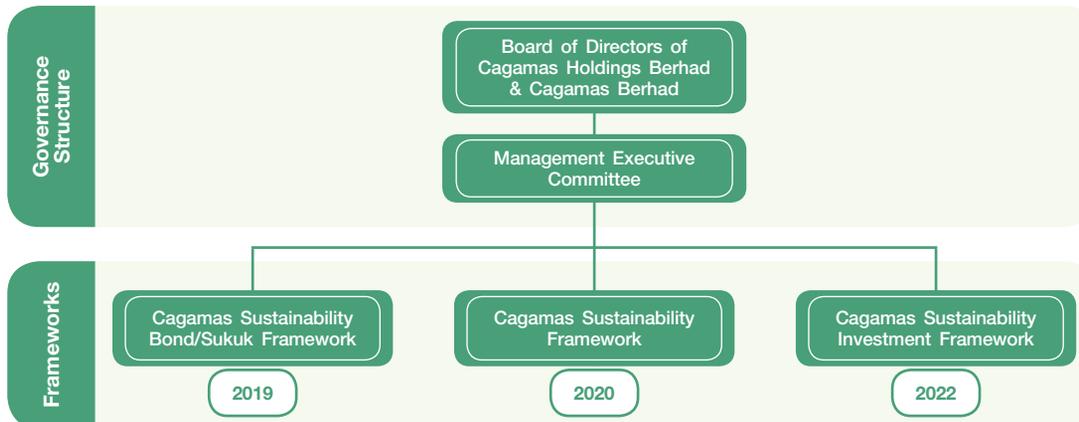


SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE

Cagamas is dedicated to maintaining the highest standards of sustainability governance and regularly reviews its sustainability governance practices and disclosures.



The Board of Directors of both Cagamas Holdings Berhad and Cagamas Berhad provide oversight on the Group's sustainability journey, execution and development. The Management is responsible for formulating and implementing sustainability strategies as well as practical sustainability governance practices while meeting corporate objectives. In 2020, Cagamas introduced the Cagamas Sustainability Framework to outline its approach to embedding sustainability across its business activities and operations. Cagamas Sustainability Bond/Sukuk Framework was established to guide the use of proceeds from its sustainability issuances to eligible assets. In congruence with the frameworks, Cagamas has established its Sustainability Investment Framework in 2022, which aims to integrate Environmental, Social and Governance (ESG) factors as part of the evaluation and consideration of investing in sustainable assets.

SUSTAINABILITY STRATEGY

Cagamas' sustainability strategy focuses on making sustainable and green housing finance more mainstream to facilitate home owners and counterparties to manage climate change challenges as well as reducing the environmental impact of our operations. This will be done via expansion of our product lines to include sustainable and green housing finance products and solutions, providing investors avenues for investment with societal and environmental values and integrating sustainability elements across internal operations to ensure meaningful contribution to employees and communities. In line with our 5-year vision to become a thought leader in sustainable and green housing, we plan to further strengthen our ESG portfolio with the commitment to achieve 10% of total assets to be sustainable and green by 2030.



SECTION 1 CORPORATE SUSTAINABILITY REPORTING

This Sustainability Report marks Cagamas Holdings Berhad and its subsidiaries ("the Group") sixth report. This report highlights the Group's continuous efforts in driving forward our sustainability agenda and covers the financial period from 1 January 2023 to 31 December 2023.

SUSTAINABILITY REPORT *(continued)*

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

The Group contributes to sustainable development through impactful actions centred around four (4) thematic pillars namely promoting sustainable home ownership, becoming the employer of choice, and promoting positive societal and environmental impact. Each pillar and its respective focus areas positively contribute to the various sustainability development goals under the United Nations Sustainable Development Goals (UNSDGs).

Pillar	Objectives	FY2023 Achievements and Progress	Contribution to the UNSDGs
 <p>Pillar 1: Promote Sustainable Home Ownership</p>	<p>Promote sustainable home ownership to all Malaysians by supporting financial institutions' liquidity requirements to grow their mortgage portfolios as well as through mortgage guarantee programmes.</p>	<ul style="list-style-type: none"> • Purchased home financing in the secondary market totalling RM20.5 billion, equivalent to a total of 59,230 homes. • Provided mortgage guarantees to 110,339 individuals/households to own their first house through Skim Rumah Pertamaku (SRP) and Skim Perumahan Belia (SPB) since 2011; of which 87.0% are from the B40 segment. 	
 <p>Pillar 2: Employer of Choice</p>	<p>Our employees are our greatest assets and play an important role in ensuring that we embed sustainable initiatives across the Group. We are committed to creating a conducive work environment and culture, meaningful work, career advancement and personal development opportunities.</p>	<ul style="list-style-type: none"> • 2,081 hours spent on learning and development, an average of 24 hours per employee. • Mission-critical successors who are “ready” currently stands at 56% and RM0.2 million training invested to increase readiness percentage. • Six (6) final-year students from universities all over Malaysia were selected for the Cagamas Internship Programme. • Encourage further work flexibility through weekly work from home arrangement and launched the inaugural annual Human Capital Month. 	
 <p>Pillar 3: Positive Societal Impact</p>	<p>We are committed to creating long-term positive societal impact in the communities that we are in through our community engagement initiatives, scholarship programme, zakat distribution and inclusive products and solutions.</p>	<ul style="list-style-type: none"> • Impacted the lives of 18,523 recipients in 2023 through our Corporate Zakat Wakalah Programme (ZWP) and Corporate Social Responsibility (CSR). • Contributed approximately RM1 million to scholarships for 41 scholars since 2016. • Over 21 targeted roadshows and awareness programmes to promote the reverse mortgage scheme. • Purchased RM100 million of non-carbon emitting industrial hire purchase receivables, benefitting 502 Small Medium Enterprises (SMEs). 	
 <p>Pillar 4: Positive Environmental Impact</p>	<p>We aim to promote positive environmental impact by facilitating home owners and counterparties to manage the challenge of climate change through our products and solutions as well as reduce the impact of our operations</p>	<ul style="list-style-type: none"> • Mobilised RM300 million towards green housing loans and financing, which marked our first-ever Green asset purchase via Purchase with Recourse (PWR). • Kick off Cagamas Net Zero Initiative by identifying Scope 1, 2 and 3 emissions of Cagamas' operations and execute Technical Assistance related to green and affordable housing signed in 2022 with the Asian Development Bank. • Admission to Joint Committee on Climate Change (JC3) Sub-Committee 3 (SC3) on Product & Innovation. 	  

SUSTAINABILITY REPORT (continued)

PILLAR 1: PROMOTE SUSTAINABLE HOME OWNERSHIP



HOW CAGAMAS CREATES VALUE



As the National Mortgage Corporation of Malaysia, Cagamas continues to promote sustainable home ownership to all Malaysians by providing competitive funding to financial institutions through its PWR and Purchase Without Recourse (PWOR) schemes to expand their capacity for housing loan portfolio growth while enabling borrowers more affordable and accessible mortgages. Cagamas also facilitates first-time homebuyers, particularly those in the M40 and B40 income groups, to own homes through its mortgage guarantee schemes which provide a financial guarantee of up to the first 10% to 20% of the total loans and financing amount.

Cagamas remains committed to contributing and creating a positive impact through identified opportunities in sustainable home development including the continuous enhancements of its products and solutions including the promotion of green and affordable housing activities.

2023 KEY HIGHLIGHTS

Facilitating All Malaysians to Achieve Successful Home Ownership

The Group purchased home financing in the secondary market totalling RM20.5 billion, equivalent to a total of 59,230 homes in 2023. Since its inception in 1986, Cagamas has cumulatively purchased home financing in the secondary market totalling RM266.9 billion, equivalent to a total of 2 million homes.

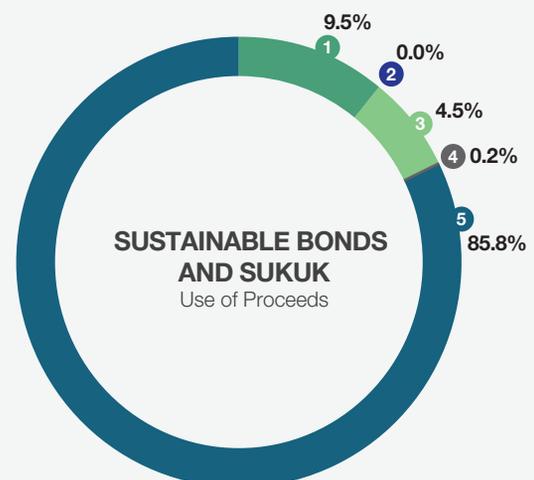
Enabling Access to Home Financing for Low-to-Middle Income Groups

The Group also provided mortgage guarantees for housing loans and financing to first-time home buyers through SRP and SPB totalling RM25.7 billion since the inception of the schemes. This has enabled 110,339 individuals/households to own their first house, of which 87.0% are from the B40 segment.

Supporting the Growth of Affordable Homes through Sustainability Issuances

Cagamas was among the first main players in the market to push for the development of ESG through the issuance of sustainability bonds and sukuk as part of its ongoing efforts to establish an emerging sustainable asset class.

To date, Cagamas has cumulatively issued a total of RM3.7 billion of sustainability bonds and sukuk since 2020 with RM3.2 billion outstanding as of 31 December 2023. The proceeds from the issuances have been primarily allocated to eligible assets in line with the Cagamas' Sustainability Bond and Sukuk Framework, of which, 85.8% of the proceeds were channelled to affordable housing.



- 1 Green buildings
- 2 Sustainable water and wastewater management
- 3 Employment generation
- 4 Renewable energy
- 5 Affordable housing

SUSTAINABILITY REPORT (continued)

PILLAR 2:
EMPLOYER OF CHOICE



HOW CAGAMAS CREATES VALUE

At Cagamas, we recognise that our workforce is the heartbeat of our success. Our commitment extends far beyond the ordinary – we strive to craft a positive environment that not only nurtures our employees but propels them toward greatness. We aspire to provide a workplace that is fair and equitable, where every day presents not just challenges, but opportunities for personal and professional growth.

Embracing our Core Values, encapsulated in C.A.R.E. (Collaboration, Accountability, Resilience and Excellence), this becomes a guiding principle steering our ship toward a future where Cagamas is at the forefront of promoting home ownership across the nation.

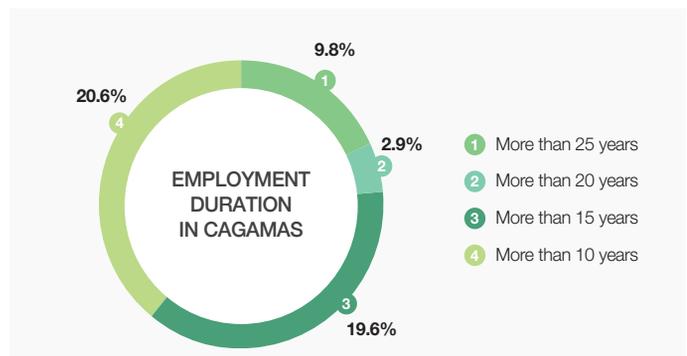
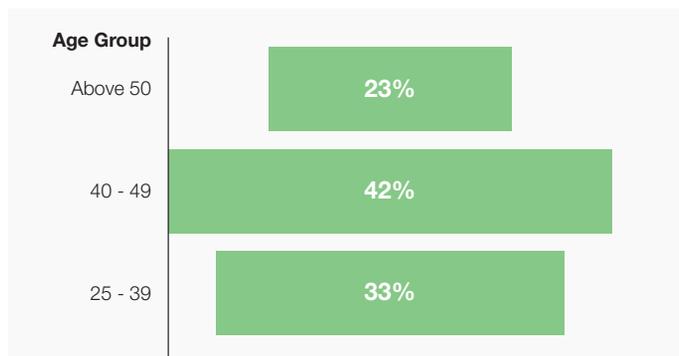
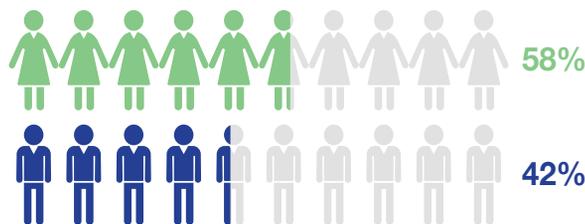
2023 KEY HIGHLIGHTS

Cagamas as a Fair and Equitable Workplace

We foster an inclusive environment that values diversity and empowers individuals to contribute their unique perspectives. This has resulted in increased collaboration and innovation. Our commitment to diversity is about recognising and utilising the collective strength of a diverse workforce to ensure everyone can reach their full potential, creating a truly rich and talented workplace.

THE TALENTS BEHIND CAGAMAS

Comprise of the following gender composition, age group and employment duration in Cagamas:



SUSTAINABILITY REPORT (continued)

Professional Development Route for Highly Skilled Human Capital

Our dedication to professional development not only elevates individual career trajectories but also contributes to the overall success and innovation of our company. We remain steadfast in our commitment to providing ongoing opportunities for learning and growth, ensuring that our employees are well-equipped to navigate the ever-evolving landscape of their respective fields.

 <p>Training and Corporate Learning</p>	 <p>24 Average training hours per staff</p>  <p>2,081 Training hours</p>  <p>87 Employees participated</p>
 <p>Succession Planning</p>	<p>Continuous effort for succession realisation on the mission-critical position that currently stands at 56% in 2023, with RM0.2 million invested for individual career development and advancement.</p>
 <p>Knowledge Exchange</p>	<p>Signed the Memorandum of Understanding on the Human Resources Exchange Programme with PT. Sarana Multigriya Finansial (Persero) (SMF) in November 2023.</p>
 <p>Cagamas Internship Programme</p>	<p>Six (6) final-year students are chosen from various universities across Malaysia to explore careers in financial industry. Through this programme, these talented individuals will gain valuable experience, working on real projects and learning from industry experts, enabling them to enhance their skills and knowledge and empowering them to build their careers.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="480 1108 682 1251">  <p>4 Female</p> </div> <div data-bbox="740 1108 918 1251">  <p>2 Male</p> </div> <div data-bbox="1062 1108 1447 1261" style="border: 1px solid gray; border-radius: 15px; padding: 10px;"> <p>From the following field of study:</p> <ul style="list-style-type: none"> • Accounting & Finance • Law • Information Technology • Islamic Finance & Banking </div> </div>
 <p>Weekly Work-From-Home Day</p>	<p>Employees are encouraged to work from home once a week to allow flexibility and to empower them through autonomy given to manage their productivity and well-being in achieving their peak performance.</p>
 <p>Human Capital (HC) Month</p>	<p>HC Month is a month-long event organised in July by the Human Capital department to promote an informed culture among employees regarding their welfare and benefits. It includes interactive activities and programmes by statutory bodies, insurers, and wellness providers to provide the latest information, updates, and awareness to the employees. The outcome of HC Month is a tighter bond between employees, building a healthy community, and employees are familiar with related employment laws, their rights, health and safety, and workplace ethics, for a positive impact on the employees, thus encouraging them to reach their highest potential.</p> 

SUSTAINABILITY REPORT *(continued)*PILLAR 3:
POSITIVE SOCIETAL
IMPACT

HOW CAGAMAS CREATES VALUE

Cagamas is committed to creating long-term positive societal impact through various community engagement initiatives that reflect the Group's commitment to giving back to society and ensuring sustainable communities' growth. Cagamas' social contribution and development initiatives include supporting access to quality education for underprivileged students through scholarship programmes, distribution of funds through zakat and social investments, as well as developing innovative products in our effort to promote a more inclusive and caring society.

2023 KEY HIGHLIGHTS

Providing Access to Quality Education to Underprivileged Students through the Scholarship Programme

In developing the future workforce for the nation, specifically in the financial services industry, Cagamas established its scholarship programme in 2016 to help students from low-income households in their pursuit of higher learning education and to ultimately alleviate the livelihoods of themselves and their families. Cagamas has contributed approximately RM1 million in scholarships for 41 scholars to study various disciplines since 2016.

Increase Awareness on Skim Saraan Bercagar, Targeting Retired Home Owners

Cagamas continues to promote the reverse mortgage products comprising of Skim Saraan Bercagar (SSB) and Skim Saraan Bercagar Islamik (SSB-i) which offer comprehensive solutions for retired home owners who may be affected by the current economic conditions resulting in insufficient savings, to help them maintain their standard of living. In 2023, we successfully completed more than 21 awareness programmes for the targeted group.



SUSTAINABILITY REPORT (continued)

Supporting Communities through Corporate Social Responsibility Programmes and Zakat

In 2023, Cagamas' Corporate Social Responsibility (CSR) approach is centred on grant-giving for community infrastructure and educational programmes. The outcome benefitted the lives of almost 8,000 recipients with a total allocation of approximately RM150,000.

Total contribution for CSR in 2023:

RM150,000
providing assistance to



7,800
beneficiaries

For upgrading community infrastructure and development of community leaders



120
beneficiaries

For literacy and reading programme

In addition to the CSR programmes, Cagamas supports the communities through its Zakat Wakalah Programme (ZWP) which aims to uplift the livelihood of Asnaf (beneficiaries) through Islamic social finance. Throughout 2023, the ZWP has distributed approximately RM1.6 million, impacting 10,603 individuals and 53 organisations. This impactful outreach covered diverse needs such as financial assistance for daily expenses, medical bills, house building and renovation, flood relief, and festive support through food bank and sponsorships. ZWP has allocated the highest funding towards education as this sector is critical for communities. In addition, ZWP is committed to expanding its distribution scope to include initiatives that promote sustainable business development.

Total distribution under Zakat Wakalah Programme in 2023:

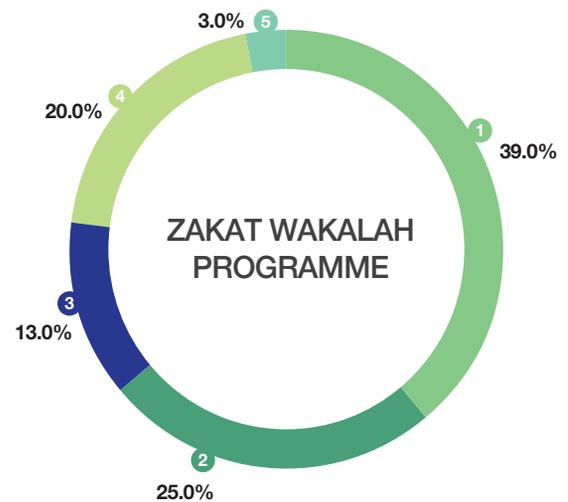
RM1,586,188
benefiting



10,603
individuals



53
organisations



- 1 Education
- 2 Food bank and sponsorship for Ramadhan & Raya
- 3 Basic living and medical expenses
- 4 Build & renovation
- 5 Flood relief

SUSTAINABILITY REPORT *(continued)*

PILLAR 4: POSITIVE ENVIRONMENTAL IMPACT



HOW CAGAMAS CREATES VALUE

As the National Mortgage Corporation, we aim to promote positive environmental impact by helping home owners and counterparties manage the climate challenges through our products and solutions as well as reducing the impact of our operations.

2023 KEY HIGHLIGHTS

Channelling Liquidity Towards Green Projects

In addition to providing liquidity for affordable housing, Cagamas also channelled its proceeds towards green projects in its effort to encourage the financial industry's transition to a low-carbon economy.

Green Project	Initiatives Taken
Green Home 	Mobilised RM300 million to fund the purchase of eligible green housing loans and financing through our inaugural ASEAN Green Bond and ASEAN Green SRI Sukuk. The green housing assets comprise of green residential properties and buildings utilising GreenRE and Green Building Index (GBI) certifications as their qualifying eligibility criteria.

Kick-off Cagamas Net Zero Initiative

This is part of our roadmap to reaffirm and deepen Cagamas' core mission of providing affordable housing vis-à-vis sustainable development and our responsibilities towards the environment. Actions undertaken during the year to lay the foundations for this initiative are:

- Initiated assessment to identify and measure Scope 1, 2 and 3 emissions of Cagamas' operations to reduce our carbon footprints and achieve net zero greenhouse gas emissions before or by 2050, in line with the nation's sustainability agenda.
- Kickstart a study aims to expand the green mortgage market to include B40, M40 and female-headed households, under the TA agreement signed in 2022 in collaboration with Asian Development Bank.
- Admission to JC3 SC3 on Product & Innovation.

CONCLUSION

In 2023, Cagamas has significantly advance its commitment to sustainability by exploring dynamic initiatives across relevant domains of our business. Our strides continue to be bold and impactful on sustainable and development, for the local communities, empowerment of our employees and intensifying efforts into green mortgages. Looking ahead, the Group is focused on delivering positive outcomes and creating value for all our stakeholders. Sustainability will continue to be at the core of our agenda to propel us to make a lasting impact on our communities and the environment.

SUSTAINABILITY REPORT (continued)

DETAILS OF SUSTAINABILITY BOND/SUKUK

Facility Code	Facility Description	Stock Code	Issue date	Maturity date	Original Tenure	Issue Size (RM mil)	Purchase Contract
201900073	Sustainability Cagamas MTN	UG210266	05/08/2021	05/08/2024	3.0	200	218014
201900073	Sustainability Cagamas MTN	UG210396	24/11/2021	24/05/2024	2.5	50	218023
201900073	Sustainability Cagamas MTN	UF220239	08/08/2022	08/08/2024	2.0	110	228017
201900073	Sustainability Cagamas MTN	UF220256	30/08/2022	08/08/2024	1.9	45	228023
201900073	Sustainability Cagamas MTN	UG220305	31/10/2022	31/10/2025	3.0	300	228028
201900073	Sustainability Cagamas MTN	UE230193	28/06/2023	28/06/2024	1.0	30	238025
201900073	Sustainability Cagamas MTN	UF230192	28/06/2023	30/06/2025	2.0	30	238025
201900073	Sustainability Cagamas MTN	UG230191	28/06/2023	29/06/2026	3.0	40	238025
201900073	Sustainability Cagamas MTN	UE230269	29/09/2023	30/09/2024	1.0	210	238040
201900074	Sustainability Sukuk Cagamas	VG210294	05/08/2021	05/08/2024	3.0	100	218015
201900074	Sustainability Sukuk Cagamas	VG220130	24/03/2022	24/03/2025	3.0	200	228005
201900074	Sustainability Sukuk Cagamas	VG220235	29/06/2022	30/06/2025	3.0	150	228012
201900074	Sustainability Sukuk Cagamas	VF220280	08/08/2022	08/08/2024	2.0	285	228020
201900074	Sustainability Sukuk Cagamas	VG220401	27/10/2022	27/10/2025	3.0	200	228029
201900074	Sustainability Sukuk Cagamas	VG220400	31/10/2022	31/10/2025	3.0	300	228030
201900074	Sustainability Sukuk Cagamas	VE230394	29/09/2023	30/09/2024	1.0	90	238036
201900074	Sustainability Sukuk Cagamas	VF230164	20/11/2023	20/11/2025	2.0	100	238051
201900074	Sustainability Sukuk Cagamas	VE230462	30/11/2023	02/12/2024	1.0	150	238053
201900074	Sustainability Sukuk Cagamas	VG230460	30/11/2023	30/11/2026	3.0	250	238054
201900074	Sustainability Sukuk Cagamas	VG230493	28/12/2023	28/12/2026	3.0	325	238060
Total						3,165	

USE OF PROCEEDS

No.	Purpose	RM mil	%
1	Renewable Energy	5.31	0.17%
2	Energy Efficiency	0.00	0.00%
3	Green Buildings	300.00	9.48%
4	Low Carbon and Low Emission Transportation	0.00	0.00%
5	Sustainable Water and Wastewater Management	1.38	0.04%
6	Affordable Housing	2,715.00	85.78%
7	Employment Generation	143.30	4.53%
8	Unallocated	0.00	0.00%
Total		3,165.00	100.00%

DETAILS OF SUSTAINABILITY LOANS/FINANCING

No.	Use of Proceeds	Size (RM mil)	Descriptions	Impact	Impact Indicators
1	Renewable Energy	5.31	Solar PV system for rooftop installation	2,774	Total installed capacity (kWh)
2	Green Buildings	300.00	Green residential units	515	Total green residential units
3	Sustainable Water and Wastewater Management	1.38	Effluent water treatment	1,552	Amount of waste water treated (m ³ /day)
4	Affordable Housing	2,715.00	Affordable housing	19,752	Total affordable homes
5	Employment Generation	143.30	Non-carbon emitting industrial hire purchase receivables for SMEs	934	Number of SMEs
Total		3,165.00			

RAM Sustainability Sdn Bhd has provided an independent post-issuance annual review report on Cagamas' Sustainability Bond/Sukuk issuances to confirm that the allocation of proceeds was carried out in accordance with Cagamas Sustainability Bond/Sukuk Framework and that the impact information was accurately disclosed.

SECTION 2
ANNUAL
SUSTAINABILITY
PROGRESS
REPORT

This report provides information on the outstanding Cagamas Sustainability Bonds/Sukuk issuances, the use of proceeds and the impact analysis as at 31 December 2023.