerations into the Group
- Sustainability matters and updates are presented to the GMC at least quarterly

### Sustainability Management Team

- Provides strategic support in developing and executing RHB's sustainability vision, pillars and sustainability materiality matters
- Serves as the 'go to' team on sustainability matters as well as monitors emerging sustainability trends
- Formulates, coordinates and communicates on sustainability initiatives to publicise the Group's sustainability efforts and promote awareness of initiatives, both internally and externally

### Sustainability Working Groups ("SWG")

- Comprise identified Sustainability Champions from respective Focus Areas
- Responsible for providing input and implementing initiatives for respective Focus Areas and material matters
- Drive performance through target-setting and measurement of KPIs
- Engage with internal and external stakeholders as well as compile information for the Sustainability Report

### Strategic Business Groups ("SBGs")/Strategic Functional Groups ("SFGs")

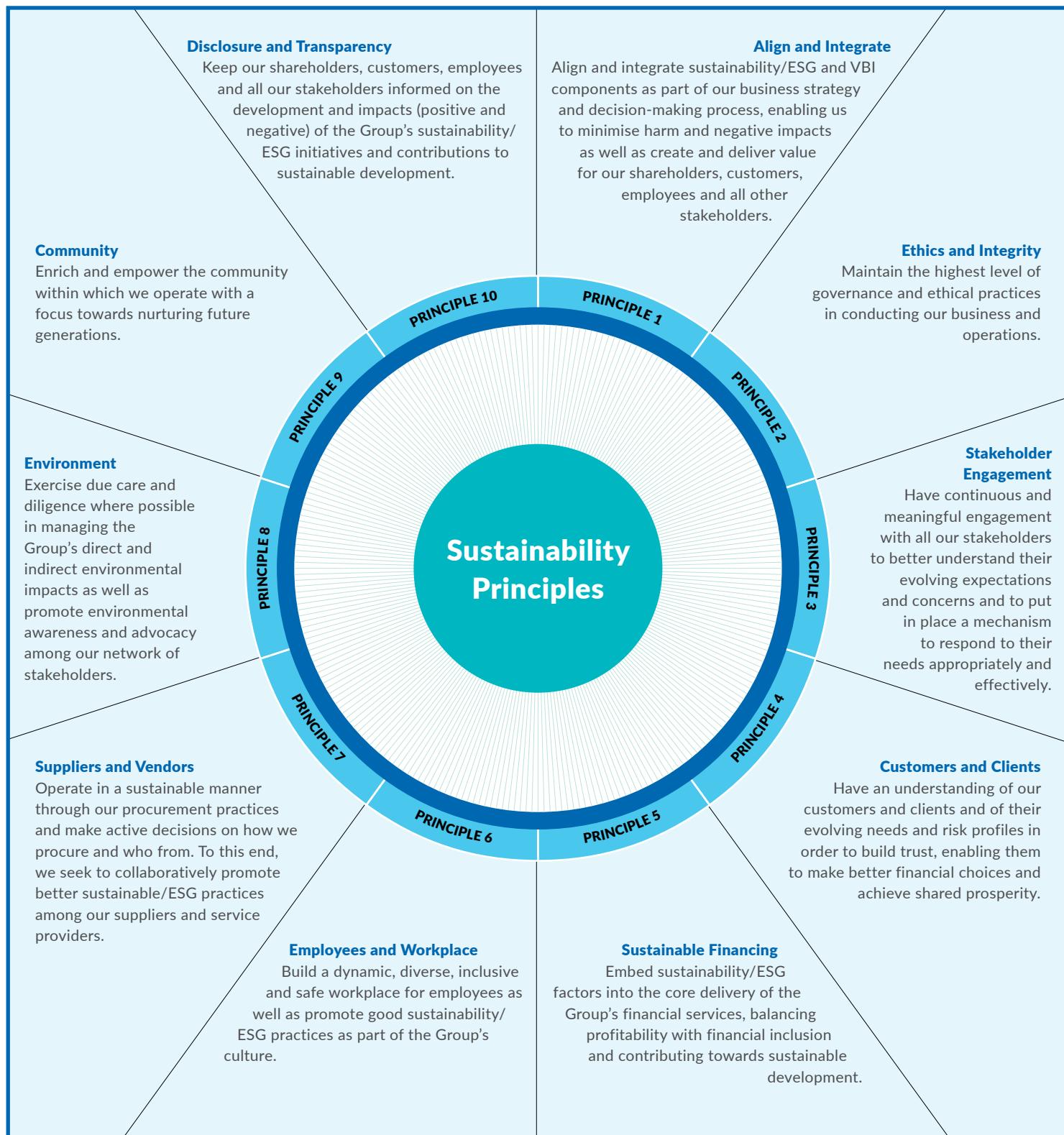
- Primary owners of sustainability initiatives and their implementation on the ground
- Determine and track performance metrics and targets, as well as review the effectiveness of relevant policies based on their materiality and initiatives undertaken



**TCFD-recommended disclosures:** Disclose the organisation's governance around climate-related risks and opportunities.



The Group's 10 Sustainability Principles outline the conduct and practices expected of RHB Banking Group, its employees and key stakeholders in embedding sustainability in its business and operations. These principles embody the spirit of the Group's commitment to sustainable practices, its efforts in integrating environmental, social and governance ("ESG") considerations into decision-making processes, its contribution to sustainable development and its Islamic banking business' journey towards being a Value-based Intermediation ("VBI") bank.



# ENGAGING WITH STAKEHOLDERS

RHB defines stakeholders\* as groups who affect and/or could be affected by the Group's activities, products or services and associated performance.

The Group takes an inclusive and systematic approach to engaging with our various stakeholders to better understand and respond to their needs and concerns. Engaging with stakeholders also influences our decision-making and direction, as well as materiality assessments.

\* The Group referred to Bursa Malaysia's Sustainability Reporting Guide (2<sup>nd</sup> edition) and AA1000 Stakeholder Engagement Standard 2015 to identify key stakeholders.

## STAKEHOLDER GROUP

### SHAREHOLDERS AND INVESTORS

We provide our shareholders and investors with relevant information in order to make informed investment decisions on RHB as well as share with them our financial performance and the Group's strategic direction.

#### Engagement Platform

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- Annual and Extraordinary General Meetings</li> <li>- Meetings and briefings with analysts and fund managers</li> <li>- Annual Reports/Integrated Reports</li> <li>- Sustainability Reports</li> <li>- Bursa Malaysia announcements</li> </ul> | <ul style="list-style-type: none"> <li>- Quarterly and annual financial results announcements</li> <li>- Online communications (email, corporate website, social media)</li> <li>- Meetings/discussions</li> <li>- Roadshows and conferences</li> </ul> |
|--|---|

#### Stakeholder Concern/Expectation

- Resilient revenue growth and cost management
- Asset quality and management of credit risk
- Approach to and progress in sustainability or ESG, which includes climate-related risks
- Ethical and responsible business practices
- Corporate governance
- Dividend payout
- Measures to mitigate effects of the pandemic
- Financial assistance available to customers and impact on the Group's profitability

#### RHB's Response To Concern/Expectation

- Ensuring timely and comprehensive disclosures
- Emphasising cost management as well as liquidity and capital management to support growth
- Putting in place strong corporate governance policies and ensuring adequate Board oversight
- Appointment of five Independent Non-Executive Directors and one Senior Independent Non-Executive Director to RHB Bank Berhad's Board
- Putting in place a robust Sustainability Framework with action plans to drive the Group's sustainability agenda and integrate ESG matters into the Group's core business and operations
- Ensuring business continuity, the health and safety of our employees and continuous support to our customers during these difficult times
- Ensuring the Group's readiness in responding to the impact of the economic slowdown such as by digitalisation of customer journeys, transforming credit risk management and readying the workforce for the future
- Providing support to customers through the moratorium and payment assistance programmes
- Remaining prudent and continuing to set aside pre-emptive provisions to cater for potential adverse impacts on asset quality





## STAKEHOLDER GROUP

### CUSTOMERS

A key winning formula that differentiates us from our competitors is our capability in building trust, delivering convenience and creating value for our customers. We interact with customers to better understand their requirements so that we can propose the right financial solutions for them.

#### Engagement Platform

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>- Online communications (email, corporate website, social media)</li> <li>- One-to-one meetings</li> <li>- Group meetings</li> <li>- Relationship Manager engagements</li> </ul> | <ul style="list-style-type: none"> <li>- Customer networking events</li> <li>- Surveys and feedback</li> <li>- Focus groups and service design engagement</li> <li>- Seminars and forums</li> <li>- Interaction programmes</li> </ul> | <ul style="list-style-type: none"> <li>- Complaint resolution discussions and Customer Advocacy</li> <li>- Service Clinics</li> <li>- Branches, sales &amp; service centres, call centres</li> </ul> |
|---|---|--|

#### Stakeholder Concern/Expectation

- Fair treatment and fair conduct of business dealings
- Personalised financial advice and solutions with quick and convenient banking options
- Cybersecurity and having a safe environment in which to conduct banking activities
- Accessibility to banking services during the pandemic
- Availability of payment assistance programmes to assist customers affected by COVID-19
- Safety at branches and sales centres

#### RHB's Response To Concern/Expectation

- Ensuring products and services are delivered in line with BNM's Fair Treatment of Financial Consumers ("FTFC") Policy
- Strengthening digital propositions to deliver enhanced customer experiences and enhancing financial accessibility
- Driving service excellence through the RHB Way Service Culture initiative that focuses on improving overall customer experience through its people, process, technology and products, as seen in higher RHB Banking Group NPS (achievement of +11 in 2020)
- Simplifying language and minimising legal jargon in communication materials and content
- Enhancing frameworks and policies relating to technology and cyber risk management as well as continuous strengthening of IT security controls, taking into consideration the new norm and the constantly evolving technology landscape
- Subscribing to Third-Party IT Security Risk Rating Services as part of enhancing third-party due diligence process
- Organising mandatory IT security awareness training for employees and expanding the training programme to include Board members and third parties
- Achieving ISO/IEC 27001 Information Security Management Systems recertification of our core e-Banking and transaction systems
- Providing automatic six-month moratorium, followed by further assistance through Payment Assistance and Targeted Payment Assistance programmes for individuals as well as SMEs that continue to be impacted by the pandemic
- Implementing strict SOPs to ensure safety of customers at branches, including limiting number of customers allowed into the premises at any one time
- Providing real-time digital queue system for branches via mobile app for customers to book their appointments ahead of time

### BUSINESS PARTNERS

In driving business performance and delivering superior products and services to our customers, we engage with our business partners in strategic alliances to capitalise on mutually beneficial business opportunities in the market.

#### Engagement Platform

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>- Company visits</li> <li>- Formal &amp; informal engagements</li> </ul> | <ul style="list-style-type: none"> <li>- Online communications (email, corporate website and social media)</li> <li>- Tender process and supplier feedback mechanism</li> </ul> | <ul style="list-style-type: none"> <li>- Solution Co-Design Workshops</li> <li>- Certification and immersion programme with industry leaders and experts</li> </ul> |
|---|---|---|

#### Stakeholder Concern/Expectation

- User-friendliness of e-Procurement System
- Fair evaluation of vendor proposals
- New policies and guidelines that may affect vendors' performance
- Privacy and confidentiality
- Promptness of payment

#### RHB's Response To Concern/Expectation

- Conducting engagement sessions covering topics on guidelines and procedures, sales and service tax, supplier performance, payment-related matters and contract renewal. These engagement sessions reiterate our commitment towards sourcing transparently and maintaining fair practices
- Conducting training on an annual basis, as part of the support infrastructure provided for RHB's network of suppliers
- Conducting visits to the office premises or sites of our Business Partners to gain a good understanding of our Business Partners' working environment and work culture, business continuity management and system infrastructure
- Proposals from vendors are submitted digitally to ensure confidentiality and transparency, without the involvement of project owners
- Proposals are evaluated fairly based on merit and against a set of clearly identified criteria
- Payments will be made according to the Terms of Agreement, on or before due dates via digital transfer

## EMPLOYEES

We are committed to being a preferred employer with a highly productive, agile and engaged workforce that delivers exceptional service to customers while ensuring our employees' health, safety and well-being. Employee engagement is a critical driver of business success in today's competitive marketplace.

### Engagement Platform

- Intranet (My1Portal and MyLink2HR) and email
- RHB's internal social media channel, Workplace by Facebook and recognition via ThanksBot
- Social, sports and recreational activities
- Engagement sessions during festive seasons
- Annual Employee Engagement Survey ("EES") and Internal Customer Effectiveness Survey
- Formal and confidential grievance channel
- Formal meetings - GMD Chat Sessions and Town Halls conducted across the region
- Senior Leadership Forum

### Stakeholder Concern/Expectation

- Employees' goals and objectives
- Rewards and recognition
- Sustainable engagement
- Work organisation
- Career development
- Learning and development
- Employees' safety and health
- Tools for employees to work remotely

### RHB's Response To Concern/Expectation

- Employee Wellness Programme
- Reskilling/upskilling employees through various development interventions such as RHB Managers Programme & Future Skills Programme
- Conducting an EES on an annual basis to gauge employees' level of satisfaction and obtain feedback on areas for improvement. In 2020, the EES score improved from 90 to 92
- Conducting roadshows to share our redefined five-year strategic direction at the branches and via live updates on FB Workplace for continuous engagement with employees
- Conducting salary benchmarking exercise for comparison against the market and retention programmes
- Conducting quarterly Senior Leadership Forums and Group-wide town halls to share with senior leaders the Group's strategic performance and achievements and to provide status updates on key initiatives via live updates
- Conducting a robust Employee Value Proposition programme to attract and retain talents
- Regularly communicating updates on COVID-19 pandemic-related matters to keep employees abreast of latest developments in ensuring safety and health
- Ensuring strict adherence to Standard Operating Procedures ("SOPs") within office and branch premises; allowing Work-From-Home ("WFH") arrangements; implementing split operations for key functions; allowing staff rotation at branches together with shorter operation hours

## REGULATORY AUTHORITIES & POLICYMAKERS

We actively engage with regulatory authorities on matters that impact our business and operations.

### Engagement Platform

- Regular updates and reporting to regulatory authorities
- Actively participating in and contributing to industry and regulatory working groups, briefings, forums, conferences and consultation papers
- Engaging with regulatory authorities to consult, update, share and seek directives on implementation of new products and services or initiatives, policies, decisions or regulatory frameworks

### Stakeholder Concern/Expectation

- Effective management of the Group's overall compliance with rules and regulations
- Balancing between preserving the stability of the banking system, the concerns of depositors and sustaining economic activity
- AML practices
- Integration of ESG matters, particularly climate change, into the Group's core business and operations
- Progress against Value-based Intermediation ("VBI")
- Good corporate governance
- Ethical and responsible business practices in line with FTFC policy
- Asset quality and management of credit risk
- Policies and regulations
- Clear, relevant and timely communication to customers

### RHB's Response To Concern/Expectation

- Strengthening Board and Management oversight
- Continuing to integrate ESG, including climate change considerations, into the Group's core business and operations
- Ensuring strong liquidity and capital levels to withstand potential shocks to the banking system, protect depositors and enable sustained economic activity
- Continuing to drive commitment to green financing
- Strengthening compliance capabilities
- Involvement in regulator-industry-led committees such as the Joint Committee on Climate Change ("JC3")
- Continuously improving and strengthening compliance functions, including implementing new measures and putting in place new systems and controls to enhance the Group's overall compliance risk governance
- Embedding FTFC principles and RHB Way's Tone of Voice in customer communications
- Ensuring simplified language in contracts and banking documents





## STAKEHOLDER GROUP

### COMMUNITIES

We actively engage with communities, including children and youth from the underprivileged and underserved segments.

*Note: This stakeholder group includes NGOs and the media.*

#### Engagement Platform

- Collaboration and partnerships with non-profit organisations, associations or government organisations through RHB's community engagement initiatives
- Interaction and discussion with related government bodies and non-governmental organisations ("NGOs")
- Online communications (email, corporate website and social media)
- On-ground community engagement activities
- Innovative digital platforms to promote financial accessibility

#### Stakeholder Concern/Expectation

- Promotion of financial literacy despite restrictions on movement
- Opportunities for equal access to education, especially for the B40 communities
- Access to financing, especially for those impacted by the pandemic
- Empowerment of the underserved and underprivileged
- Integration of ESG matters into the Group's core business and operations
- Contributions to mitigate impact of COVID-19

#### RHB's Response To Concern/Expectation

- The Money Ma\$ter Programme is a structured financial literacy programme to educate students on managing their finances
- Conducted online classes and educational sessions through social media for targeted B40 students to ensure they were not left behind during the pandemic
- Nurturing and empowering children and youth from underprivileged segments through our RHB X-Cel Academic Excellence and RHB X-Cel Star Scholarship programmes
- Introduced the Payment Assistance Programme in October 2020, which was then followed by the Targeted Payment Assistance Programme which will be in place until June 2021
- Facilitating the disbursement of relief funds for SMEs such as the Special Relief Facility announced by Bank Negara Malaysia ("BNM")
- Contributed funds through the Ministry of Health and Mercy Malaysia, and also via various parties, to assist frontliners and vulnerable communities in Malaysia, Cambodia and Laos
- Reaffirmed our approach to sustainability and integration of ESG considerations through public disclosure (public documents, reports)
- Identifying opportunities that will contribute to sustainable development and the transition to a low-carbon economy
- Promoting access to financing through digitalisation

### FINANCIAL INDUSTRY PEERS

With our financial industry peers, we pursue industry-wide improvements through discussions and consensus on financial industry matters.

#### Engagement Platform

Industry organisation meetings/sessions with:

- Association of Banks in Malaysia
- Association of Islamic Banking and Financial Institutions of Malaysia
- Malaysian Investment Banking Association
- Persatuan Insurans Am Malaysia

#### Stakeholder Concern/Expectation

- Impacts of regulatory changes and climate change reporting initiatives by BNM
- Integration of ESG matters into the Group's core business and operations
- Customer experience
- Fraud risk
- Compliance matters
- Financial impact of the pandemic
- Financial impact of interest rate cuts

#### RHB's Response To Concern/Expectation

- Involvement in regulator-industry-led committees such as Joint Committee on Climate Change ("JC3") and working groups such as Value-Based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") Sectoral Guide Working Group
- Continuously discussing with our peers the impacts of new policies and guidelines, as well as how to combat risks associated with fraud and money laundering
- Encouraging a positive compliance culture within the Group through compliance awareness programmes and initiatives
- Supporting BNM's six-month automatic moratorium and the Payment Assistance Programme which was introduced in October 2020. RHB will continue providing support via the Targeted Payment Assistance Programme which will be in place until June 2021
- Facilitating the disbursement of relief funds for SMEs such as the Special Relief Facility announced by BNM

# ASSESSING OUR MATERIAL MATTERS

**"Material matters are fundamental to our sustainability agenda as they represent the ESG impacts of our business activities and enable us to be forward-looking. Prioritising material matters that are most important to our business and stakeholders enables us to mitigate risks and identify opportunities while meeting stakeholders' needs, ultimately generating tangible and intangible value in the long-term."**

Identifying and assessing our material matters helps us align our sustainability agenda and reporting with key issues or areas that can significantly affect our business growth and stakeholders as we seek to bolster our sustainability journey.

Our Group-wide comprehensive materiality assessment is conducted every three years to ensure our material matters remain relevant. Our last comprehensive assessment was in 2018 and we aim to perform the next one in 2021. Similar to 2019, in 2020 we conducted an annual review to ensure the matters identified were relevant, embodied the impacts that we created and reflected current and emerging risks and opportunities, in line with stakeholder concerns.

As part of our annual review throughout the year, the following steps were taken:



In 2020, we leveraged various sources to influence the outcomes of our assessment. Apart from an internal review based on material matters identified in 2018 and 2019, we also considered other internal and external sources. These included stakeholder issues or concerns raised through identified platforms and alignment with internal business directions including FIT22 strategic objectives and the Group Sustainability Framework. We also conducted a desktop assessment against financial peers and considered reviews based on globally-recognised ESG ratings and assessments.

One of the main issues that influenced our review was the COVID-19 pandemic, which crippled the economy and disrupted business operations across all industries. The overall impact of the pandemic inherently boosted our contributions in the social and governance aspects such as employee safety and health, digitalisation, cybersecurity and customer privacy, which were significant in ensuring business continuity amidst containment measures for the pandemic. We also increased our economic and social contributions through sustainable financing initiatives, strategic partnerships and community programmes that helped mitigate the pandemic's negative impacts amidst the uncertainties.



For more information on Engaging with Stakeholders, please refer to page [101](#) of this Report.

Based on the above, we rearticulated and further enhanced our existing material matters as follows:

Employee Health & Safety was renamed to **Employee Health, Safety & Wellness** to emphasise the well-being aspect and align with internal wellness programmes

Nurturing Future Generations was renamed to **Community Enrichment** to better reflect all community work being done across the Group and not just to the Nurturing Future Generations pillar under CR/RHBF

Indirect Economic Impact was removed as this was embedded and addressed across all material matters



The review led to our adoption of a group of 18 material matters that are up-to-date, relevant and aligned with our Sustainability Pillars. We have defined and identified the significance of each material matter to the Group and our stakeholders, as well as our response to the matters. We have also mapped the material matters and their boundaries against the GRI Standards.

<b>Material Matter</b>	<b>Subject of Impact &amp; Involvement</b>		
	<b>GRI Standards Topic/ GRI G4 Financial Sector Disclosure (FS)</b>	<b>Boundary</b>	<b>RHB Involvement</b>
<b>Sustainable Financing</b>	FS: Product Portfolio FS: Local Communities	External	Direct
<b>Financial Inclusion &amp; Education</b>	Indirect Economic Impact FS: Local Communities FS: Product Responsibility	External	Direct
<b>Customer Relationship Management<sup>#</sup></b>	-	External	Direct
<b>Data Protection &amp; Cybersecurity</b>	Customer Privacy	Internal and External	Direct
<b>Fair Treatment of Financial Consumers</b>	Market Labelling FS: Product & Service Labelling	External	Direct
<b>Digitalisation and Investment in Technology<sup>#</sup></b>	-	Internal and External	Direct and Indirect
<b>Good Business Governance</b>	Anti-Corruption	Internal	Direct
<b>Risk Management<sup>#</sup></b>	-	Internal	Direct
<b>Dynamic Regulatory Landscape<sup>#</sup></b>	-	Internal	Direct
<b>Sustainable Procurement</b>	Procurement Practices	Internal and External	Direct and Indirect
<b>Talent Management</b>	Employment	Internal	Direct
<b>Employee Training &amp; Education</b>	Training & Education	Internal	Direct
<b>Employee Health, Safety &amp; Wellness</b> (previously Employee Health & Safety)	Occupational Health & Safety	Internal	Direct
<b>Diversity &amp; Equal Opportunity</b>	Employment Diversity & Equal Opportunity	Internal	Direct
<b>Environmental Stewardship</b>	Energy Water	Internal and External	Direct
<b>Climate Change</b>	Emissions	Internal and External	Direct
<b>Community Enrichment</b> (previously Nurturing Future Generations)	Indirect Economic Impacts Local Communities	Internal and External	Direct
<b>Financial Performance</b>	Economic Performance	Internal and External	Direct

**Notes:**  
 # No GRI topic-specific disclosure, but Management approach and/or non-GRI disclosure available - refer to GRI Content Index

# OUR MATERIAL MATTERS

"The Group's material matters discussed below describe why they are important to us, as well as where to find our responses to mitigate or manage their effects."

## Sustainable Financing

### WHAT IT MEANS TO RHB

Integration of ESG considerations into the Group's core business activities and decision-making processes. This includes identifying opportunities that will contribute to sustainable development and the transition to a low-carbon economy.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Business Partners
- Regulators & Policymakers
- Financial Industry Peers

### RHB'S RESPONSE TO THE MATTER

- Engaging with Stakeholders
- Risks & Opportunities
- Sustainable Financing

## Financial Inclusion & Education

### WHAT IT MEANS TO RHB

We strive to provide financial access and inclusion through various products and services, including promoting financial literacy to customers and the community, particularly to the youth and the underserved.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Business Partners
- Regulators & Policymakers
- Financial Industry Peers
- Communities

### RHB'S RESPONSE TO THE MATTER

- Our Value Creating Business Model
- Sustainable Financing
- Financial Education

## Customer Relationship Management

### WHAT IT MEANS TO RHB

We are committed to delivering service excellence to our customers in line with our Customer Service Charter and strive to gain the trust and confidence of our customers, ultimately helping them to achieve their goals. We offer innovative financial solutions and unique customer experiences by focusing on digital innovations, allowing us to provide simple, fast and seamless experiences.

### RELEVANT STAKEHOLDER GROUPS

- Customers
- Business Partners
- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

- Engaging with Stakeholders
- Customer Centric Banking

## Data Protection & Cybersecurity

### WHAT IT MEANS TO RHB

We have put in place a robust digital infrastructure, stringent controls and governance measures to protect customers' data privacy while continuously enhancing our cybersecurity capabilities to ensure a safe and secure environment for customers to conduct their banking transactions.

### RELEVANT STAKEHOLDER GROUPS

- Customers
- Business Partners
- Employees
- Regulators & Policymakers
- Financial Industry Peers

### RHB'S RESPONSE TO THE MATTER

- Engaging with Stakeholders
- Ethics & Governance

## Fair Treatment of Financial Consumers

### WHAT IT MEANS TO RHB

We are committed to treating our customers fairly in the conduct of our business, as well as providing them with accurate, adequate and easily understood information on the products and services they receive.

### RELEVANT STAKEHOLDER GROUPS

- Customers
- Business Partners
- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

- Engaging with Stakeholders
- Customer Centric Banking

## Digitalisation and Investment in Technology

### WHAT IT MEANS TO RHB

Our digital transformation journey aims to deliver convenience and create value for our customers. We identify opportunities and mitigate risks by investing in technology and channel improvements and delivering innovative products and services, while encouraging digital consumption among customers.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Business Partners
- Employees

### RHB'S RESPONSE TO THE MATTER

- Group Managing Director's Statement
- Our Value Creating Business Model
- Digitalisation



## Good Business Governance

### WHAT IT MEANS TO RHB

Upholding good business conduct that encompasses ethical business practices, regulatory compliance and active management of anti-bribery and corruption, fraud risk and anti-competition through strengthened policies and governance will gain the trust of shareholders and stakeholders, leading to long-term value creation and sustainable business growth.

### RELEVANT STAKEHOLDER GROUPS

- Business Partners
- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

- Corporate Governance Overview Statement
- Ethics & Governance

## Risk Management

### WHAT IT MEANS TO RHB

Effective risk management is fundamental in driving sustainable growth and key to the proactive risk management of our operating environment, including business continuity management. The Group Risk Management Framework sets out the strategic direction for the management of risks within the Group.

### RELEVANT STAKEHOLDER GROUPS

- Business Partners
- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

- Risks & Opportunities
- Statement on Risk Management and Internal Control
- Sustainable Financing

## Dynamic Regulatory Landscape

### WHAT IT MEANS TO RHB

It is essential for us to be able to respond swiftly and effectively to new developments in the market and the changing regulatory landscape. As a financial services provider, we consistently look at ways to strengthen our resilience in the face of increasing competition and to better combat new threats.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Business Partners
- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

- Group Managing Director's Statement
- Regional Market Landscape

## Sustainable Procurement

### WHAT IT MEANS TO RHB

We strive to ensure that our procurement practices are responsible, ethical, fair and transparent, reflecting the Group's commitment to promoting sustainable practices across its supply chain. As a large purchaser of goods and services, we can have a significant impact through the selection of sustainable and local suppliers.

### RELEVANT STAKEHOLDER GROUPS

- Business Partners

### RHB'S RESPONSE TO THE MATTER

- Engaging with Stakeholders
- Sustainable Procurement

## Talent Management

### WHAT IT MEANS TO RHB

We continue to foster talent development while embedding sustainability practices in the management of our human capital. To ensure long-term growth for our business, we manage our diverse workforce by prioritising talent management and employee engagement.

### RELEVANT STAKEHOLDER GROUPS

- Employees

### RHB'S RESPONSE TO THE MATTER

- Group Managing Director's Statement
- People & Workplace

## Employee Training & Education

### WHAT IT MEANS TO RHB

Our goal is to build a workforce that is future-proof, giving it the ability to stay relevant and agile while delivering the Group's FIT22 strategic priorities. We do so by equipping our employees with the right sets of development skills and tools to expand their professional growth and maximise their potential.

### RELEVANT STAKEHOLDER GROUPS

- Employees

### RHB'S RESPONSE TO THE MATTER

- Group Managing Director's Statement
- People & Workplace

## C Employee Health, Safety and Wellness (previously Employee Health and Safety)

### WHAT IT MEANS TO RHB

Ensuring the health and well-being of our employees is important in order to increase productivity and efficiency and to promote agility.

### RELEVANT STAKEHOLDER GROUPS

- Employees
- Regulators & Policymakers

### RHB'S RESPONSE TO THE MATTER

-  Engaging with Stakeholders
-  People & Workplace

## C Diversity & Equal Opportunity

### WHAT IT MEANS TO RHB

Our ability to connect with customers and deliver excellent performance is fuelled by a diverse and inclusive workplace and culture. We are committed to equal opportunity and inclusivity across gender, age, ethnicity, disability and nationality.

### RELEVANT STAKEHOLDER GROUPS

- Employees

### RHB'S RESPONSE TO THE MATTER

-  Our Value Creating Business Model
-  People & Workplace

## C Environmental Stewardship

### WHAT IT MEANS TO RHB

We strongly advocate the responsible use of natural resources such as energy, water and paper and the minimisation of waste produced through sustainable practices. We have a role to play in encouraging eco-efficiency practices in our business and operations to minimise our own environmental impact.

### RELEVANT STAKEHOLDER GROUPS

- Employees
- Regulators & Policymakers
- Communities

### RHB'S RESPONSE TO THE MATTER

-  Our Value Creating Business Model
-  Environmental Stewardship

## C Climate Change

### WHAT IT MEANS TO RHB

The Group acknowledges the position and role it has in supporting the transition to a low-carbon economy in line with national and global commitments. We approach this through managing our own operational footprint, supporting customers and clients in the transition to a low-carbon economy and seizing opportunities for climate adaptation and mitigation.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Regulators & Policymakers
- Communities
- Financial Industry Peers

### RHB'S RESPONSE TO THE MATTER

-  Engaging with Stakeholders
-  Environmental Stewardship

## C Community Enrichment (previously Nurturing Future Generations)

### WHAT IT MEANS TO RHB

The Group is committed to enriching and empowering local communities in which we operate, particularly the underprivileged and youth. This is driven by our community engagement initiatives and through RHB Foundation.

### RELEVANT STAKEHOLDER GROUPS

- Business Partners
- Employees
- Communities

### RHB'S RESPONSE TO THE MATTER

-  Our Value Creating Business Model
-  Community Enrichment

## C Financial Performance

### WHAT IT MEANS TO RHB

We deliver robust financial performance and maintain a strong balance sheet through a comprehensive business model and time-tested strategies which generate long-term value for our stakeholders.

### RELEVANT STAKEHOLDER GROUPS

- Shareholders & Investors
- Customers
- Business Partners
- Employees

### RHB'S RESPONSE TO THE MATTER

-  Our Investment Case
-  Group Managing Director's Statement
-  Group Chief Financial Officer's Review



### **CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

The United Nations (“UN”) Sustainable Development Goals (“SDGs”) are a set of 17 global goals established by the UN General Assembly in 2015 to make the world a better place by 2030. These goals, which were agreed on by the member states, were developed with targets and indicators to serve as a universal call to action in the four important areas of sustainable development: People, Planet, Prosperity and Partnership.

The call for the need to accelerate the global goals has never been greater than in 2020. The COVID-19 pandemic clearly reflected the deep consequences of inequality, where poorer communities struggled with their health systems to overcome the crisis. Globally, businesses strove to contribute to the frontliners and communities in need, while governments pushed for policies to narrow the gap of inequality.

RHB Banking Group identified and prioritised six SDGs that are based on our most impactful activities to reflect the Group’s position, beliefs and aspirations.



Although other SDGs are not within our key focus areas, we remain committed to driving change among our stakeholders and generating significant impacts by leveraging our unique and influential position as a financial institution. Our SDG targets are reviewed from time to time to better align our Sustainability Framework, its focus areas and initiatives with the global goals as we seek to improve our reporting and performance on the SDGs.

We continued to contribute actively to our six prioritised SDGs through our business, operations and sustainability initiatives:

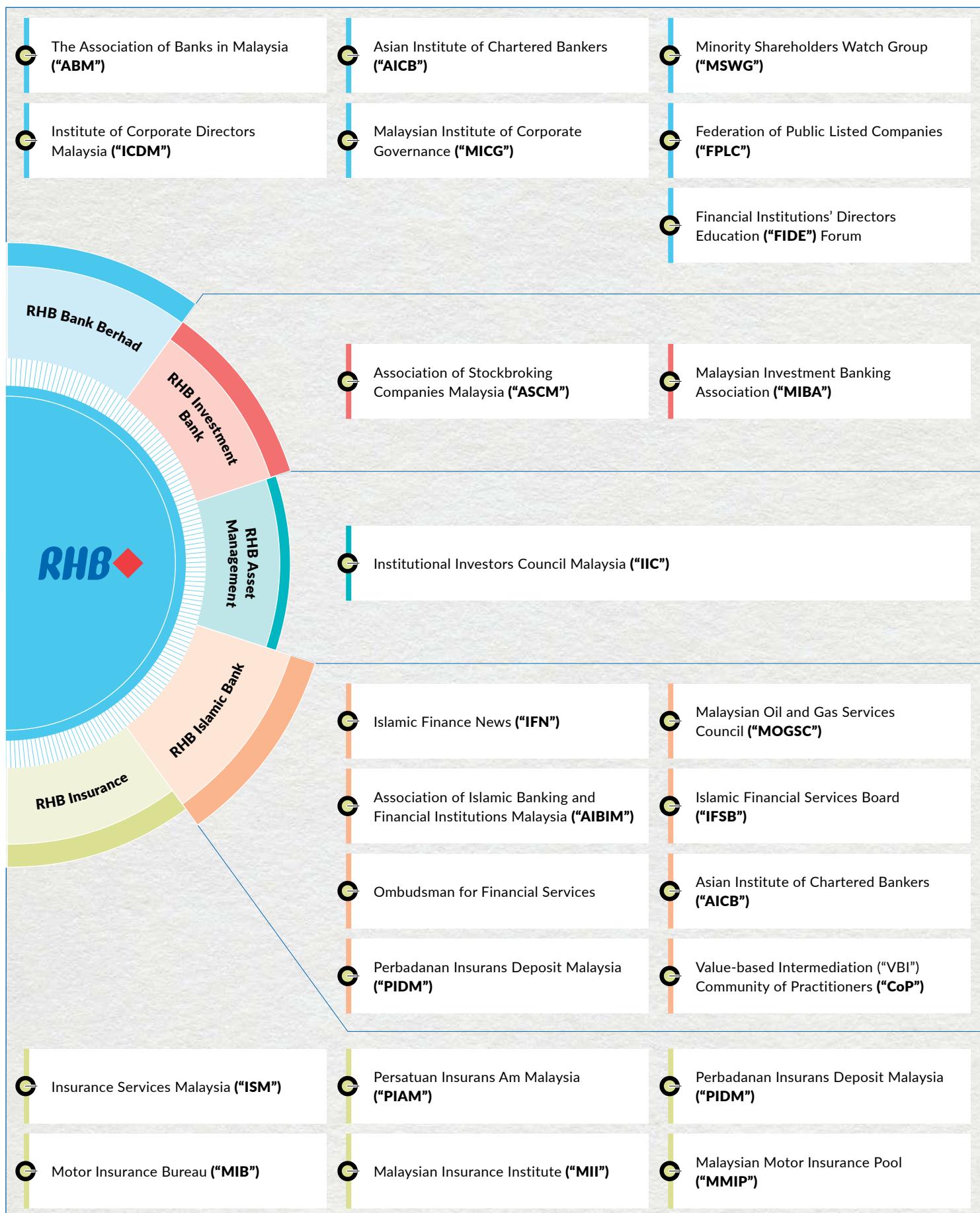
SDG	Global SDG Target	Aligned Focus Area	Initiatives Identified	Achievements in 2020
<b>4 Quality Education</b> 	4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education	<ul style="list-style-type: none"> <li>• <b>People and Workplace</b></li> </ul>	<ul style="list-style-type: none"> <li>• Training and development programmes for RHBIans</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved 447,925 total training hours, averaging at 36 training hours per year per employee</li> <li>• Female employees clocked 264,713 training hours while male employees clocked 183,212 training hours</li> </ul>
	4.4 Increase the number of youth and adults with relevant skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> <li>• <b>Community Enrichment</b></li> </ul>	<ul style="list-style-type: none"> <li>• RHB X-Cel Academic Excellence and RHB X-Cel Star programmes - to assist targeted secondary school students from the underprivileged/B40 segment</li> </ul>	<ul style="list-style-type: none"> <li>• RHB X-Cel has benefited more than 1,700 students to date since its inception in 2018</li> <li>• Awarded 11 RHB X-Cel students with RHB X-Cel Star scholarships, bringing the total number of scholars to 21 (10 students were awarded in 2019)</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>Digitalisation</b></li> <li>• <b>People and Workplace</b></li> </ul>	<ul style="list-style-type: none"> <li>• Agile@Scale</li> <li>• RHB Digital Academy and Digital Bootcamps</li> <li>• Upgraded ‘FORWARD’ to RHB Future Skills Programme</li> <li>• Structured leadership and management programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Digital and Agile@Scale-related training - average training hours for 12,530 Malaysian Operations Staff was 3.91 hours</li> <li>• 12,165 employees took part in the FORWARD and My Future Skills Programme in 2020</li> <li>• More than 700 key talents selected for the Leadership Signature Programme (2018-2020)</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>Community Enrichment</b></li> </ul>	<ul style="list-style-type: none"> <li>• Art with Heart Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Overall, we have sold a 131 artworks and raised RM623,763, out of which RM90,535.95 has been channeled to charity and the balance given back to the participating artists</li> </ul>

SDG	Global SDG Target	Aligned Focus Area	Initiatives Identified	Achievements in 2020
 <b>Gender Equality*</b>	5.1 End all forms of discrimination against all women and girls	• People and Workplace	<ul style="list-style-type: none"> <li>Diversity, equality and inclusion - to uphold an ethical work culture that does not discriminate against ethnicities, cultures, religions, generations and genders</li> <li>Employee Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Maintained a stable gender-balanced total workforce with 59% female workers</li> <li>We prioritise the employment of Malaysians irrespective of race, gender, age or disability</li> <li>Enhanced One RHB under our RHB Culture Components to include fairness as part of diversity and inclusion</li> <li>Offered flexible work options, parental leave and other benefits that reflect RHB's support for employees' well-being and work-life balance</li> </ul>
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• People and Workplace	<ul style="list-style-type: none"> <li>Diversity, equality and inclusion - women's representation in leadership positions</li> </ul>	<ul style="list-style-type: none"> <li>Target of 30% female representation in Top and Senior Management by 2022</li> <li>Female representation at Top and Senior Management: 25.3% <ul style="list-style-type: none"> <li>- Top: 15.8%</li> <li>- Senior Management: 28.5%</li> </ul> </li> <li>Female representation at Management: 52.2%</li> </ul>
 <b>Decent Work &amp; Economic Growth</b>	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	• Digitalisation	<ul style="list-style-type: none"> <li>Agile@Scale initiative</li> <li>Digital transformation journey and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Over 4,000 employees working the Agile way</li> <li>Investments in Digital Academy training in 2020: RM1,597,244</li> <li>25% increase, arriving at a total of 75.5% in digital adoption by our customers in FY2020</li> <li>RHB has allocated RM200 million to implement and enhance its digital capabilities over five years from 2017-2022, of which 60% has been utilised to date</li> </ul>
	8.3 Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-SMEs	• Sustainable Financing • Financial Education	<ul style="list-style-type: none"> <li>Build on connected SME ecosystem</li> <li>Collaboration with SJPP &amp; CGC to help fund SMEs</li> <li>Response to COVID-19 for SMEs</li> <li>RHB Money Chat &amp; Webinars</li> </ul>	<ul style="list-style-type: none"> <li>Disbursed RM16,568 million (SME - retail) and RM5,661 million (SME - middle market)</li> <li>Under SME ecosystem <ul style="list-style-type: none"> <li>- RM5.4 billion financing disbursed</li> <li>- 208,000 SME customers</li> </ul> </li> <li>Digitalisation of onboarding process via SME Web Portal and RHB Financing (SME) Mobile App; initiatives and integration with new technology partners to drive acquisition</li> <li>36 podcasts, 32 webinars and 6 videos to promote financial knowledge and attract new customers</li> </ul>
	8.5 Achieve full, productive employment, with equal pay for work of equal value for all humans	• People and Workplace	<ul style="list-style-type: none"> <li>RHB Employee Value Proposition</li> <li>Freedom of association, collective bargaining and industrial relations</li> <li>Diversity, Equality &amp; Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Turnover rate: 11.1%</li> <li>Employee Performance Review: 100%</li> <li>No recorded incidents of discrimination or risks to freedom of association and collective bargaining</li> <li>No incidents or risks reported of child, forced or compulsory labour</li> </ul>

SDG	Global SDG Target	Aligned Focus Area	Initiatives Identified	Achievements in 2020
<b>Decent Work &amp; Economic Growth</b>	8.6 Reduce the proportion of youth not in employment, education or training	• Community Enrichment	• RHB X-Cel Star	<ul style="list-style-type: none"> <li>Provided RHB X-Cel Star scholars with capability and development training such as soft skills, English proficiency and mentor-mentee programme with RHBians</li> <li>In future, scholars will have internship and job opportunities with RHB</li> </ul>
	8.7 Eradicate forced labour, modern slavery, human trafficking and secure the prohibition of the worst forms of child labour	• Sustainable Financing • People and Workplace	<ul style="list-style-type: none"> <li>ESG risk management – Prohibited Credits</li> <li>Diversity, Equality &amp; Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>List of Prohibited Credits was rolled out and implemented across Malaysia, Singapore, Thailand, Cambodia, Laos and Brunei</li> <li>No recorded incidents of discrimination or risks to freedom of association and collective bargaining at the workplace</li> <li>No incidents or risks reported of child, forced or compulsory labour at the workplace</li> </ul>
	8.8 Protect labour rights and promote safe and secure working environments for all workers	• People and Workplace	<ul style="list-style-type: none"> <li>Employee Health, Safety and Well-being</li> <li>Diversity, Equality &amp; Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Held RHB Safety and Health Week to increase occupational safety and health awareness and engagement</li> <li>No recorded incidents of discrimination or risks to freedom of association and collective bargaining</li> </ul>
	8.10 Strengthen capacity of domestic financial institutions to provide financial inclusion for all	• Sustainable Financing • Customer Centric Banking • Digitalisation • Financial Education	<ul style="list-style-type: none"> <li>Community Banking</li> <li>Financial access and ensuring financial inclusion</li> <li>Digital Channel Platforms</li> <li>Money Ma\$ter programme</li> </ul>	<ul style="list-style-type: none"> <li>364 branches across 9 countries with 1,744 self-service terminals in Malaysia</li> <li>348 branches with 208 disabled-friendly branches</li> <li>Wide range of online and mobile banking platforms with new addition being RHB Financing (SME) Mobile App</li> <li>25% increase, arriving at a total of 75.5% in digital adoption by our customers in FY2020</li> <li>88% of secondary students started saving and 83% saved between 5% and 20% of their pocket money 6 to 12 months after they attended the Money Ma\$ter programme conducted in 2019</li> </ul>
<b>Industry, Innovation &amp; Infrastructure</b>	9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	• Sustainable Financing	<ul style="list-style-type: none"> <li>Focus on Small Businesses</li> <li>Build on connected SME ecosystem</li> <li>#JomSapot</li> </ul>	<ul style="list-style-type: none"> <li>Disbursed RM16,568 million (SME - retail) and RM5,661 million (SME - middle market)</li> <li>Under SME ecosystem <ul style="list-style-type: none"> <li>- RM5.4 billion financing disbursed</li> <li>- 208,000 SME customers</li> </ul> </li> <li>The #JomSapot campaign has helped a total of 150 SME merchants with more than 5,600 local SME outlets to drive their sales at no extra cost through social media</li> </ul>
<b>Responsible Consumption &amp; Production</b>	12.2 Achieve sustainable management and efficient use of natural resources	• Environmental Stewardship	<ul style="list-style-type: none"> <li>Electricity consumption</li> <li>Water consumption</li> <li>Operational eco-efficiency initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Expanded data collection to all branches in West Malaysia and reported year-on-year reduced energy consumption</li> <li>Water consumption in RHB Centre and RHB Complex reduced by about 19%</li> <li>Installed rainwater harvesting at RHB Complex and saved 37,027m³ since 2018</li> </ul>

SDG	Global SDG Target	Aligned Focus Area	Initiatives Identified	Achievements in 2020
<b>Responsible Consumption &amp; Production</b>	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	● Environmental Stewardship	• Paper consumption	<ul style="list-style-type: none"> <li>• 59% increase in demand for e-statements from 2019</li> <li>• Delivered 29.1 million statements compared to 11.8 million</li> </ul>
	12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle	● Sustainable Financing ● Ethics and Governance	<ul style="list-style-type: none"> <li>• ESG risk management</li> <li>• Launched RHB's first thematic ESG research report</li> <li>• About this Report</li> </ul>	<ul style="list-style-type: none"> <li>• Assigned ESG sensitive sector clients with risk ratings to reflect the level of their standards according to RHB's ESG risk assessment. Assessment was based on engagement with clients and publicly available information</li> <li>• The ESG report titled 'Environmental, Social and Governance: EnviSionInG a Better Future' simplifies ESG concepts and summarises RHB Research's proprietary ESG scoring system for FBM-KLCI. Helps in informing investors about the status of a company's ESG performance</li> <li>• Annual release of Sustainability Report in accordance with GRI Standards and other sustainability-related guidelines. RHB has transitioned to integrated reporting since 2019</li> </ul>
	12.8 Ensure people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	● Sustainable Financing ● People and Workplace ● Environmental Stewardship ● Sustainable Procurement	<ul style="list-style-type: none"> <li>• ESG Risk Assessment ("ERA")</li> <li>• RHB Islamic's Ocean Harmoni initiative</li> <li>• Supporting local suppliers and vendors to promote local industries and lower RHB's carbon footprint.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched Asia Pacific's first eco-friendly recycled plastic debit card; more than 20,500 cards have been issued since its launch</li> <li>• Launched RHB Eco-Friendly Cafeteria initiative, which is aimed at reducing the use of single-use plastics at RHB Centre and RHB Complex</li> <li>• 93% of vendors in Malaysian operations are local, with RM573 million spent</li> </ul>
<b>Climate Action</b>	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	● Sustainable Financing ● Environmental Stewardship	<ul style="list-style-type: none"> <li>• Green Financing Commitment</li> <li>• Operational GHG Emissions Disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• RM3.1 billion extended as at December 2020 in support of green activities through lending, capital markets advisory and fundraising, together with investment</li> <li>• Out of the RM3.1 billion, 16.8% or RM521.6 million was for renewable energy projects</li> <li>• Increased reporting coverage to all main buildings and branches in West Malaysia for GHG emissions reporting. GHG emissions in 2020 was 26,232 tCO<sub>2</sub>eq. We recorded 9.5% y-o-y reduction since coverage began in 2016</li> </ul>
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	● Sustainable Financing ● People and Workplace ● Environmental Stewardship ● Sustainable Procurement	<ul style="list-style-type: none"> <li>• Memorandum of Understanding with the Malaysian Green Technology and Climate Change Centre ("MGTC")</li> <li>• Industry Involvement in Driving Climate Action</li> <li>• Youth Week by Youth Council</li> </ul>	<ul style="list-style-type: none"> <li>• Entered into MoU with MGTC to advocate sustainability awareness and green initiatives among mosques and other Islamic institutions</li> <li>• RHB is a member of the JC3 and in the JC3 Sub-Committee 3 for Product Innovation</li> <li>• Participated in Earth Hour since 2014 by shutting down non-essential lights at RHB Centre and RHB Complex</li> <li>• Received 151 pledges on environmental conservation efforts during Youth Week</li> </ul>





# PERFORMANCE DATA

## Employees

Year	2018	2019	2020
<b>Total Number of Employees</b>	14,425	14,345	<b>14,131</b>

### BREAKDOWN BY GENDER

Year	2018		2019		2020	
Gender	HC	%	HC	%	HC	%
Male	5,915	41.0	5,849	40.8	<b>5,731</b>	<b>40.6</b>
Female	8,510	59.0	8,496	59.2	<b>8,400</b>	<b>59.4</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>14,345</b>	<b>100</b>	<b>14,131</b>	<b>100</b>

### WORKFORCE BREAKDOWN BY POSITION

Year	2018		2019		2020	
Position	Number	%	Number	%	Number	%
Executives	11,612	80.5	11,724	81.7	<b>11,624</b>	<b>82.3</b>
Non-Executives	2,813	19.5	2,621	18.3	<b>2,507</b>	<b>17.7</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>14,345</b>	<b>100</b>	<b>14,131</b>	<b>100</b>

### WORKFORCE BREAKDOWN BY UNION/NON-UNION

Year					2018	2019	2020
Union					2,355	2,221	<b>2,039</b>
Non-Union					12,070	12,124	<b>12,092</b>
Total No. of Employees					14,425	14,345	<b>14,131</b>
Union against Total Employees (%)					16.3	15.5	<b>14.4</b>
<b>Union against Total Non-Executives (%)</b>					<b>83.7</b>	<b>84.7</b>	<b>81.3</b>

### WORKFORCE BREAKDOWN BY EMPLOYMENT CONTRACT

Year	2018				2019				2020			
	Status	Total	%	Male	Female	Total	%	Male	Female	Total	%	Male
Permanent	13,641	94.6	5,558	8,083	13,583	94.7	5,494	8,089	<b>13,347</b>	<b>94.5</b>	<b>5,388</b>	<b>7,959</b>
Non-Permanent	784	5.4	357	427	762	5.3	355	407	<b>784</b>	<b>5.5</b>	<b>343</b>	<b>441</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>5,915</b>	<b>8,510</b>	<b>14,345</b>	<b>100</b>	<b>5,849</b>	<b>8,496</b>	<b>14,131</b>	<b>100</b>	<b>5,731</b>	<b>8,400</b>

Note: All RHB employees are on full-time employment contracts



## Employees ➔

## WORKFORCE BREAKDOWN BY COUNTRY

Year	2018		2019		2020	
Country	Number	%	Number	%	Number	%
Malaysia	12,719	88.2	12,638	88.1	<b>12,530</b>	<b>88.7</b>
Overseas Operations Total	1,706	11.8	1,707	11.9	<b>1,601</b>	<b>11.3</b>
Singapore	703	4.9	718	5.0	<b>660</b>	<b>4.7</b>
Indonesia	364	2.5	349	2.4	<b>333</b>	<b>2.4</b>
Cambodia	234	1.6	256	1.8	<b>275</b>	<b>1.9</b>
Thailand	227	1.6	209	1.5	<b>201</b>	<b>1.4</b>
Hong Kong	87	0.6	61	0.4	<b>10</b>	<b>0.1</b>
Laos	64	0.4	65	0.5	<b>69</b>	<b>0.5</b>
Brunei	26	0.2	27	0.2	<b>29</b>	<b>0.2</b>
Vietnam	1	0.0	22	0.2	<b>24</b>	<b>0.2</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>14,345</b>	<b>100</b>	<b>14,131</b>	<b>100</b>

## WORKFORCE BREAKDOWN BY ETHNICITY

Year	2018		2019		2020	
Diversity	No.	%	No.	%	No.	%
Bumiputera	7,673	53.2	7,662	53.4	<b>7,540</b>	<b>53.4</b>
Chinese	4,958	34.4	4,853	33.8	<b>4,784</b>	<b>33.9</b>
Indian	774	5.4	793	5.5	<b>799</b>	<b>5.7</b>
Others	1,020	7.1	1,037	7.2	<b>1,008</b>	<b>7.1</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>14,345</b>	<b>100</b>	<b>14,131</b>	<b>100</b>

## WORKFORCE BREAKDOWN BY AGE

Year	2018		2019		2020	
Age	No.	%	No.	%	No.	%
≤30	3,262	22.6	3,034	21.1	<b>3,239</b>	<b>22.9</b>
31-40	5,560	38.6	5,483	38.2	<b>4,964</b>	<b>35.1</b>
41-50	4,098	28.4	4,228	29.5	<b>4,252</b>	<b>30.1</b>
≥50	1,505	10.4	1,600	11.2	<b>1,676</b>	<b>11.9</b>
<b>Total</b>	<b>14,425</b>	<b>100</b>	<b>14,345</b>	<b>100</b>	<b>14,131</b>	<b>100</b>

**Employees****EMPLOYEE LENGTH OF SERVICE**

Years of Service	2018	2019	2020
5 Years & Below	6,888	6,323	<b>5,875</b>
6 to 10 Years	2,626	2,832	<b>2,950</b>
11 to 15 Years	915	1,075	<b>1,367</b>
More than 15 Years	3,996	4,115	<b>3,939</b>
<b>Total</b>	<b>14,425</b>	<b>14,345</b>	<b>14,131</b>

**NEW EMPLOYEE HIRES**

Year	2018	2019	2020
Total no. of new hires	2,527	2,273	<b>1,748</b>
Recruitment Rate (%)	17.5	15.8	<b>12.4</b>

**PERCENTAGE OF OPEN POSITIONS FILLED BY INTERNAL CANDIDATES**

Year	2020
Percentage of open positions filled by internal candidates	<b>46.2%</b>

Note: Percentage of open positions filled by internal candidates refers to the total number of open positions filled by a company's own employees divided by the total number of vacancies in the company in the last fiscal year.

**BREAKDOWN OF NEW HIRES BY GENDER**

Year	2018		2019		2020	
Gender	HC	%	HC	%	HC	%
Male	1,155	45.7	1,046	46.0	<b>789</b>	<b>45.1</b>
Female	1,372	54.3	1,227	54.0	<b>959</b>	<b>54.9</b>
<b>Total</b>	<b>2,527</b>	<b>100</b>	<b>2,273</b>	<b>100</b>	<b>1,748</b>	<b>100</b>





## Employees ➔

## BREAKDOWN OF NEW HIRES BY AGE

Year	2018		2019		2020	
Age	No.	%	No.	%	No.	%
≤30	1,604	63.5	1,525	67.1	<b>1,099</b>	<b>62.9</b>
31-40	742	29.4	577	25.4	<b>495</b>	<b>28.3</b>
41-50	153	6.1	145	6.4	<b>125</b>	<b>7.2</b>
≥50	28	1.1	26	1.1	<b>29</b>	<b>1.7</b>
<b>Total</b>	<b>2,527</b>	<b>100</b>	<b>2,273</b>	<b>100</b>	<b>1,748</b>	<b>100</b>

## TOTAL EMPLOYEE TURNOVER RATE

Year	2018	2019	2020
Total No. of Attritions	1,750	1,825	<b>1,478</b>
Total Attrition Rate (%)	12.8	13.4	<b>11.1</b>

Note: Total employee turnover refers to the proportion of employees who leave an organisation over a set period (often a year), expressed as a percentage of the total workforce.

## VOLUNTARY EMPLOYEE TURNOVER RATE

Year	2018	2019	2020
Total No. of Voluntary Attritions	2,347	2,180	<b>1,265</b>
Voluntary Attrition Rate (%)	16.3	15.1	<b>9.0</b>

Note: Voluntary employee turnover refers to the proportion of employees who choose to leave an organisation over a set period (often a year), expressed as a percentage of the total workforce.

## EMPLOYEE TURNOVER BY AGE GROUP

Year	2018		2019		2020	
Age	HC	%	HC	%	HC	%
≤30	349	19.9	834	45.7	<b>559</b>	<b>37.8</b>
31-40	377	21.5	657	36.0	<b>523</b>	<b>35.4</b>
41-50	104	5.9	197	10.8	<b>205</b>	<b>13.9</b>
≥50	920	52.6	137	7.5	<b>191</b>	<b>12.9</b>
<b>Total</b>	<b>1,750</b>	<b>100</b>	<b>1,825</b>	<b>100</b>	<b>1,478</b>	<b>100</b>

**Employees****EMPLOYEE TURNOVER BY GENDER**

Year	2018		2019		2020	
Gender	HC	%	HC	%	HC	%
Male	824	47.1	886	48.5	<b>717</b>	<b>48.5</b>
Female	926	52.9	939	51.5	<b>761</b>	<b>51.5</b>
<b>Total</b>	<b>1,750</b>	<b>100</b>	<b>1,825</b>	<b>100</b>	<b>1,478</b>	<b>100</b>

**PERCENTAGE OF WOMEN IN MANAGEMENT**

Year	2018	2019	2020
Gender			
Male	1,998	2,075	<b>1,944</b>
Female	1,994	2,094	<b>2,125</b>
Total no. of employees	3,992	4,169	<b>4,069</b>
<b>Against Total Management</b>	<b>49.9%</b>	<b>50.2%</b>	<b>52.2%</b>

**PERCENTAGE OF WOMEN IN SENIOR MANAGEMENT**

Year	2018	2019	2020
Gender			
Male	155	155	<b>162</b>
Female	59	57	<b>55</b>
Total no. of employees	214	212	<b>217</b>
<b>Against Total Senior Management</b>	<b>27.6%</b>	<b>26.9%</b>	<b>25.3%</b>

**TOTAL AND AVERAGE TRAINING HOURS**

Year	2018	2019	2020
Total Training Hours	713,434	904,710	<b>447,925</b>
Average Training Hours Per Year Per Employee	56	72	<b>36</b>
<b>Total Training Hours By Gender</b>			
Male	288,525	361,697	<b>183,212</b>
Female	424,909	543,013	<b>264,713</b>





## Employees ➔

## TOTAL INVESTMENT IN TRAINING

Year	2018	2019	2020
Total Investment in Training (RM million)	43.1	42.8	<b>19.8</b>

## PARTICIPATION BY TYPE OF LEARNING

Year	2018	2019	2020
Classroom Learning Participation	39,921	39,658	<b>14,743</b>
e-Learning Participation	96,661	126,378	<b>84,476</b>

## PARTICIPATION BY JOB LEVEL

Job Level	2019		2020	
	Classroom Learning %	e-Learning %	Classroom Learning %	e-Learning %
Top Management	89	94	<b>92</b>	<b>90</b>
Senior Management	93	100	<b>76</b>	<b>98</b>
Management	94	100	<b>73</b>	<b>99</b>
Middle Management	89	99	<b>57</b>	<b>100</b>
Executive	80	96	<b>41</b>	<b>100</b>
NCL/CL/OFF	76	98	<b>24</b>	<b>100</b>

## TRAINING SESSIONS BY TYPE

Year	2018	2019	2020
In-House Training Sessions	1,559	1,489	<b>583</b>
External Training Sessions	618	643	<b>252</b>
No. of e-Learning Courseware	125	156	<b>581</b>
<b>Total Sessions</b>	<b>2,302</b>	<b>2,288</b>	<b>1,416</b>

**Employees****OUR LEADERSHIP AND MANAGEMENT PROGRAMMES**

Leadership & Management Programmes	No. of Participants		
	2018	2019	2020
<b>Foundation Programmes</b>			
Advanced Management Development Programme ("AMDP")	4	11	<b>0</b>
Maximising Employee Performance ("MEP") Programme	191	212	<b>0</b>
RHB Culture Connection Workshop	1,514	1,283	<b>185</b>
<b>Signature Programmes</b>			
RHB Leadership Signature Programme (with Melbourne Business School)	201 (2 cohorts)	453 <b>(2 cohorts)</b>	<b>58</b>
<b>RHB Leadership Talk Series</b>			
	>200 per session	Not offered in 2019	<b>&gt;200</b>
<b>Core Programme for Front-Liners (Sales Channel)—Islamic Finance Core Products ("IFCP") Programme</b>	825	794	<b>204</b>
<b>RHB Managers Programme 2</b>	0	0	<b>18</b>
<b>RHB Managers Programme 3</b>	0	0	<b>20</b>

Note: The Maximising Employee Performance ("MEP") Programme has been removed and will be replaced with a new programme in the future.

**FORWARD PROGRAMME: FUTURE-ORIENTED AND READY WORKFORCE - ADVANCING, RESKILLING AND DEVELOPING**

Year	2018	2019	2020
No. of Participants	3,361	5,035	<b>12,165</b>

**EMPLOYEE ENGAGEMENT SURVEY**

	2018	2019	2020
Employee Engagement Score	84	90	<b>92</b>
Participation Rate	80	95	<b>87</b>
Sustainable Engagement Score	82	87	<b>87</b>
Internal Customer Effectiveness Survey	70	75	<b>77</b>





## Employees

## MENTORSHIP PROGRAMME

	2018 - 2019	2019 - 2020
Mentors	109	<b>46</b>
Mentees	147	<b>65</b>

## NET PROMOTER SCORE FOR MENTORSHIP PROGRAMME

	2018	2019	2020
Net Promoter Score	59%	60%	<b>60%</b>

## OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE DATA (MALAYSIA)

OSH Indicators (Malaysia)	2018	2019	2020
<b>Absentee Rate</b>			
Percentage of total days scheduled	1.59	1.62	<b>1.17</b>
Data coverage (% - employees or operations or revenue)	100	100	<b>100</b>

Note: Absentee rate is based on the total number of days lost due to absenteeism of any kind, not only as a result of work-related injury or disease. This includes individual sick days due to minor illnesses (e.g. the common cold, fevers and influenza) as well as personal days taken for undisclosed reasons. It does not include scheduled or permitted absenteeism such as holidays, study time, maternity or paternity leave, etc.

OSH Indicators (Malaysia)	2018	2019	2020
<b>Work-related injuries</b>			
Accident with Fatality	0	0	<b>0</b>
Accident with Lost Workdays	66	51	<b>63</b>
Total Lost Workdays	1,884	1,779	<b>1,595</b>
Accident without Lost Workdays	12	5	<b>3</b>
Total Number of Accidents	78	56	<b>66</b>
Fatality Rate	0	0	<b>0</b>
Work Commuting Accident	55	46	<b>50</b>
<b>Work-related Illness</b>			
Occupational Disease	25	46	<b>16</b>
<b>OSH Training and Programmes</b>			
Number of Safety & Health Training Sessions	4	3	<b>2</b>
Number of Participants in Safety & Health Training Sessions	339	408	<b>210</b>
Number of Safety, Health & Wellness Programmes	7	4	<b>17</b>
Number of Participants in Safety, Health & Wellness Programmes	1,505	1,012	<b>6,839*</b>

Note: \*6,839 comprises 244 participants in physical programmes and 6,595 participants in virtual programmes.

**Employees****EMPLOYEE WELFARE FUND**

	2018 RM	2019 RM	2020 RM
For the demise of immediate family members	78,900	196,000	108,000
For natural disasters	16,000	42,605	33,000
For medical assistance	124,188	114,822	69,459.00

**RHB WELLNESS PROGRAMME**

	2018	2019	2020
Number of participants	337	200	<b>Category 1: All employees Category 2: 600 (targeted employees)</b>
Number of activities	12		<b>11 programmes</b>

Note: Wellness 3.0 will only be launched in Jan 2021 due to COVID-19 situation.

**RHB HUMANITARIAN FUND**

	2018	2019	2020
Total Contribution	-	-	<b>RM522,530</b>
No. of Contributors	-	-	<b>1,115</b>
No. of Disbursements/Recipients	-	-	<b>530</b>
Total amount of disbursements/approved (including fees for COVID-19 screening for staff – primary contact)	-	-	<b>RM382,000.00</b>
Total balance	-	-	<b>RM 140,530</b>



The RHB Sustainability Report 2020 was prepared 'In Accordance' with GRI Standards: Core option. The following GRI Content Index refers to the information disclosed in the RHB Sustainability Report 2020 unless otherwise stated (e.g. RHB Integrated Report 2020).

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Organisational Profile</b>			
<b>102-1</b>	Name of the organisation	RHB Bank Berhad ("RHB Banking Group")	
<b>102-2</b>	Activities, brands, products, and services	Refer to Integrated Report 2020: <b>Pages 3 - 9</b>	
<b>102-3</b>	Location of headquarters	Refer to Integrated Report 2020: <b>Page 3</b> Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.	
<b>102-4</b>	Location of operations	Refer to Integrated Report 2020: <b>Pages 6 - 9</b>	
<b>102-5</b>	Ownership and legal form	Refer to Integrated Report 2020: <b>Pages 3 - 5</b>	
<b>102-6</b>	Markets served	Refer to Integrated Report 2020: <b>Pages 6 - 9</b>	
<b>102-7</b>	Scale of the organisation	Refer to Integrated Report 2020: <b>Pages 3 - 9</b>	
<b>102-8</b>	Information on employees and other workers	<b>Pages 53, 115</b> 14,131 total employees; 13,347 permanent and 784 non-permanent. *Non-permanent consists of contract and temporary employees. All employees are on full-time employment contract.	
<b>102-9</b>	Supply chain	<b>Pages 80 - 81</b>	
<b>102-10</b>	Significant changes to the organisation and its supply chain	Refer to Integrated Report 2020: <b>Pages 4 - 7</b> No significant changes to RHB's supply chain in 2020. We exited our Hong Kong business in Q2 2020.	
<b>102-11</b>	Precautionary Principle or approach	<b>Pages 11 - 15, 100</b> Refer to Integrated Report 2020: <b>Pages 135 - 144</b> for further information on our risk management system and internal controls. There is no explicit mention of the Precautionary Principle or approach in our Sustainability Principles, Group Risk Management Framework or Group Fraud Risk Management Policy. However, we take on a precautionary approach, prevention-first approach, minimise harm or negative impact and/or integrate ESG considerations in decision-making.	
<b>102-12</b>	External initiatives	<b>Pages 15, 20, 33, 74, 114</b> RHB is a member of JC3. RHB Islamic is also a member of the VBI CoP and participated in the development of the VBIAF Sectoral Guides. In 2020, RHB Asset Management became a member of the Institutional Investors Council Malaysia.	
<b>102-13</b>	Membership of associations	<b>Page 114</b>	
<b>Strategy</b>			
<b>102-14</b>	Statement from senior decisionmaker	<b>Pages 8 - 10</b>	
<b>Ethics &amp; Integrity</b>			
<b>102-16</b>	Values, principles, standards, and norms of behaviour	<b>Pages 4, 48 - 50, 53</b> Refer to Integrated Report 2020: <b>Page 123</b> RHB Core Shared Values ("P.R.I.D.E.") and Code of Ethics and Conduct govern the integrity of behaviour in the organisation.	
<b>102-17</b>	Mechanisms for advice and concerns about ethics	<b>Pages 48, 68</b> Refer to Integrated Report 2020: <b>Pages 59, 142</b> A whistleblowing channel is available to RHB employees and the public.	

GENERAL DISCLOSURES			
GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Governance</b>			
102-18	Governance structure	<b>Pages 83, 99</b> Refer to Integrated Report 2020: <b>Pages 118 - 119</b> Refer to RHB Foundation's website for its governance structure at: <a href="https://www.rhbgroup.com/community-engagements/board.html">https://www.rhbgroup.com/community-engagements/board.html</a>	
102-23	Chair of the highest governance body	Refer to Integrated Report 2020: <b>Pages 118 - 119</b>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<b>Pages 46, 99</b> Refer to Integrated Report 2020: <b>Pages 118 - 119</b> Refer to RHB Bank's Board Charter for Board of Directors' responsibilities on sustainability/ESG: <a href="https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/board-charter.pdf">https://www.rhbgroup.com/files/others/about-us/corporate-governance/rhb-bank-berhad/board-charter.pdf</a>	
102-31	Review of economic, environmental, and social topics	<b>Page 99</b> Sustainability is a recurring matter at Board level at least once every six months and at the Senior Management ("GMC") level every quarter.	
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	<b>Pages 101 - 104</b>	
102-41	Collective bargaining agreements	<b>Page 115</b> 14.4% of our total employees are covered by union and collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	<b>Pages 101 - 104</b>	
102-43	Approach to stakeholder engagement	<b>Pages 101 - 104</b>	
102-44	Key topics and concerns raised	<b>Pages 101 - 104</b>	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	Refer to RHB Bank Berhad Financial Report 2020: <b>pages 81 - 93</b>	
102-46	Defining report content and topic boundaries	<b>Pages 2, 106</b>	
102-47	List of Material Matters	<b>Pages 107 - 109</b>	
102-48	Restatements of information	<b>Pages 76 - 79</b> Expanded the reporting coverage for GHG emissions from two main buildings, i.e. RHB Centre and RHB Complex in 2019, to all seven RHB Banking Group main building offices and 215 branches in West Malaysia.	
102-49	Changes in reporting	<b>Pages 105 - 106</b>	
102-50	Reporting period	<b>Page 2</b> The RHB Sustainability Report 2020 covers the period from 1 January 2020 to 31 December 2020, unless otherwise stated.	
102-51	Date of most recent report	This report (RHB Sustainability Report 2020) published in May 2021 is the latest report.	
102-52	Reporting cycle	The RHB Sustainability Report is published annually.	
102-53	Contact point for questions regarding the report	<b>Page 3</b> <a href="mailto:sustainability@rhbgp.com">sustainability@rhbgp.com</a>	
102-54	Claims of reporting in accordance with the GRI Standards	<b>Page 2</b> This report has been prepared 'in accordance' with the GRI Standards: Core option.	
102-55	GRI content index	<b>Pages 124 - 131</b>	
102-56	External assurance	No external assurance has been conducted for this report.	





TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Sustainable Financing</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 106, 107	
	103-2	The management approach and its components	Pages 11 - 36	
	103-3	Evaluation of the management approach		
GRI G4 Financial Sector Disclosures: Product Portfolio	Former FS1	Policies with specific environmental and social components applied to business lines	Pages 11 - 22 Refer to Integrated Report 2020: Pages 50 - 59 Refer to Our Approach to Sustainability under ESG Risk Management - available online at: <a href="https://www.rhbgroup.com/files/others/sustainability/RHB_Our_Approach_to_Sustainability_Mar_2020_v3_1_.pdf">https://www.rhbgroup.com/files/others/sustainability/RHB_Our_Approach_to_Sustainability_Mar_2020_v3_1_.pdf</a>	
	Former FS2	Procedures for assessing and screening environmental and social risks in business lines		
	Former FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	Pages 13 - 15, 20 - 22	
GRI G4 Financial Sector Disclosures: Local Communities	FS14	Initiatives to improve access to financial services for disadvantaged people	Pages 21 - 22, 24 - 27, 28 - 32, 35, 93 - 95	
<b>Material Matter: Financial Inclusion &amp; Education</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	Pages 106, 107	
	103-2	The management approach and its components	Pages 24 - 32, 35, 43 - 45, 93 - 96 Refer to Integrated Report 2020: Pages 65 - 67	
	103-3	Evaluation of the management approach		
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Pages 24 - 32, 34 - 35, 82 - 96 Refer to Integrated Report 2020: Pages 65 - 67	
GRI G4 Financial Sector Disclosures: Local Communities	FS14	Initiatives to improve access to financial services for disadvantaged people	Pages 24 - 32, 41, 43 - 44, 93 - 96 Refer to Integrated Report 2020: Pages 65 - 67	
GRI G4 Financial Sector Disclosures: Product and Service Labeling	Former FS16	Initiatives to enhance financial literacy by type of beneficiary	Pages 93 - 96 Beneficiaries include students and youth as well as customers.	

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Customer Relationship Management</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 107</b>	
	103-2	The management approach and its components	<b>Pages 24 - 26, 37 - 41</b> Our Customer Service Charter which is available on RHB's website outlines our key commitments and service standards when providing service to our customers.	
	103-3	Evaluation of the management approach		
Non GRI Disclosure		Net Promoter Score	<b>Page 38</b>	
<b>Material Matter: Fair Treatment of Financial Customers</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 107</b>	
	103-2	The management approach and its components	<b>Pages 41 - 42</b>	
	103-3	Evaluation of the management approach		
GRI 417: Market & Labelling 2016	417-1	Requirements for product and service information and labelling	<b>Pages 41 - 42</b> Refer to Integrated Report 2020: <b>Pages 130 - 131</b>	
GRI G4 Financial Sector Disclosures: Product and Service Labeling	FS15	Policies for the fair design and sale of financial products and services		
<b>Material Matter: Digitalisation &amp; Investment in Technology</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 107</b>	
	103-2	The management approach and its components	<b>Pages 43 - 45</b> Refer to Integrated Report 2020: <b>Pages 18, 46 - 49</b>	
	103-3	Evaluation of the management approach		
Non GRI Disclosure		Digital channels transaction	<b>Page 44</b> Refer to Integrated Report 2020: <b>Page 18</b>	
Non GRI Disclosure		Digital active customers	<b>Page 44</b> Refer to Integrated Report 2020: <b>Page 18</b>	
<b>Material Matter: Good Business Governance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 108</b>	
	103-2	The management approach and its components	<b>Pages 46 - 51</b> Refer to Integrated Report 2020: <b>Pages 94 - 126</b>	
	103-3	Evaluation of the management approach	Refer to Corporate Governance Report 2020 available on RHB's website.	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	<b>Page 48</b> Refer to Integrated Report 2020: <b>Page 123</b> Refer to Corporate Governance Report 2020 available on RHB's website.	



TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Risk Management</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 108</b>	
	103-2	The management approach and its components	<b>Pages 12 - 15, 18, 20</b> Refer to Integrated Report 2020: <b>Pages 50 - 59, 135 - 144</b>	
	103-3	Evaluation of the management approach		
<b>Material Matter: Dynamic Regulatory Landscape</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 108</b>	
	103-2	The management approach and its components	<b>Pages 49 - 50, 103 - 104</b> Refer to Integrated Report 2020: <b>Pages 56, 120 - 122</b>	
	103-3	Evaluation of the management approach	Regulators' and policymakers' concerns along with our responses are found under Stakeholder Engagement. Regulatory non-compliance risk is a significant risk.	
<b>Material Matter: Data Protection &amp; Cybersecurity</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 107</b>	
	103-2	The management approach and its components	<b>Page 51</b> Refer to Integrated Report 2020: <b>Pages 55 - 56</b>	
	103-3	Evaluation of the management approach	The Group Guidelines on the Personal Data Protection Act 2010 ("PDPA") document provides guidance on how to comply with PDPA's and Bank Negara Malaysia's requirements to safeguard individuals' personal data from being misused.	
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Refer to Integrated Report 2020: <b>Pages 55 - 56</b> We established a blueprint for IT Security covering people, process and technology. We use data leakage protection solutions to ensure confidentiality of customer data, and policies are in place to protect customers' information and integrity.	Confidentiality constraints - Readiness to share publicly on substantiated complaints for this (if any).
<b>Material Matter: Talent Management</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 108</b>	
	103-2	The management approach and its components	<b>Pages 52 - 67</b>	
	103-3	Evaluation of the management approach		
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	<b>Pages 53, 117 - 119</b> The total new employee hires as at 31 December 2020 was 1,748 with a 12.4% recruitment rate. Total number of attritions was 1,478 with 11.1% attrition rate.	
	401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	<b>Page 63</b> Benefits include, among others: life insurance, healthcare, disability and invalidity coverage, parental leave, retirement provision as well as a family-friendly workplace providing nursing rooms, three-month maternity leave and flexi-hour work arrangements.	

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Employee Training &amp; Education</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 108</b>	
	103-2	The management approach and its components	<b>Pages 62 - 67, 119 - 122</b>	
	103-3	Evaluation of the management approach		
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	<b>Pages 64, 119</b>	
	404-2	Programmes for upgrading employee skills and transition assistance	<b>Pages 62, 64 - 67</b>	
	404-3	Percentage of employees receiving regular performance and career development reviews	<b>Page 63</b> Performance review applies to all (100%) RHB employees excluding temporary employees for the 2020 assessment period in accordance with our internal policy.	
<b>Material Matter: Employee Health, Safety and Wellness</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 60 - 61</b> The Occupational Safety and Health ("OSH") Committee, chaired by the Group Chief Human Resource Officer, comprises nine employer representatives and nine employee representatives, six of whom are unionised.	
	103-3	Evaluation of the management approach		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5	Worker training on occupational health and safety	<b>Pages 60, 122</b>	
	403-6	Promotion of worker health	<b>Pages 59, 61, 122 - 123</b> The RHB Safety and Health Week was held in September 2020 to promote prevention of occupational accidents and diseases at work. Highlights of the event included talks on COVID-19 awareness, cancer, ergonomic and mental health.	
	403-9	Work-related injuries	<b>Pages 61, 122</b>	
	403-10	Work-related ill health	<b>Pages 61, 122</b>	
<b>Material Matter: Diversity &amp; Equal Opportunity</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 46 - 47, 68 - 70, 115 - 120</b> Refer to Integrated Report 2020: <b>Pages 94 - 101, 104 - 109</b>	
	103-3	Evaluation of the management approach	<b>Pages 46 - 47, 68 - 70, 115 - 120</b> Refer to Corporate Governance Report 2020 on RHB's website for further information on RHB Board of Directors' composition.	
<b>GRI 405: Diversity &amp; Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	<b>Pages 46 - 47, 68 - 70, 115 - 120</b> Refer to Integrated Report 2020: <b>Pages 94 - 101, 104 - 109</b> Refer to Corporate Governance Report 2020 on RHB's website for further information on RHB Board of Directors' composition.	



TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Environmental Stewardship</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 71 - 73</b>	
	103-3	Evaluation of the management approach		
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	<b>Pages 71 - 72</b> We expanded our scope of reporting from RHB Centre and RHB Complex to all our major buildings as well as our branches in West Malaysia.	
	302-4	Reduction of energy consumption	<b>Page 71</b>	
<b>GRI 303: Water 2016</b>	303-1	Water withdrawal	<b>Page 72</b>	
<b>Material Matter: Climate Change</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 74 - 79</b>	
	103-3	Evaluation of the management approach		
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	<b>Pages 76 - 79</b>	
	305-2	Energy indirect (Scope 2) GHG emissions	<b>Pages 76 - 79</b>	
	305-3	Other indirect (Scope 3) GHG emissions	<b>Pages 76 - 79</b>	
<b>Material Matter: Sustainable Procurement</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 80 - 81</b>	
	103-3	Evaluation of the management approach		
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	<b>Page 81</b> 92% of Group Procurement Malaysia's total spend was spent on local suppliers in Malaysia.	

TOPIC-SPECIFIC DISCLOSURES				
GRI Topic	GRI Standard	Disclosure	Page Number and/or Brief Description	Omission
<b>Material Matter: Community Enrichment</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106, 109</b>	
	103-2	The management approach and its components	<b>Pages 82 - 96</b> Refer to RHB Foundation's website for Board of Trustees: <a href="https://www.rhbgroup.com/community-engagements/board.html">https://www.rhbgroup.com/community-engagements/board.html</a>	
	103-3	Evaluation of the management approach		
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2	Significant indirect economic impacts	<b>Pages 84, 95</b> RHB contributed more than RM4.3 million through RHB Foundation and non-RHB Foundation in 2020. The contributions were channelled towards community well-being including COVID-19 relief efforts and education programmes to nurture future generations.	
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programmes	<b>Pages 84 - 95</b>	
<b>Material Matter: Financial Performance</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the Material Matter and its boundary	<b>Pages 106 - 108</b>	
	103-2	The management approach and its components	Refer to Integrated Report 2020: <b>Pages 22 - 32</b> for Group Chief Financial Officer's Review.	
	103-3	Evaluation of the management approach		
<b>GRI 201: Economic Performance</b>	201-1	Direct economic value generated and distributed	<b>Pages 5 - 7</b> Refer to Integrated Report 2020: <b>Pages 22 - 32, 46 - 47</b>	Confidentiality constraints - Information not reported is business confidential.
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2	Significant indirect economic impacts	<b>Pages 5, 34 - 35, 81, 84 - 85</b>	



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