PhillipBank

ESG Report 2025

Prepared by: Risk Department

PhillipBank
by PhillipCapital

About Phillip Bank

Phillip Bank Plc was established in Cambodia in 2009 under Hwang DBS, and in 2014, Phillip Capital Group acquired it and renamed it Phillip Bank. The bank offers a wide range of financial services and products for Corporate, SME, and Retail customers. Phillip Bank is a member of Phillip Capital Group, which is headquartered in Singapore and has been established since 1975. The Group offers a full range of high-quality, and innovative services to retail, corporate, and institutional customers and currently operates in 15 countries.
National Bank of Cambodia (NBC) and the Ministry of Commerce (MoC) have approved the merger between Phillip Bank Plc and Kredit MFI. Phillip Bank Plc is amongst the medium-sized commercial banks in Cambodia, with more than 70 branches throughout the country.

Corporate Vision

Growing People, Delighting Customers, and Benefiting Communities.

Corporate Mission

To empower Phillip Bank's stakeholders through trusted, forward-looking, and demand-led financial solutions, combining Singaporean excellence with deep local understanding and connections to build a comprehensive ecosystem that drives inclusive, customer-centric growth across Cambodia.

Corporate Ethos

We believe that each person is unique and given distinct gifts and talents. Hence, each person is obliged to develop oneself to their fullest potential, which Phillip Capital will provide opportunities to in training, service and responsibility.

Transparency
We are transparent in all dealings with our customers.

Conduct of Business
We serve our customers with mutual respect and honesty. We do not tolerate bribery in any form.

Relationships
We believe in building a total and long-lasting relationship with our clients, offering them the entire range of products and services available not only in Cambodia but also from our overseas business units.

Ethos

- We believe every individual carries unique gifts and the potential for greatness.
- We are committed to helping our people grow to their fullest by providing meaningful opportunities in training, service, and responsibility.
- We uphold integrity—honesty in our words and fulfilment in our deeds.
- We believe that true reward follows performance, and that long-term relationships built on trust matter more than short-term gains.
- Our customers come first, always. We see ourselves as stewards of one another, our families, our community, and our environment.
- We choose to create value through positive-sum outcomes, ensuring our work leaves a lasting, constructive impact.

Together, we strive to honor our values, unlock potential, and build a future defined by purpose and responsibility

Message from Our CEO

Mr. CHAN Mach, CEO

Welcome to Phillip Bank!

We are part of Phillip Capital, which was founded in 1975 and is based in Singapore. Since commencing business more than 50 years ago, Phillip Capital now has a presence in more than 15 countries, primarily in Asia but also in Europe and the United States of America, with offices in London, Chicago, Tokyo, Hong Kong and Shanghai. The Group offer a comprehensive and integrated range of financial products and services, namely, stockbroking, corporate finance, factoring, futures, insurance, wealth management and other financial products.

With more than 5,000 employees and over 5 million clients worldwide, our assets under custody/management amount to more than USD 85 billion with shareholders' funds in excess of USD 3 billion.

PhillipCapital first established its presence in Cambodia in 2009 and has since built an integrated financial ecosystem spanning banking, insurance, trust, and wealth management services. Following the acquisition and rebranding of Hwang DBS Bank in 2014, Phillip Bank has grown alongside the people, businesses, and communities it serves.

Today, Phillip Bank operates more than 70 branches nationwide and continues to expand its presence across Cambodia. Guided by Singaporean expertise and deep local insight, the Bank remains committed to providing comprehensive, trusted, and innovative financial solutions that meet the evolving needs of its corporate, SME, retail, and high-net-worth customers.

Presently, besides owning Phillip Bank in Cambodia, the Group also has a significant shareholding in a trustee company in Cambodia, namely Phillip Trustee (Cambodia), Co Ltd. Furthermore, the Group also own two insurance companies, namely Phillip General Insurance Plc and Phillip Life Assurance Plc. The Group is also applying for a brokerage license from the Securities and Exchange Regulator of Cambodia (SERC) so that it can facilitate both local and offshore stock trading.

Being part of Phillip Capital, Phillip Bank will capitalise on the Group's core competencies in finance, distribution and information technology to expand its operations to cater to the growing demand of the Cambodian banking sector.

Sustainability Framework

Phillip Bank envisions becoming a leading sustainable bank that not only drives positive environmental, social, and governance (ESG) impact but also delivers long-term value to all its stakeholders. Our framework reflects our approach, to sustainability, showing how our sustainability drivers and the material ESG factors we are prioritising support this goal and guide our performance and positive impact.

Phillip Bank's ESG Flagship

Phillip Bank identifies three core sustainability drivers, referred to as the **"3Ps,"** which serve as the foundation for its ESG strategy. These drivers show how the Bank connects environmental responsibility, social impact, and strong governance to integrate sustainability into every facet of its operations.

1. ***Progressing*** *towards net-zero as a financial institution in synchrony with national and industry readiness. As a channel to capital pools, we aim to enable our customers' transition to a net-zero future in step with the nation and industry through our various businesses.*
2. *Bringing* ***Positive*** *impact to communities. Through actions consistent with our vision, mission, and corporate ethos, we believe we have and will continue to bring positive impact to our workplace and community.*
3. ***Practising*** *responsible business conduct. To be an effective steward of the resources and reputation entrusted to us by our principals through responsible business practices and strong governance in order to drive long-term stakeholder value.*

Manifestation of Commitments to Actions

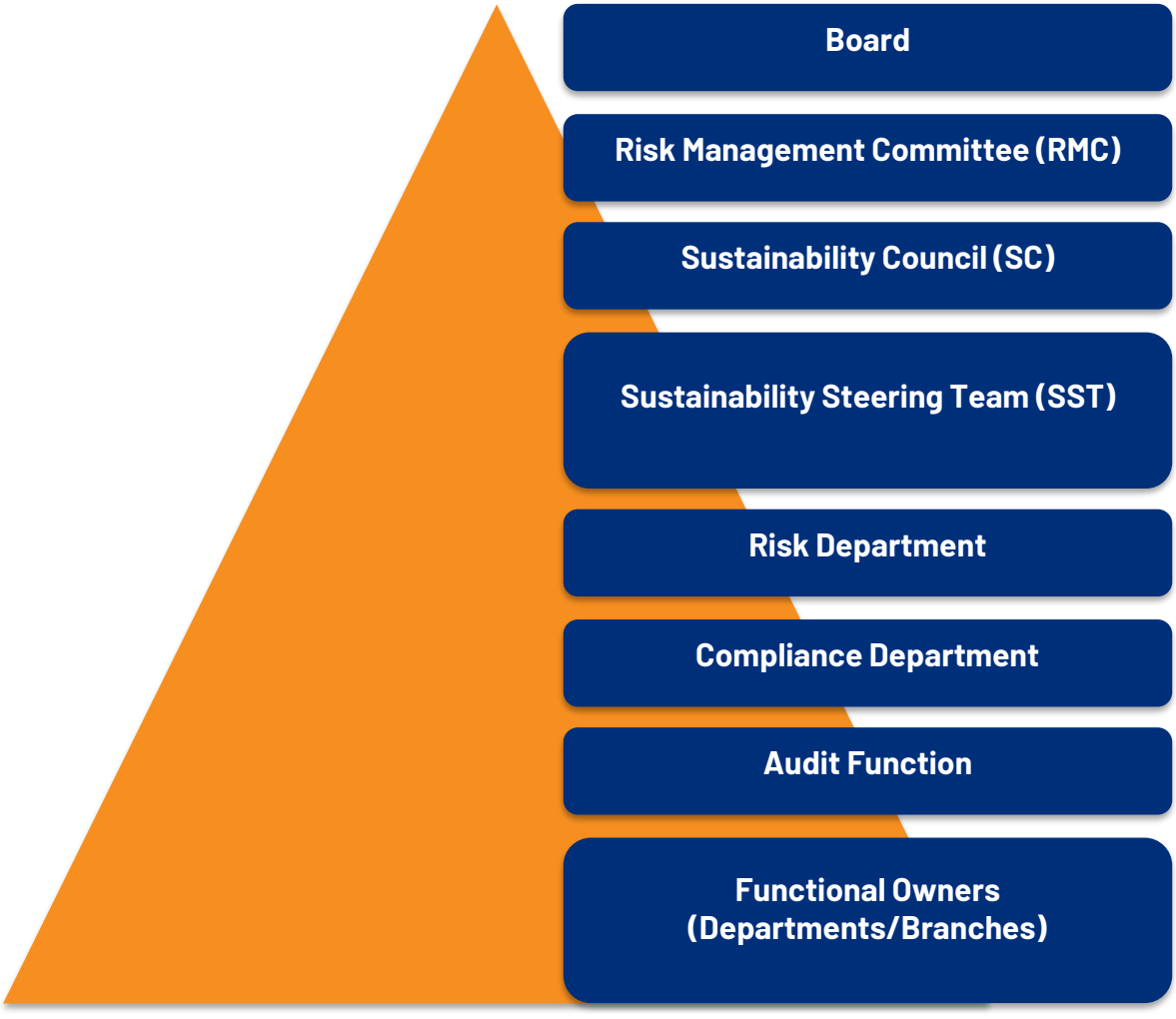
Phillip Bank actively manifests its commitment to sustainability by embracing a comprehensive approach that encompasses Environmental, Social, and Governance (ESG) factors. ESG falls under three main pillars:

- **Environment (E)** refers to the environmental factors that may affect the organisation or its impact on the planet, such as internal impacts and external impacts. Internal impacts are the consumption of energy, water, use of office supplies, waste management, etc. External impacts include deforestation, use of natural resources, biodiversity loss, contamination of water, air, noise pollution, and greenhouse gas emissions, etc.
- **Social (S)** indicates societal or human-related impacts. Impacts within the organisation may consist of labour rights, human rights, equality, diversity and inclusion, and support for employees. External social impacts relate to the wider community and may include access to natural resources and infrastructure, child labour, health and safety, unfair treatment, and violations of human and labour rights.
- **Governance (G)** covers the following, including the creation of ethical and legal standards by the organisation such as business ethics, stakeholder engagement, transparency, cyber security, decision-making, data privacy, prevention of money laundering, corruption, and terrorism, etc.

Governance (G)

Phillip Bank has established high standards of corporate governance, underpinned by ethical and transparent business practices that drive greater effectiveness, operational efficiency, and sustainable business outcomes.

The Bank has integrated ESG considerations into its governance and operating framework to support the effective delivery of its long-term sustainability commitments and continuous improvement across environmental, social, and governance performance. Compliance with regulatory requirements, strong corporate governance, and ethical integrity form the foundation of the Bank's governance framework.



1. Board of Directors (BOD)

The Board of Directors establishes the organisational framework for **Environmental, Social, and Governance** (ESG), assigns the necessary roles and responsibilities, sets parameters that define acceptable levels of risk, and regularly monitors and updates these decisions, endorses ESG policy statements, and ensures that an effective governance mechanism is in place.

- Ensure appropriate resource allocation to enable effective operation and continual improvement of the ESG integration;
- Review and approve the ESG risk mitigation plan and activities undertaken by the Bank;
- Ensure that transparent reporting on ESG is undertaken continuously;
- Ensure that the reports are comprehensive to the extent that they provide enough information for the Board to make informed decisions in order to take appropriate remedial actions to address the concerns;
- Make sure the framework includes the standard operation for identification, measurement, monitoring, and control of ESG risk to align with the risk tolerance, procedure, and methodology.
- Other specific roles and responsibilities of the Board's resolution.

The Board delegates authority to the Risk Management Committee (RMC) to oversee the implementation of ESG and sustainability strategies. While the Board sets the overall direction and approves policies, the RMC ensures operational execution and provides regular feedback to the Board. This relationship ensures that strategic oversight and operational monitoring are aligned.

2. Risk Management Committee (RMC)

The RMC is authorized by the Board to provide oversight for the overall sustainability agenda and strategy at Phillip Bank.

- Provide oversight for the overall sustainability agenda and strategy at Phillip Bank
- Review and recommend risk management strategies, policies and risk appetite, and risk tolerance limits for the Board's approval. ESG risk will be included with other risks.
- Review the asset and liability management and capital allocation functions including fund transfer pricing where relevant;
- Review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are adequate and operating effectively and independently.
- Ensure that the infrastructure, resources and systems are in place for risk management, i.e. ensure that the proper staff are made responsible for implementing risk management systems performs those duties independently of the Company's risk-taking activities;
- Review the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.
- Review and give comments on compliance-related and risk-related policies for the Board's approval; and
- Other specific roles and responsibilities of the Terms of Reference of the Risk Management Committee.

The RMC works closely with the Sustainability Committee (SC), which focuses on the practical implementation of sustainability initiatives. The RMC provides oversight and ensures that the SC's activities are consistent with the Bank's risk appetite and ESG framework. This ensures that sustainability actions are not only impactful but also risk-aware and strategically aligned.

3. Sustainability Council (SC)

The Sustainability Council (SC) is directly accountable to the Risk Management Committee (RMC) and serves as the primary body for strategic oversight of sustainability within Phillip Bank. SC is directly responsible to the Risk Management Committee (RMC) for:

- Overseeing sustainability strategy and approving key strategic initiatives relating to sustainability
- Overseeing the development and implementation of the Bank's ESG framework
- Reviewing and approving the guidelines, standards & their revisions, programs, and targets proposed by SST.

- Ensuring the Bank is fully compliant with sustainability-relevant regulatory requirements imposed by relevant authorities.
- Reviewing and approving the Bank's Sustainability Report; and
- Reviewing the Bank's ESG disclosures.

The SC acts as the operational bridge between the RMC and the Bank's sustainability execution teams. While the RMC provides oversight and ensures alignment with the Bank's risk appetite, the SC translates this oversight into actionable strategies and approvals.

4. Sustainability Steering Team (SST)

The Sustainability Steering Team (SST) is directly accountable to the **Sustainability Council** (SC) and functions as the technical and operational arm of the Bank's sustainability governance. SST is directly responsible to the Sustainability Council (SC) for:

- Proposing guidelines, standards, and their revisions related to the material ESG factors that Phillip Bank is prioritising.
- Yearly review and propose programs, including targets, activities, training and training budget related to the material ESG factors. This includes any sustainability related regulatory requirements and guidance issued by concerned government authorities or programs or initiatives created by the Association of Banks in Cambodia (ABC).
- Ensure efficient and effective execution of the programs through extended teams.
- Provide timely updates and seek advice from SC on any new regulatory requirements relevant to sustainability-related issues.
- Advise extended teams to improve overall programs and activities and offer guidance or support to cope with challenges faced during implementation.
- After being compiled by the secretary, give endorsements on the Bank's sustainability report before SC's review and approval.

The SST provides the technical expertise and operational input that informs SC's strategic decisions. The SC relies on the SST for detailed proposals and program execution, ensuring that sustainability initiatives are both practical and compliant with regulatory and industry standards.

5. Risk Department

The function of ESG under the Risk Department has the following roles and responsibilities:

- Develop and update the framework and policy of ESG;
- Monitor compliance with the policies, procedures and risk appetite, risk tolerance/risk limit approved by the Board of Directors.
- Produce regular management reports for Management and the Risk Management Committee
- Coordinate related departments and staff on the implementation of ESG policy;
- Provide ESG risk management training to related staff;
- Make recommendations to improve ESG risk management (policies, procedures, and guidelines) within Phillip Bank; and
- Perform other tasks related to ESG risk management.

6. Compliance Department

The Compliance Department shall ensure that the ESG Governance framework and the implementation of the bank comply with regulatory requirements.

7. Audit Function

As the third line of defence, the audit function shall independently review the ESG governance framework. It will assess whether the relevant policies on governance and controls are being followed and whether the defined processes are properly designed and adhered to. Additionally, the audit function will conduct compliance checks to ensure management processes align with the framework.

8. Functional Owners (Departments/Branches)

Functional departments/branches play critical roles in achieving environmental, social, and economic sustainability goals as below:

- Ensure that sustainable practices are incorporated into department operational processes
- Foster a culture of ESG within the workforce and manage social aspects of sustainability
- Support sustainability goals through budgeting, investment, and financial reporting
- Communicate the company's sustainability efforts to internal and external stakeholders
- Ensure sustainable sourcing and procurement practices
- Support sustainability goals through technological innovations and efficiency
- Ensure that sustainability practices prioritise the well-being of employees, customers, and communities
- Conduct the client due diligence and ESG risk assessment that aligns with ESG Policy, including E&S due diligence (ESDD), implementation of the E&S corrective action plan, and monitoring the client's E&S performance and inputting the data into the ESG Management System; and provide staff training on the foundation and refreshers.

Manifestation of Sustainability

1. Greenhouse Gases (GHG) Emissions

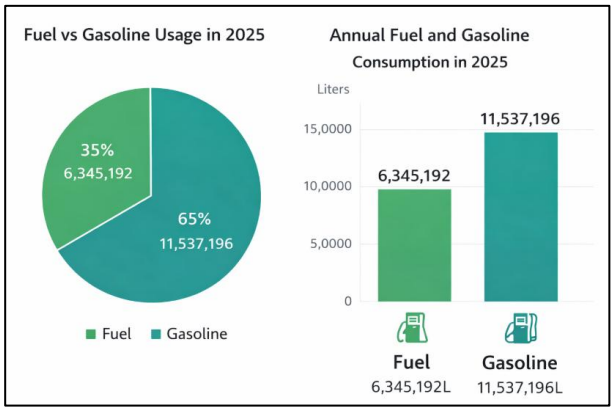
The Bank implements effective energy management to reduce GHG emissions by tracking, reducing, and reporting the carbon footprint associated with the bank's operations and activities covering all 3 scopes as below:

- **Scope 1:** Direct emissions from owned or controlled sources (e.g., fuel and gasoline consumption in bank-owned vehicles).
- **Scope 2:** Indirect emissions from the generation of purchased electricity consumed by the bank.
- **Scope 3:** Indirect emissions from activities outside of the Bank's direct control (e.g., business travel, employee commuting, and waste disposal).

Energy

The Bank has put in place a mechanism for measuring energy consumption across its offices, and the same is monitored on a periodic basis. The Bank focuses on the following to improve its energy utilization/consumption:

- Encouraging the use of energy-efficient equipment at all its offices.
- Reducing the usage of electrical/electronic equipment
- Managing fuel consumption with timely control.



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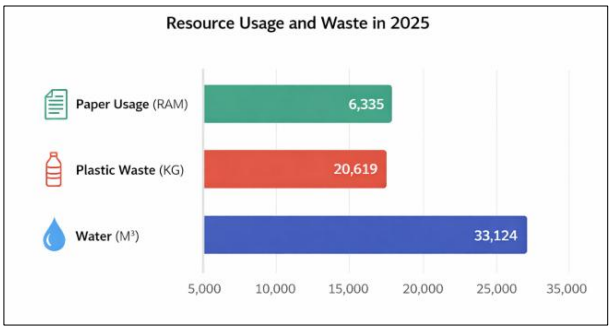
Effluent and Waste Management

The Bank sensitises its workforce and other stakeholders associated with the reduction in waste and proper management of effluent and waste.



- Effluent management involves managing water consumption in restrooms, kitchens, and office areas, and the usage is monitored on a timely basis.
- The bank encourages practices that reduce the volume of waste generated, such as minimising paper use through automation processes, digitalisation and adopting energy-efficient equipment.
- The bank segregates waste at the source, such as paper waste, plastic and general waste, and electronic waste (E-Waste).
- The Bank implements paper-recycling programs, separating wastepaper into categories such as office paper, shredded paper, and cardboard for disposal and recycling.
- Plastic and general waste generated out of normal /routine operations is disposed of through the local rubbish collection company, while the E-waste is either disposed of for recycling or donated or sold to the respective vendors.

2. Financing & Client Protection Responsibilities

The Bank adopts the client protection principles by implementing them in line with the 8 principles. Phillip Bank has been awarded the Silver Level of Client Protection Adoption aligned with the Cerise+SPTF CP Certification Framework in 2025.

M-CRIL
inclusive microeconomics

CLIENT PROTECTION CERTIFICATION

issued to

Phillip Bank Plc.

#27DEFG, Preah Monivong Blvd., Phum 6, Sangkat Srah Chork
Khan Daun Penh, Phnom Penh, Cambodia

Phillip Bank has been awarded the Silver Level Certification aligned with the CERISE+SPTF CP Certification Framework

Certified by M-CRIL Limited
Level of compliance: Silver
Issue date: 17 July 2025
Valid till: 17 July 2028

Sudhir Narayan
CEO, M-CRIL

Disclaimer

All certificates issued by M-CRIL will remain under continuous surveillance. M-CRIL continues to monitor the performance of the certified organisation and the economic environment in which it operates. The surveillance process ensures that the certifying institution stays updated on current developments and changes in the plans of certified organisations and reviews sensitive aspects of its operations.

The certification is awarded by M-CRIL Limited at three levels: Gold, Silver, and Bronze, in alignment with the 8 standards of Client Protection, following the Cerise+SPTF Guidelines

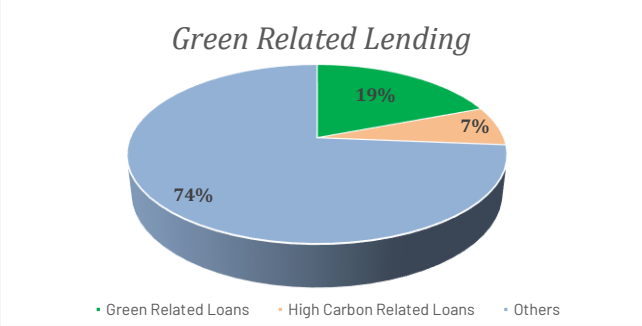
1. **Appropriate Product Design and Delivery Channels**: The bank product is designed to address clients' needs while integrating sustainability considerations. New product development actively promotes environmentally responsible practices, such as green loans and renewable energy financing. The existing products undergo regular reviews to ensure continued compliance with established sustainability standards and evolving regulatory requirements.
2. **Prevention of Over-Indebtedness**: In addition to assessing repayment capacity, the bank evaluates whether financing supports long-term resilience and avoids products that encourage unsustainable consumption or environmental harm.
3. **Transparency:** The bank provides clients with clear, accurate, and timely information. All disclosures enable informed decision-making, ensuring that terms, conditions, and product features are communicated in a straightforward and accessible manner.
4. **Responsible Pricing:** Pricing structure is fair, transparent, and free from hidden charges. The bank balances affordability for clients with the sustainability of operations, applying consistent and ethical standards across all products and services.
5. **Fair and Respectful Treatment of Clients:** Clients must be treated with dignity, fairness, and professionalism at all times. The bank establishes policies that prevent discrimination, harassment, or exploitation, and foster a culture of respect in every client interaction.

6. **Privacy of Client Data:** Confidentiality and security of client information must be rigorously protected. The bank implements robust data governance frameworks to ensure that personal and financial data is collected, stored, and used responsibly, in compliance with applicable regulations.
7. **Mechanisms for Complaint Resolution:** Accessible and effective channels must be maintained to address client concerns. Institutions should establish transparent procedures for lodging, tracking, and resolving complaints, ensuring timely responses and continuous improvement based on client feedback.
8. **Governance and Human Resources:** Strong governance structures and accountable human resource practices are essential to uphold client protection standards. Boards and management oversee compliance, while staff are trained and empowered to act ethically, responsibly, and in alignment with institutional values.

ESG Integration in Lending Process

The Bank is committed to embedding **environmental and social governance** (ESG) principles across all aspects of its lending operations. Beyond the application of the E&S Exclusion List, every credit memo is subject to a holistic review to ensure that ESG considerations are fully integrated into the decision-making process.

All financing projects and loan applications are screened against applicable environmental and social laws and regulations, with additional emphasis placed on identifying, assessing, and mitigating ESG-related risks. This approach ensures that lending activities not only comply with internal policy but also contribute to sustainable development outcomes.



Micro Loan (s)

- Education Loan
- Micro Agriculture Loan
- Micro Business Loan
- Micro Consumption Loan
- Micro Home Improvement Loan
- Clean Water and Sanitation Loan

78.28%
Women Clients (of Total Loan Accounts)

3. Sustainable Financial Solutions

To achieve environmental and social goals, the bank commits to designing and providing sustainable financial solutions by reducing lending to high-carbon sectors. The bank has completed the following:

1. Do No Significant Harm: The lending to business purposes is screened against an exclusive list following a standard loan contract from NBC, and the lending requests are assessed with clear ESG Risk categorizations to ensure that the business or projects do not harm the environment.
2. For high-carbon businesses or projects, which are in categories "B" or "A", are required to complete an Action Plan for reducing the impacts to the environment with a specific timeline of green alignments.
3. Partnership: The bank is open to and collaborates with any green finance projects for green lending.
4. The bank provides lending to green-related sectors such as Loans to Agriculture, Education, Clean Water, Solar, and EV & PHEV Car loans.
5. The bank's lending strategy is also being enhanced to align with the Cambodia Green Finance Taxonomy which could avoid high-carbon projects and support sustainable investments.

Phillip Bank's ESG journey for sustainability practices and green alignments is set by specific years.

In recent years, the Bank has implemented several transformative initiatives:

- Launched the Phillip Mobile App with a streamlined, user-centric design to enhance customer experience.
- Completed a comprehensive revamp of the Phillip Business Internet Banking platform, shaped by two years of customer feedback to meet the diverse needs of SMEs and large enterprises.
- Introduced Cambodia's first fully digital mobile Bancassurance solution, seamlessly integrating with Phillip General Insurance and Phillip Life Assurance to deliver end-to-end online insurance services—from payment to policy issuance—without human intervention.
- Co-led the rollout of a bank-neutral ATM network powered by KHQR, significantly expanding nationwide access for customers.
- The launch of Phillip Bank's QR payment service in Singapore represents a significant advancement in cross-border financial integration, enabling Cambodian customers to transact seamlessly abroad. This initiative not only enhances convenience by eliminating the need for physical currency exchange but also strengthens interoperability under the Cambodia–Singapore bilateral QR payment linkage.

Phillip Bank Wins Best Digital Transformation Initiative in Banking Award./Image supplied.

Phillip Bank's transformative digital initiatives represent material contributions to its ESG agenda. By digitizing core services such as mobile banking, internet platforms, Bancassurance, and QR payments, the Bank reduces reliance on paper, physical branches, and cash handling, thereby lowering its environmental footprint. Socially, these innovations expand financial inclusion, empower SMEs and individuals through accessible, user-centric platforms, and enhance convenience with cross-border payment solutions. From a governance perspective, the Bank demonstrates leadership in innovation, responsiveness to stakeholder feedback, and alignment with international interoperability standards, strengthening transparency and accountability. These efforts embed ESG principles into operations, reinforcing resilience and long-term sustainable value creation.

4. Cyber Security and Information Security

The Bank, in accordance with its Information Security Policy, has established comprehensive and robust mechanisms to safeguard data. It remains committed to upholding the core principles of confidentiality, integrity, and availability to ensure strong information security and cyber resilience.

5. Community Development and Public Advocacy

The Bank is committed to engaging in public advocacy processes in a responsible and ethical way by participating in discussions with governments, policymakers, regulators, industry bodies and other stakeholders on matters related to ESG.

- The Bank also effectively leverages its public advocacy platforms to promote integration and implementation of ESG norms/ guidelines in the banking space. In addition, the Bank has a mechanism in place to receive and redress grievances of various stakeholder groups, including customer complaints, through various modes as per the requirements. The Bank has a process in place to monitor the implementation of the Corporate Social Responsibility (CSR) projects and the concerns of the beneficiary community.
- Phillip Bank is a major and strategic donor of a local NGO called "**Koampia Phum Yoeung (KPY)**", with main missions focusing on training in agriculture, financial literacy, child rights and child protection. The Bank supports KPY yearly so that they can operate their activities in some selected rural communities of the country.

96

Villages served in 4 provinces

25

17 Primary and 8 secondary schools served

29,317

944 of Local trainers and teachers trained via ToT. 10,858 of adults applying FL principles. 16,254 of Children saving & planning for their futures. 1,261 of Youth saving and leading other youth groups.

21,155

3,800 of Teachers and community members understand and apply CR&CP principles. 16,666 of children understand their rights & how to protect themselves. 689 of community leaders understand and share the dangers of human trafficking, and promote safe migration and safe smartphone use.

7,756

Children trained in hygiene and sanitation practices

2,533

Model farmers using new agricultural methods.

6. Employee Wellbeing & Development

- **Diversity and Equal Employment Opportunity:** The Bank provides equal employment opportunity for all employees with a work environment free of discrimination and harassment. The decisions at the Bank are based on business needs, without regard to race, colour, religion, social or ethnic origin, sex, age, marital status, family medical history or genetic information, family or parental status, or any other status protected by the laws or regulations.
- **Freedom of Expression**: The Bank has laid down a policy on the code of conduct, which is in line with the fundamental rights and freedom of expression.

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ជាតិ សាសនា ព្រះមហាក្សត្រ
KINGDOM OF CAMBODIA
NATION RELIGION KING

ប័ណ្ណបានបង្ហាញ

បញ្ជាក់ការចុះបញ្ជីអនុវត្តអនុក្រឹត្យលេខ ១០៨

CERTIFICATE OF REGISTERATION
IMPLEMENTATION OF SUB-DECREE N 108

ឈ្មោះ	: ធនាគារ ហ្វីលីព ពីលីពស៍ ប៊ែលធីឌ
Name	: PHILLIP BANK PLC LTD.
លេខចុះបញ្ជីក្រុមហ៊ុន	:
Registration Number	: F25000306
ត្រូវបានទទួលស្គាល់ថា	: បានបំពេញការតម្រូវឱ្យជ្រើសរើសជនពិការចូលបម្រើការងារ
Is Acknowledge	: Completed the Quota System of Employment of Persons with Disabilities
កម្រិត	: ទូទៅ
Level	: General
ផុតកំណត់	: ថ្ងៃទី៣១ ខែកក្កដា ឆ្នាំ២០២៦
Date of expiry	: JULY 31, 2026

ថ្ងៃទី ខែ ឆ្នាំ ២០២៥

CERTIFIED REGISTERED

UNDER THE LAW ON THE PROTECTION AND PROMOTION OF THE RIGHTS OF PERSONS WITH DISABILITIES AND ITS REGULATIONS OF THE KINGDOM OF CAMBODIA

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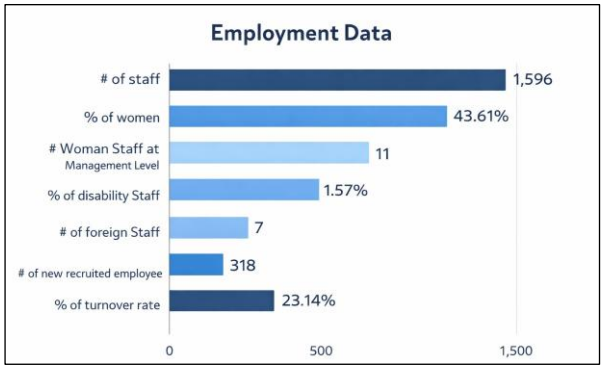
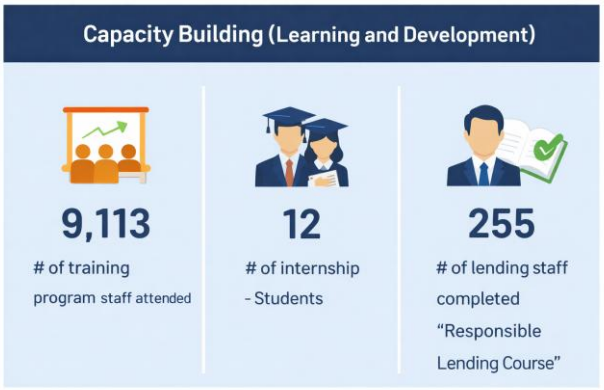
- **Inclusion of People with Disabilities:** Following the Prakas from the Ministry of Labour and Vocational Training and the internal policy, Phillip Bank provides equal employment opportunities for persons with disabilities and ensures that they are not subjected to any form of discrimination.



- **Prohibition of Child and Forced Labour:** The Bank maintains a strict internal policy that prohibits the employment of individuals under the legal working age and does not permit any form of forced, bonded, or involuntary labour. All employment practices within the Bank fully comply with applicable labour laws and uphold the fundamental rights and freedoms of employees, ensuring that work is conducted voluntarily and under fair conditions.

- **Minimum Wage and Welfare Benefit:** The Bank strictly adheres to the regulations and release from the Ministry of Labour and Vocational Training on minimum wages to employees and contract workers.
- **Prevention of Sexual Harassment:** Women Employees are offered protection against sexual harassment in the workplace, in accordance with the provisions of the sexual harassment of women in the workplace. For cases relating to sexual harassment, the Bank has established an internal mechanism that investigates cases of sexual misconduct, investigates them through a fair and transparent process and takes action against erring employees.



- **Employee Code of Conduct**: The Bank has mechanisms to deal with issues related to inhumane treatment, including mental or physical coercion or verbal abuse, sexual harassment, sexual abuse, slavery, of employees. This is guided by the Code of Conduct and the internal document available to all employees. If employees misbehave against the Code of Conduct, they will be punished by the Bank's discipline committee. We practice zero tolerance of fraud. Employees will be immediately terminated if they are caught committing fraud. There is a **whistleblowing** policy in place where employees can report misbehaviour and fraud issues happened at offices to the top management and committee at HQ
- **Training and development:** The Bank is dedicated to giving all employees opportunities for training and development in a supportive environment. Before putting employees into service to clients or performing any functions, the Bank assures proper training is provided to the employees. This includes ongoing training or refresher training, in-house and outside training, to assure high quality of services are provided to clients.

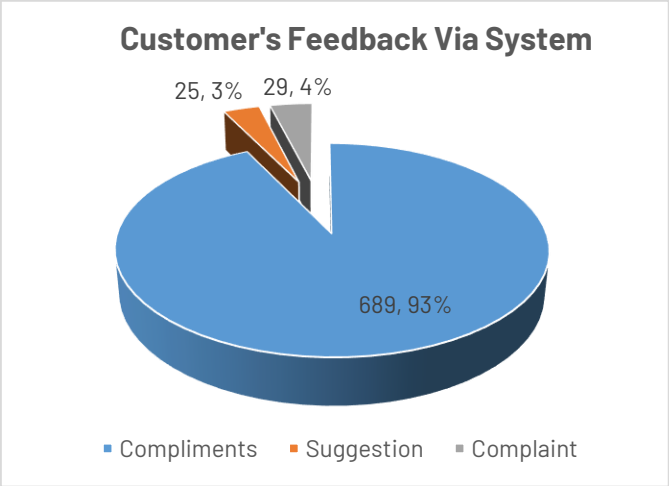
7. Grievance Redress Mechanism & Escalation Process

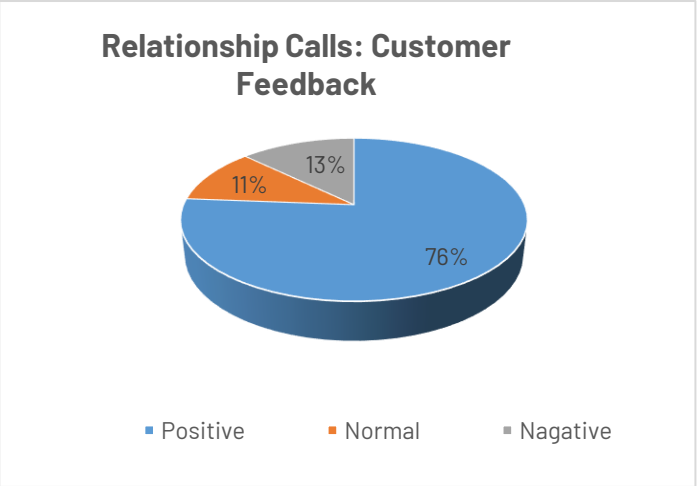
The Bank has a transparent Grievance Redress Mechanism in place to ensure that complaints are resolved quickly, fairly, effectively, reliably and indiscriminately. All stakeholders, including customers, can raise their complaints via a variety of channels, including the Call Centre, feedback QR form, direct verbal feedback via Phillip Bank branch staff, mail, website, and social media such as Phillip Bank's Facebook page and Instagram. The customer/stakeholder has the full right to register a complaint if they are not satisfied with the services provided by the Bank. If the complaint is not resolved within the prescribed time or if the complainant is not

satisfied with the solution provided by the Bank, they can approach the Banking Ombudsman with their complaint or other legal avenues available for grievance redress.

Physical and digital channels such as Facebook, LinkedIn, Telegram, Email, Websites, Phone Contacts, and Contact Centre are in place for customers and the public to access and raise their concerns. The complaint resolution is set with a clear timeline/turnaround time for each case of the issues raised. The issue resolutions are stated clearly in the internal Procedure of Dispute Resolution. For internal cases, the Contact Centre Team is required to resolve within 5 working days, while external cases could take up to 10 days. In case there is any delay in providing appropriate resolutions, the Contact Centre Team contacts the customer and provides appropriate reasons with clear responsible commitments for solving the issues.

As of Q4 2025, clients' satisfaction has been surveyed via direct calling done by relationship staff, and via customers' feedback submitted via the system. The results from these survey tools show more positive results (93% compliments and 76% positive feedback) for Phillip Bank, with only a few complaints (4%).





Phillip Bank is committed to being a force of change for both internal and external social causes. The Bank believes that it is built into the bank's DNA to "Do Good" and to give back to the communities where the Bank operates.

8. Community

Phillip Bank places great emphasis on community involvement, aligning our corporate vision of "benefiting communities". Additionally, we organise charity events and fundraisers to raise funds for KPY. Phillip Bank is also committed to providing support for education by offering scholarships and donating materials to students in both rural schools and universities. The Bank supports the Royal Government of Cambodia and complies with the NBC Prakas via contributions to vulnerable citizens during Cambodia-Thai border clashes:

- Financial contribution supports (USD 11,512 and KHR 8,882,000)
- Facilitate the displaced citizens in loan restructuring, waive fee charges and penalties, waive all (if any) accrued interests and penalties adding up to the principal, and provide a grace period of all repayments from 31st July to 31 October, 2025
- Dissolve existing loan amounts up to ≤ 80,000,000 Riels for both the borrowers and the co-borrowers of the life-lost militaries (fallen Troops) in the border clashes.
- Continue complying with the previous Prakas, policies and conditions on loan restructuring for other customers.
- Facilitate and provide special conditions and support based on own capability for the frontline militaries and labourers moving from Thailand with their existing loans.

Social Support Contributions for 2025

In 2025, the HR Department, on behalf of Phillip Bank, continued its commitment to social support contributions, reflecting the Bank's dedication to community welfare and humanitarian assistance.

- Through targeted initiatives, the bank extended support across diverse areas including the Hope & Healing Fund, aid for displaced people, and military support. The Bank's efforts also reached international relief programs such as assistance for the Myanmar earthquake, alongside local health-focused initiatives like blood donation and health talks.
- In addition, contributions were directed to other charities, ensuring a broad impact across vulnerable communities. These collective actions underscore Phillip Bank's role as a socially responsible institution, reinforcing our values of compassion, resilience, and sustainable community development while positively touching the lives of many individuals.

Social Supports for the Year_2025			
Fund Supports on		**Total (USD)**	**Total (KHR)**
1	Hope & Healing Fund	USD 3,569	KHR 4,008,100
2	Military Support	USD 5,929	KHR 4,441,000
3	Myanmar Earthquake	USD 2,223	N/A

Community Engagement and Environmental Awareness

Phillip Bank proudly sponsored the **28th Angkor Wat International Half Marathon**, reinforcing our commitment to health, social inclusion, and environmental responsibility.

- **Promoting Active Lifestyles**: The event encouraged thousands of participants to embrace healthier living, while supporting hospitals, persons with disabilities, and disadvantaged children.
- **Global Visibility**: With runners from over 50 countries, the marathon enhanced Cambodia's international profile and stimulated local economic activity through tourism and hospitality.
- **Eco-Tourism Awareness**: Sustainable practices such as reusable race kits and hydration stations reduced single-use plastics, while conservation messaging highlighted the importance of protecting Cambodia's cultural and natural heritage.

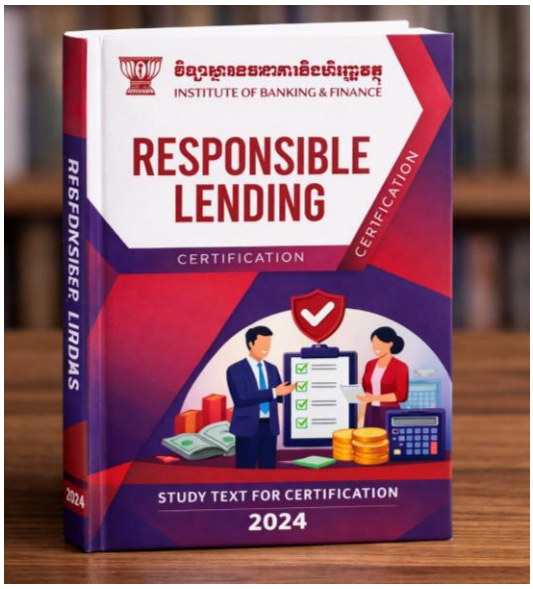
Through this initiative, Phillip Bank demonstrated responsible corporate citizenship, balancing community development with environmental stewardship in alignment with our broader ESG commitments.

9. ESG Culture

Phillip Bank embeds ESG principles into governance, policies, and operations, ensuring sustainability is integral to responsible lending, customer protection, risk management, and community development.

- **Institutional Framework**: A comprehensive ESG Policy and procedures define roles and responsibilities across all levels, covering environmental and social risk screening, client due diligence, exclusion list application, corrective action monitoring, and transparent reporting.
- **Capacity Building**: Staff receive ongoing training on ESG concepts, responsible lending, client protection, grievance handling, and reporting, strengthening organisational expertise.
- **Internal Practices**: Awareness initiatives encourage efficient resource use, waste segregation, and digital adoption to reduce paper and promote sustainable office practices, embedding ESG values into daily operations.
- **External Engagement**: The Bank collaborates with industry associations and networks to advance responsible finance and ESG practices across Cambodia.

  Through these measures, Phillip Bank fosters a resilient ESG culture that supports sustainable growth, stakeholder trust, and long-term value creation.



10. International Standard Performance Alignments: United Nations Global Compact (UNGC)

Phillip Bank commits to the United Nations Global Compact (UNGC) standards, affirming its dedication to responsible business practices and sustainable development. By integrating the world's largest corporate sustainability initiative, the Bank commits to embedding the UNGC's ten universal principles into its strategies and operations, while actively supporting the United Nations Sustainable Development Goals (SDGs).

United Nations Global Compact (UNGC): Launched in 2000, the UNGC is a voluntary and non-binding pact designed to encourage businesses worldwide to align their operations with universally accepted principles in the areas of human rights, labour, environment, and anti-corruption. Today, it has more than 20,000 participants across over 160 countries, representing a global movement toward ethical and sustainable corporate governance.

Phillip Bank's Commitment to these standards via:

- **Integrate sustainability** into its core business strategy.
- **Promote ethical practices** across all operations and partnerships.
- **Support community development** in alignment with the UN SDGs.
- **Ensure transparency and accountability** in governance.

Sustainable Development Goals (SDGs) Alignments

The Sustainable Development Goals (SDGs) are 17 global objectives adopted by all UN Member States in 2015 as part of the 2030 Agenda for Sustainable Development, designed to end poverty, protect the planet, and ensure peace and prosperity for all by 2030. The SDGs alignment is to balance social, economic, and environmental priorities and apply universally to both developed and developing countries.

Phillip Bank's Alignment with the SDGs through:

- **Poverty reduction:** Expanding access to inclusive financial services.
- **Environmental stewardship:** Supporting eco-friendly technologies and green-related financing.
- **Social equity:** Promoting diversity, inclusion, and equal opportunity.
- **Economic growth:** Financing sustainable enterprises and innovation.

Principle Alignments

Sustainable Development Goals (SDGs)	Focus
Goal 1: No Poverty	End poverty in all its forms everywhere
Goal 2: Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3: Good Health & Well-Being	Ensure healthy lives and promote well-being for all at all ages
Goal 4: Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5: Gender Equality	Achieve gender equality and empower all women and girls
Goal 6: Clean Water & Sanitation	Ensure availability and sustainable management of water and sanitation for all
Goal 7: Affordable& Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Decent Work & Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9: Industry, Innovation, & Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10: Reduced Inequality	Reduce inequality within and among countries
Goal 11: Sustainable Cities & Communities	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12: Responsible Consumption & Production	Ensure sustainable consumption and production patterns
Goal 13: Climate Action	Take urgent action to combat climate change and its impacts
Goal 14: Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15: Life On Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16: Peace, Justice, & Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17: Partnerships For The Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development

11. Cambodia Performance Standard Alignment: Cambodian Sustainable Finance Principles (CSFP)

The **Cambodian Sustainable Finance Principles** (CSFP) are voluntary guidelines adopted by the Association of Banks in Cambodia (ABC). They ensure that financial institutions integrate environmental, social, and cultural considerations into lending and investment decisions, while promoting inclusive and sustainable economic growth. The CSFP consists of nine core principles designed to align Cambodia's banking sector with international best practices and demonstrate a strong commitment to responsible finance.

Phillip Bank's Commitment to CSFP alignment via:

- **Responsible lending:** Incorporating environmental and social risk assessments.
- **Cultural sensitivity:** Respecting Cambodia's heritage and community values.
- **Inclusive growth:** Supporting projects that benefit society at large
- **International alignment:** Ensuring finance standards meet international standards from IFC.

Principles and Actions Alignment

CSFP Principle	Focus
Principle 1	***Environment Protection***: assess and manage risks linked to climate change, pollution, waste management, and the protection of Cambodia's natural resources.
Principle 2	***People Protection:*** Identify and mitigate risks that negatively affect to communities, workers, and vulnerable groups.
Principle 3	***Culture Protection:*** Safeguard Cambodia's cultural heritage, including language, traditions, and monuments.
Principle 4	***Financial Literacy:*** Increase awareness and financial education among Cambodians, while improving customer protection.
Principle 5	***Financial Inclusion:*** Expand banking access to underserved populations and innovate solutions for better service.
Principle 6	***Financial Innovation*:** Finance innovations that improve efficiency in traditional sectors and support new green economy activities.
Principle 7	***Environmental & Social Standards:*** Build capacity across banks to deliver on commitments and raise awareness among customers and communities.
Principle 8	***Environmental & Social Footprints:*** Manage banks' own environmental and social impacts, and require similar standards from suppliers.
Principle 9	**Transparency & Accountability:** Annually report progress against commitments to ensure accountability and share outcomes with stakeholders.

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12. Adoption Timelines from Regulators on ESG Sustainability Reporting and Requirements

Environmental, Social, and Governance (ESG) sustainability reporting has rapidly evolved from a voluntary disclosure practice into a regulatory requirement across multiple jurisdictions.

These timelines not only define compliance expectations but also shape the pace at which companies integrate sustainability into their strategic and operational models.

FISCAL YEAR	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Group 1: Listed companies on the main board	Phase 1: ESG Disclosure Requirement issued by SERC				Phase 2: 1ST year of adoption of ISSB Standards with transition reliefs		Phase 3: Full Implementation of IFRS S1 and IFRS S2		Phase 4: Full Implementation of IFRS S1 and IFRS S2 with External Assurance	
Group 2: Commercial Bank, Specialized Bank and Microfinance Deposit-taking Institutions (MDIs)		Phase 1: Cambodian Sustainable Finance Principles Implementation Guidelines (CSFPI)			Phase 2: 1ST year of adoption of ISSB Standards with transition reliefs		Phase 3: Full Implementation of IFRS S1 and IFRS S2		Phase 4: Full Implementation of IFRS S1 and IFRS S2 with External Assurance	
Group 3: Entities required by law to produce audited CIFRS-compliant annual financial statements					Phase 2: 1ST year of adoption of ISSB Standards with transition reliefs		Phase 3: Full Implementation of IFRS S1 and IFRS S2		Phase 4: Full Implementation of IFRS S1 and IFRS S2 with External Assurance	
Group 4: Entities required by law to produce audited CIFRS for SMEs-compliant annual financial statements						Phase 2: 1ST year of adoption of ISSB Standards with transition reliefs		Phase 3: Full Implementation of IFRS S1 and IFRS S2		Phase 4: Full Implementation of IFRS S1 and IFRS S2 with External Assurance

Cambodian Sustainability Reporting Committee: *Roadmap for Adoption of IFRS Sustainability Disclosure Standard in Cambodia (December, 2025)*

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ESG JOURNEY

2023 Goals

- Continue to support charitable initiatives by organising events that emphasise the importance of the disabled community and education.
- Participate in short-term projects aimed at providing aid to various segments of the community, such as water and education, facilitated through our NGO, KPY.
- Agreement on the composition of new directors for the new term (2023-25)

2024 Goals

- Continue working on expanding current CSR into ESG.
- Encourage green transportation options such as biking and walking
- Form an ESG team
- Continue sharing environmentally conscious guides for staff. (electricity, paper, water usage)
- Begin including staff in ESG initiative involvement, and encourage ESG considerations in their department

2025 Goals

- Commencement of the beginning stages of ESG
- Commitment to comply with global ESG standards.
- Working toward ESG and CP project certifications
- Approved policy with clear framework/ plan and implementation regarding the future of ESG in Phillip Bank
- Exploring potential future ESG product offerings
- Commitment to practice transparent reporting regarding ESG efforts

2026 Goals

- Commitment to comply with internal and local regulatory directions
- Commitment to comply with global ESG standards.
- Continue to keep the best attainment on ESG and CP standards upholding
- Approved policy with a clear framework/ plan and implementation regarding the future of ESG in Phillip Bank
- Integrate E&S Assessment in lending processes
- Exploring potential future ESG product offerings
- Commitment to practice transparent reporting regarding ESG efforts

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