



Leadership Commitment

“As a responsible corporate citizen, we are committed to improving our sustainability practices beyond the minimum regulatory requirements. Our sustainability agenda aims to make us more competitive, more resilient to disruptions, more flexible to change, more unified in our core values, and more accountable in the way that we treat people and the planet.”

DATO’ SULAIMAN MOHD TAHIR

Group Chief Executive Officer

GROWING TRUST, CONNECTING PEOPLE

The Group recognises that our financial outcomes are linked to our ability to manage environmental, social and governance (ESG) risks and opportunities. Our long-term success and continued relevance are dependent on the prosperity and trust of the communities we serve, and the well-being of the environment we operate in. An inclusive society that is built on human dignity and the responsible use of natural capital is essential for all of us to thrive.

As a company driven by and for people, the well-being of customers, employees, communities and other stakeholders, as well as the environment, is crucial to sustaining our long-term performance. Through our material sustainability matters identified, we are more focused to mitigate ESG risks while maximising our positive impact. According to the latest MSCI ESG Ratings Assessment, which aims to measure a company's resilience to long-term ESG risks, AmBank's ESG rating has improved from BBB to A. AmBank Group's commitment to sustainability is further demonstrated through active participation in the financial industry's sustainability-linked committees, as elaborated on pages 150 to 151.

In FY2020, we further developed the AmBank Group's Sustainability Framework (Sustainability Framework or Framework) based on ESG and value-based intermediation (VBI) principles to guide our aspiration to become a more sustainable organisation. The Framework is aligned to the Group's business strategies, and will support nine out of seventeen United Nations' Sustainable Development Goals (UN SDGs) and the higher objectives of Shariah (Maqasid Shariah).

To grow the trust of our stakeholders and play our part as a responsible corporate citizen, we are committed to improving our sustainability practices beyond the minimum regulatory requirements. Our sustainability agenda aims to make us more competitive, more resilient to disruptions, more flexible to change, more unified in our core values, and more accountable in the way that we treat people and the planet. The Framework entails strengthening the Group's sustainability governance structure where we will establish four key new advocacy groups internally, namely:

- Group Sustainability Council,
- Group Sustainability Department,
- Sustainability Matters Sponsors, and
- Sustainability Champions.

The clear delineation of roles and responsibilities allows for improved decision-making, implementation and accountability to cohesively drive our sustainability ambitions.

Our approach also underpins the Group's business decisions. Increasingly, investors, regulators and customers are looking for the integration of environmental and social criteria into banks' lending and investment strategies. As such, we incorporate ESG and VBI considerations into our business decisions. VBI aligns with Shariah principles of acting responsibly towards the environment, economy and society at large, which is an integral part of AmBank Group's financial inclusion and responsible lending agenda.

In FY2020, we continue to support the SMEs segment and also other underserved communities through financial literacy and inclusion schemes. Additionally, we established AmBank Group's Green Financing Plan, which aims to build our capability in providing financing to businesses which support the well-being of the planet.

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SERVING THE PEOPLE AND THE PLANET

Our sustainability agenda is focused on connecting with our people. The long-term success and relevance of AmBank depend upon the dedication of our workforce. Securing, retaining and developing the right talent is essential to compete in the changing market. We continue to reshape the workforce to future-proof employees in line with the trends and challenges that lie ahead. In FY2020, we invested RM24.7 million into talent development programmes to upskill and develop our talent pool to meet the evolving skills set requirements.

In addition to employees, we continue to contribute to the development of underprivileged communities. This is reflected in our corporate social responsibility (CSR) actions and through the AmGroup Foundation disbursements. We actively engage with communities to promote social mobility and empower people through education, health and social-related activities. We contributed RM1.8 million in community initiatives to help uplift underserved communities and contribute to their socio-economic development.

Our philosophy of putting people first is reinforced amid the trying times of the COVID-19 pandemic. We have contributed a total of RM576,320 into COVID-19 relief efforts, such as channelling funds to MERCY Malaysia as well as distributing food to frontline healthcare workers. We are also implementing measures which support our customers through their financial challenges brought by the pandemic. Individuals and small and medium enterprises (SMEs) are allowed to defer their loans and financing repayments for six months to ease their cash flow burden.

In safeguarding employees, we are enforcing a Work-from-Home policy to minimise their exposure to the virus, with 60% of our workforce technologically equipped to work at home. For mission-critical staff who has to work in the office, the business continuity plan was invoked requiring the teams to work from split locations and imposing movement restrictions between locations. To date, the Group has incurred RM2.7 million in ensuring staff safety and health, such as facilities on temperature scanning equipment, regular disinfection of work areas, provision of hand sanitizers and face masks, duplication of equipment and systems to facilitate working at split locations as well as applications to facilitate working from home.

The future well-being of society is also dependent on the health of the environment. This is why we are making changes to our operations in an effort to reduce our carbon footprint and environmental impact. In FY2020, we have changed the lighting systems in our buildings at Wisma AmFirst, Damansara Fairway 3 and 17 branches to a more energy-efficient LED lighting system and we have also optimised our office space through a restacking exercise at Menara AmBank, which resulted in 11% reduction in carbon emission from our electricity consumption. Additionally, we entered into an agreement for the installation of a solar panel on the rooftop of AmBank's Damansara Fairway 3 building to promote sustainable use of energy resources. For waste management, we have also launched the AmBank Group's No Single-Use Plastic Programme in January 2020 to reduce our own single-use plastic consumption.

We see sustainability as an on-going journey which the Group is committed to continuously undertake. While we look ahead on how to improve our abilities to advocate positively on ESG matters, we are also prioritising the well-being of our employees and financial protection for our customers.

DATO' SULAIMAN MOHD TAHIR

Group Chief Executive Officer